By Mr. SPENCE:

H. R. 8276. A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BROOKS:

H. R. 8277. A bill to provide for the designation and appointment of general officers of the United States Air Force in grades above that of major general, and for other purposes; to the Committee on Armed Services.

By Mr. HAGEN:

H. R. 8278. A bill to provide an appropriation for the reconstruction and repair of roads and other public facilities in the State of Minnesota which were destroyed or damaged by recent floods; to the Committee on Appropriations.

By Mr. LEMKE:

H. R. 8279. A bill to provide an appropriation for the reconstruction and repair of roads and other public facilities in the State of North Dakota which were destroyed or damaged by recent floods; to the Committee on Appropriations.

By Mr. GROSS:

H. R. 8280. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. MEYER:

H. Con. Res. 197. Concurrent resolution to designate Tax Freedom Day; to the Committee on the Judiciary.

By Mr. THOMPSON:

H. Res. 558. Resolution requesting the Secretary of State to investigate the seizure of five fishing vessels of the United States by the Republic of Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. BENTSEN:

H. Res. 559. Resolution requesting the Secretary of State to investigate the seizure of five fishing vessels of the United States by the Republic of Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. LYLE:

H. Res. 560. Resolution requesting the Secretary of State to investigate the seizure of five fishing vessels of the United States by the Republic of Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. COMBS:

H. Res. 561. Resolution requesting the Secretary of State to investigate the seizure of five fishing vessels of the United States by the Republic of Mexico; to the Committee on Merchant Marine and Fisheries.

By Mr. McGUIRE:

H. Res. 562. Resolution creating a select committee to conduct an investigation and study to determine an appropriate design for the flag of the United States should the Territory of Alaska or the Territory of Hawaii, or both, be admitted to the Union; to the Committee on Rules.

H. Res. 563. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 562; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, relative to holding a plebiscite in Ireland under the auspices of the United Nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ALLEN of California (by request):

H. R. 8281. A bill for the relief of Mrs. Eng Yoke Mee Wong, Chee-on Wong, Chee-leong Wong, Qew-yuen Wong, and Mee-yuen Wong; to the Committee on the Judiciary.

By Mr. BISHOP:

H. R. 8282. A bill to provide for the renewal of patent No. 1,596,994, issued August 14, 1926, relating to shoe button-snaps; to the Committee on the Judiciary.

By Mr. CASE of New Jersey:

H. R. 8283. A bill for the relief of R. F. Moss; to the Committee on the Judiciary.

H. R. 8284. A bill for the relief of Nicolae G. Caranfil and his family; to the Committee on the Judiciary.

By Mr. CRAWFORD:

H. R. 8285. A bill for the relief of Taeko Inoue Bouchard; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 8286. A bill for the relief of Raymond B. Jeffrey; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 8287. A bill to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell; to the Committee on Public Lands.

By Mr. RABAUT:

H. R. 8288. A bill for the relief of Wong Toy Won, Woo Shack Quon, Woo Shack Yee, Woo Shack Wai, and Woo Shack Chai; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 8289. A bill for the relief of Yee Balche Yee; to the Committee on the Judiciary.

By Mr. WOOD:

H. R. 8290. A bill for the relief of Jeffrey Bracken Spruill and Susan Spruill; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2095. Mr. MILLER of Maryland presented a resolution of the Federalsburg Chamber of Commerce, Federalsburg, Md., in opposition to legislation providing for compulsory health insurance, which was referred to the Committee on Interstate and Foreign Commerce.

# SENATE

## FRIDAY, APRIL 28, 1950

*(Legislative day of Wednesday, March 29, 1950)*

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:

For the beauty of the earth, robed in the blooming garb of spring; for the tint of the tiniest flower, we raise our morning hymn of praise.

In our deep concern for the Nation and for mankind everywhere and in our grim resolve at any cost to balk the forces of darkness which threaten our heritage of freedom, we ask that our strength may be as the strength of 10 because our hearts are pure. Give us the insight, the faith, the courage, in these days of destiny, to escape the futile repetition of old error and the restoration of ancient evils. Let not ignorant nor mean partisanship, nor selfish greed block the way to a new order with hope of lasting peace, enlarging brotherhood and universal justice, a world with all things made new in which the young lives offered on the altar of freedom and of righteousness shall not have died in vain. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. CONNALLY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 27, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. CAPEHART was excused from attendance on the sessions of the Senate on Monday and Tuesday of next week.

On his own request, and by unanimous consent, Mr. FLANDERS, because of official business, was excused from attendance on the session of the Senate on Monday, May 1, 1950.

On his own request, and by unanimous consent, Mr. SPARKMAN was excused from attendance on the sessions of the Senate during next week.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

| | | |
|---|---|---|
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Holland | Mundt |
| Bridges | Humphrey | Neely |
| Butler | Hunt | O'Conor |
| Cain | Ives | Robertson |
| Capehart | Jenner | Russell |
| Chavez | Johnson, Colo. | Saltonstall |
| Connally | Johnson, Tex. | Schoeppel |
| Cordon | Johnston, S. C. | Smith, Maine |
| Darby | Kefauver | Sparkman |
| Donnell | Kerr | Stennis |
| Douglas | Kilgore | Taft |
| Eastland | Knowland | Taylor |
| Ecton | Leahy | Thomas, Okla. |
| Ellender | Lehman | Thomas, Utah |
| Ferguson | Lodge | Thye |
| Flanders | Long | Tobey |
| Frear | McClellan | Tydings |
| George | McFarland | Wherry |
| Green | McKellar | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Young |

Mr. McFARLAND. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Kentucky [Mr. CHAPMAN] are absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from Iowa [Mr. GILLETTE] are absent because of illness.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Illinois [Mr. LUCAS], the Senator from Connecticut [Mr. McMAHON], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

The Senators from North Carolina [Mr. GRAHAM and Mr. HOEY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.



AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The Senator from Nevada [Mr. McCARRAN] and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of illness in the family.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Missouri [Mr. KEM], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. McCARTHY], the Senator from Oregon [Mr. MORSE], and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is necessarily absent.

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

The VICE PRESIDENT. A quorum is present. Does the Senator from Texas seek recognition?

Mr. CONNALLY. No. I was going to suggest that the Senator from Utah has a conference report to present, which he assures me will take only a very short time. I am agreeable to his bringing it up at this point.

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

Mr. CONNALLY. I yield.

TRANSACTION OF ROUTINE BUSINESS

Mr. WHERRY. I wonder whether the Senator from Texas would ask for unanimous consent to permit Senators to present routine business for the RECORD.

The VICE PRESIDENT. The Chair will take the liberty of suggesting that, without objection and without speeches or debate, the Chair will recognize Senators who wish to present matters for the RECORD or introduce bills or resolutions. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF TARIFF ACT OF 1930 RELATING TO EXEMPTION FROM DUTY OF CERTAIN SOUND RECORDINGS

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Tariff Act of 1930 to provide for exemption from duty of certain sound recordings imported by the Department of State, and for other purposes (with an accompanying paper); to the Committee on Finance.

FINANCING OF OPERATIONS OF BUREAU OF ENGRAVING AND PRINTING

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes (with accompanying papers); to the Committee on Finance.

DEVELOPMENT OF CLASS IV AND LARGER AIRPORTS, 1951

A letter from the Secretary of Commerce, transmitting, pursuant to law, the request of the Administrator of Civil Aeronautics for authority to undertake certain projects for the development of class IV and larger airports which should be undertaken during the fiscal year 1951 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

R. W. HARRIS

A letter from the Administrator of General Services Administration, transmitting a draft of proposed legislation for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department (with an accompanying paper); to the Committee on the Judiciary.

AUDIT REPORT OF CORPORATIONS OF FARM CREDIT ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of corporations of the Farm Credit Administration, for the fiscal year ended June 30, 1948 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

FINANCIAL ASSISTANCE TO INDIA

A letter from the President of the International Bank for Reconstruction and Development, Washington, D. C., reporting, for the information of the Senate, that the bank had given financial assistance to India for the third time, in making a loan of $18,500,000 to that country on April 18, for the Bokaro-Konar project (with an accompanying paper); to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution of the House of Representatives of the State of South Carolina; to the Committee on Appropriations:

"House resolution to memorialize the Congress of the United States to restore the recent appropriation taken away from the United States Post Office so that postal service will not be curtailed and the general welfare and commercial progress of the Nation impaired

"Whereas the House of Representatives of the United States recently voted a reduction in the appropriation for the United States Postal Service; and

"Whereas the reduction will necessitate a drastic curtailment in the postal service heretofore rendered to the American people, and the dismissal of many postal-service employees who have rendered long and faithful service; and

"Whereas it is clearly evident that the reduction in the appropriation will impair the efficiency of the postal service because of a shortage of qualified personnel; and

"Whereas it is deemed a matter of common knowledge that there are many departments and agencies of the Federal Government where economy measures could be effected without such injury to the American people as will be felt by the forced curtailment of postal service brought about by the reduced appropriation; and

"Whereas it is deemed appropriate and wise to memorialize Congress to reconsider its action in order to prevent injury to the American people and to American business interests because of the curtailment in postal service: Now, therefore, be it

*"Resolved by the House of Representatives of the General Assembly of the State of South Carolina,* That the Congress of the United States be and the same hereby is memorialized and respectfully requested to rescind its recent action in reducing the appropriation for the United States Postal Service in the interest of the general welfare of the American people and their business enterprises, and that the appropriation be restored so that the vital and efficient service of the United States postal service may continue to be available to the Nation."

A resolution of the House of Representatives of the State of South Carolina; to the Committee on Banking and Currency:

"House resolution to memorialize the Government of the United States to lend financial assistance to the peach growers of the State of South Carolina on account of their serious financial condition due to heavy losses from frost to the peach crop for the past 3 years

"Whereas the peach growers of the State of South Carolina have suffered severe losses to the fruit crop for the past 3 years due to the unseasonable cold weather with accompanying frost; and

"Whereas many farmers of the State have come to depend almost entirely on the peach crop for a livelihood; and

"Whereas from the losses sustained many farmers are now in serious straits and are greatly in need of financial assistance: Now, therefore, be it

*"Resolved by the house of representatives,* That the Government of the United States be memorialized to extend all possible financial assistance allowed by law to the peach growers of the State of South Carolina, in order to tide over this most important industry which is facing a financial crisis; and that the clerk of the house of representatives be directed to forward a copy of this resolution to the Senate and the House of Representatives of the Congress of the United States in Washington."

A resolution adopted by the Missouri State Society, Daughters of the American Revolution, of St. Louis, Mo., protesting against the enactment of legislation providing for a world government; to the Committee on Foreign Relations.

A resolution adopted by Honolulu (T. H.) Post, No. 1540, of the Veterans of Foreign Wars of the United States, relating to the inclusion in the proposed constitution for the new State of Hawaii a provision outlawing the Communist Party; to the Committtee on the Judiciary.

A resolution adopted by the International Executive Board, of the United Automobile Workers of America, A. F. of L., of Milwaukee, Wis., relating to charges of communism in legislative bodies; to the Committee on the Judiciary.

Resolutions adopted by the Johnstown Catholic Sorority, of Johnstown, and the Insurance Agents and Brokers Association, of Philadelphia, both in the State of Pennsylvania, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

VETO OF NATURAL GAS BILL—RESOLUTION OF CITY COUNCIL OF ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD a resolution adopted by the City Council of St. Paul, Minn., on April 19, 1950, expressing to the President sincere thanks for his veto of the natural gas bill.

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

Whereas the President of the United States, in the interest of all the people, has vetoed the so-called Kerr-Thomas bill, relating to the regulation by the Federal Power Commission of independent producers of natural gas; and

Whereas by such action the President has rendered conspicuous service to the city of

St. Paul and other communities similarly situated:

*Resolved*, That the City Council of the city of St. Paul, on behalf of the people of the city, hereby expresses to the President of the United States sincere thanks for a veto of this legislation;

*Resolved, further*, That a certified copy of this resolution be sent to the President of the United States and copies thereof be sent to Senators EDWARD J. THYE and HUBERT H. HUMPHREY and to Representative EUGENE J. MCCARTHY.

Adopted by the council, April 19, 1950.

Approved, April 19, 1950.

FRED M. TRUAX,
*Acting Mayor.*

RESOLUTIONS OF DELEGATES OF MIDLAND COOPERATIVE WHOLESALE, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, resolutions adopted by delegates at the twenty-fourth annual stockholders' meeting of Midland Cooperative Wholesale held in Minneapolis, Minn., on March 27, 28, and 29, relating to the St. Lawrence seaway and funds by REA for generation and transmission construction wherever cooperatives have entered into sales contracts or lease agreements with nonrural consumers.

The VICE PRESIDENT. The resolutions will be received and appropriately referred, and, without objection, printed in the RECORD. The Chair hears no objection.

To the Committee on Foreign Relations:

"Resolution No. 1—St. Lawrence waterway

"Whereas there is now pending before Congress a bill providing for action on the long-awaited St. Lawrence waterway project; and

"Whereas the general welfare of hundreds of communities in the upper Midwest will be improved by the completion of the project; and

"Whereas it is of vital importance to the whole Nation that the economic prosperity and progress of this section of the country be stimulated and improved: Therefore be it

*"Resolved by the delegates here assembled at the twenty-fourth annual meeting of Midland Cooperative Wholesale, representing 240,000 families residing in Minnesota, Wisconsin, and northern Iowa*, That the Congress of the United States be urged to take favorable action on pending legislation immediately; be it further

*"Resolved*, That copies of this resolution be mailed to the Members of the Congress from the States of Minnesota, Wisconsin, and Iowa."

To the Committee on Agriculture and Forestry:

"Resolution No. 4—REA generating loans

"Whereas there is pending before Congress a bill called the Thomas-Tackett bill, which would halt the advance of funds by REA for generation and transmission construction wherever cooperatives have entered into sales contracts or lease agreements with nonrural consumers; and

"Whereas the enactment of this bill would seriously cripple the operation of existing REA generating and transmission plants and would curtail and in many cases completely stop construction now going on; and

"Whereas this bill is part of the general campaign to harm and cripple cooperatives of all kinds: Therefore be it

*"Resolved*, That we as delegates to this twenty-fourth annual meeting of the Midland Cooperative Wholesale, representing 600 local cooperatives with 240,000 members in Minnesota, Wisconsin, and Iowa, do hereby register our protest against the Thomas-Tackett bill, and urge our members to send their protests to their Representatives in the Congress; and be it further

*"Resolved*, That copies of this resolution be sent to all Members of the Senate and the House of Representatives from the States of Iowa, Minnesota, and Wisconsin."

ISSUANCE OF FARM LOAN BONDS AS OBLIGATIONS OF THE UNITED STATES—RESOLUTION OF CITY COUNCIL OF FOND DU LAC, WIS.

Mr. WILEY. Mr. President, I have in my hand a resolution adopted by the city commissioners of Fond du Lac, Wis., urging the passage of Senate bill 2166, for the reimbursement of purchasers of joint stock land bank bonds issued under the authority of the Federal Farm Loan Act, for their loss in premises. Many folks in my State are affected by the default on these bonds, and I have accordingly received many similar expressions from individuals and groups in Wisconsin. This bill is now pending before the Senate Agriculture Committee where I am hoping that early action may be taken on it.

I appreciate, of course, the tremendous work load faced by the committee, but I do hope that it will find it possible to schedule action on this issue.

I present for appropriate reference, and ask unanimous consent that the resolution as conveyed to me by G. J. Ondrasek, city clerk of Fond du Lac, be printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

*To the House of Representatives and the Senate of the United States:*

Be it resolved by the City Council of the City of Fond du Lac, Wis.:

The city of Fond du Lac by its council does herewith petition your honorable bodies and respectfully submits that—

Whereas the Federal Farm Loan Act was passed in 1919 to obtain funds for a national agricultural program, and the act provided for the sale to the public of millions of dollars in farm-mortgage bonds to refinance farm mortgages; and

Whereas such farm-loan bonds sold to the investing public for the purpose of aiding the national agricultural program were expressly declared by Congress to be instrumentalities of the Government of the United States; and

Whereas the Treasury printed the joint-stock-land-bank bonds and on the face of each bond were these words: "Farm-loan bonds issued under the provisions of this act shall be deemed and held to be instrumentalities of the Government of the United States"; and

Whereas the investing public was thus led to believe that the Government would permit no loss on such bonds; and

Whereas the Firemen's Pension Fund Board of Trustees of the City of Fond du Lac invested funds in the bonds of Fond du Lac Joint Stock Land Bank in the justified and sincere belief that they were Government obligations and eligible for trust-fund investment; and

Whereas many thousands of investors in Fond du Lac and Wisconsin and other States bought these joint-stock-land-bank bonds from the Fond du Lac and other joint-stock land banks as instrumentalities of our Government; and

Whereas the Farm Loan Board as a Government agency controlled each issue of joint-stock-land-bank bonds and the liquidation of each joint-stock land bank and should be held responsible for the unpaid balances on such bonds; and

Whereas the Farm Credit Administration has succeeded the Farm Loan Board with all its powers; and in 1949 it transferred to the general fund of our Government $189,000,000 without making any allowance for payment of the unpaid balance on joint-stock-land-bank bonds; and

Whereas purchasers of joint-stock-land-bank bonds who have an unpaid balance thereon will have reason to lose faith in the integrity of the Government of the United States if said bonds are not paid in full: Now, therefore, be it

*Resolved by the Council of the City of Fond du Lac*, That we most strongly urge upon your honorable bodies the propriety and justice of passing Senate bill No. 2166, Eighty-first Congress, or such other curative and remedial legislation as will provide for reimbursement to all purchasers of joint-stock-land-bank bonds issued under authority of the Federal Farm Loan Act for their loss in the premises; and be it further

*Resolved*, That the city clerk transmit a copy of this resolution to the Clerk of the House of Representatives, and to the Secretary of the United States Senate for the information and guidance of the Members of both Houses and to the Senate Committee on Agriculture and Forestry to which said bill has been referred for hearing.

G. J. ONDRASEK,
*City Clerk.*

APRIL 25, 1950.

The VICE PRESIDENT laid before the Senate a resolution of the City Council of Fond du Lac, Wis., identical with the foregoing, which was referred to the Committee on Agriculture and Forestry.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. 3459. A bill for the relief of Carmencita von Plettenberg; without amendment (Rept. No. 1526).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BREWSTER:

S. 3509. A bill for the relief of Hedvig Collin; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 3510. A bill to amend Public Law 74, Seventy-seventh Congress, as amended, relating to the rate of penalty on the farm marketing excess of corn and wheat; to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN:

S. 3511. A bill for the relief of the estate of Robert Preston Watters, the estate of Mrs. Jessie Nivens Watters, and the estate of J. W. Gillum; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 3512. A bill to enact certain provisions now included in the Department of Defense

Appropriation Act, and for other purposes; to the Committee on Armed Services.

By Mr. CAPEHART:

S. 3513. A bill for the relief of James Shellenberger, Jr.; and

S. 3514. A bill for the relief of Toshiko Sugimoto and minor child, Brenda Arlene Sugimoto; to the Committee on the Judiciary.

By Mrs. SMITH of Maine:

S. J. Res. 173. Joint resolution authorizing the designation of American Student Nurse Days, 1950; to the Committee on the Judiciary.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—AMENDMENT

Mr. WILLIAMS (for himself, Mr. IVES, Mr. SALTONSTALL, Mr. HENDRICKSON, Mr. BRIDGES, Mr. FLANDERS, Mr. TOBEY, and Mr. CAIN) submitted an amendment in the nature of a substitute intended to be proposed by them, jointly, to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, which was ordered to lie on the table and to be printed.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Harold K. Hill, of Wisconsin, to be a member of the Board of Directors of the Commodity Credit Corporation, vice William B. Crawley, resigned, which was referred to the Committee on Agriculture and Forestry.

PROPOSED REGULATION OF MOTION-PICTURE INDUSTRY—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him congratulating the motion-picture industry on the suspension of hearings on the licensing bill, which appears in the Appendix.]

TRIBUTE TO SENATOR DOUGLAS BY WALTER LOCKE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article paying tribute to Senator DOUGLAS, by Walter Locke, editor of the Dayton Daily News, which appears in the Appendix.]

ELECTRICITY AND THE VALLEY'S FUTURE—ADDRESS BY GORDON R. CLAPP

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an address entitled "Electricity and the Valley's Future," delivered by Gordon R. Clapp, Chairman of the Board of the Tennessee Valley Authority, at the fourth annual meeting of the Tennessee Valley Public Power Association, Nashville, Tenn., on April 20, 1950, which appears in the Appendix.]

REPORT ON PROGRAM FOR FLOOD CONTROL AND RELATED WORK BY MAJ. GEN. LEWIS A. PICK

[Mr. WHERRY asked and obtained leave to have printed in the RECORD the report on the program for flood control and related work of the Federal Government, delivered by Maj. Gen. Lewis A. Pick, Chief of the Corps of Army Engineers, at the annual meeting of the National Rivers and Harbors Congress in Washington, D. C., on March 24, 1950, which appears in the Appendix.]

THE REPUBLICAN PARTY AND THE McCARTHY INVESTIGATION—ARTICLE BY DORIS FLEESON

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "Battle for Soul of GOP in Making With Growing Influence of McCARTHY," by Doris Fleeson, which appears in the Appendix.]

VETO OF NATURAL-GAS BILL—EDITORIAL IN THE TRAINMAN NEWS

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Thanks, Mr. President," from the Trainman News of April 24, 1950, which appears in the Appendix.]

GERMANY: TIME BOMB OF EUROPE—ARTICLE BY HENRY C. WOLFE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Germany: Time Bomb of Europe," by Henry W. Wolfe, which appears in the Appendix.]

WHITEWASH INCORPORATED?—EDITORIAL FROM INDIANAPOLIS (IND.) STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Whitewash Incorporated?" published in the Indianapolis (Ind.) Star of Thursday, April 27, 1950, which appears in the Appendix.]

SPIRITUAL ASPECTS OF OUR DEMOCRATIC FAITH—EASTER MESSAGE BY CHARLES COLLINGWOOD

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an Easter message on the spiritual aspects of our democratic faith, by Charles Collingwood, of the Columbia Broadcasting System, on Sunday, April 9, 1950, which appears in the Appendix.]

CHARLES HAMILTON HOUSTON—EDITORIAL FROM THE WASHINGTON POST

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial eulogizing Charles H. Houston, published in the Washington Post of Tuesday, April 25, 1950, which appears in the Appendix.]

INVOCATION AT JACKSON-JEFFERSON DAY BANQUET

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD the invocation delivered by the Right Reverend Monsignor John R. Mulroy, at the Jackson-Jefferson Day banquet held in Denver, Colo., on April 20, 1950, which appears in the Appendix.]

PROCLAMATION OF GOVERNOR OF NEW YORK DESIGNATING APRIL 29 AS LOYALTY DAY

Mr. IVES. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD following these brief remarks the text of the proclamation issued by the Governor of the State of New York proclaiming tomorrow, April 29, as Loyalty Day in the State of New York.

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

For several decades the 1st day of May in each year has been preempted by subversive groups dedicated to the destruction of freedom. They have used this day for demonstrations and for the promulgation of propaganda contemptuous of American ideals, American aspirations, American institutions. So far as these groups are concerned, May Day has been virtually Disloyalty Day.

The New York Legislature has become justly and reasonably resentful of these persistent and insolent exhibitions of treason. A joint resolution of the assembly and senate endorses and supports the action of the Veterans of Foreign Wars of the State of New York in setting aside April 29, 1950, as a day upon which the people of the State may show publicly that an overwhelming majority of them reject and despise the ideas and aims of the subversive groups. The resolution asks me, as Governor, to issue a proclamation to this end. I am happy to comply, especially in view of the present state of international affairs which renders a public rededication to our country's ideals most appropriate and desirable.

Now, therefore, I, Thomas E. Dewey, Governor of the State of New York, do hereby proclaim April 29, 1950, as Loyalty Day in New York, and I urge the people of the State to join in appropriate ceremonies and exercises at public assemblies to commemorate the occasion.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 20th day of April in the year of our Lord, 1950.

THOMAS E. DEWEY.

By the Governor:

[SEAL] JAMES C. HAGERTY,
*Secretary to the Governor.*

HISTORY AS A GUIDEPOST—ADDRESS BY HON. HERBERT HOOVER

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a delivered address by former President Herbert Hoover last night before the American Newspaper Publishers Association.

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

It is a great honor to address the editors and publishers of the United States. You are the most powerful of all influences in our country.

My subject on this occasion arises from my suspicion that the world in its tumults has abandoned most acceptance of history as a guide post.

There are plenty of voices about but the voice of experience seems to have become stilled.

I have had to do with the boiling economic, social, and poltical forces during two world wars and their aftermaths. I propose for a few moments to add some of the voices of world experience into the present clamor. I shall explore four samples, one each from the economic, social, political, and international field.

In the economic field there are many shrill voices proclaiming that our American economic system is outmoded. They say it was born of undesirable parents, such as American individualism and a French lady named Laissez-Faire. They accuse the ghost of Adam Smith as having had something to do with the matter. They conclude our system is of the jungle or dog-eat-dog variety.

It might be observed that the alternative offered us is a drink mixed by three different ghosts. That is, the shade of Karl Marx with his socialism. The shade of Mussolini with his dictated and planned economy. The spook of Lord John Maynard Keynes with his "operation Cuttlefish" comprising managed currency, peacetime inflation by deficit spending and perpetual endowment for bureaucrats.

THE AMERICAN CONTRIBUTIONS

And we have contributed an American ideology of give-away programs. It might be called the New Generosity. It is not yet a ghost. However, the handiwork of the ghosts and their auxiliaries furnish you most of your page 1.

I am not going to repeat the old and valid defenses of the American economic system; I may mention that in recent years we have taken strong drinks from the three "hants" I have mentioned, and from the New Generosity, all mixed with varying amounts of pure water from the American system.

Be all that as it may, my purpose here is to call your attention to a less obvious world experience.

Sixty years ago our American system was divorced from the laissez-faire lady. We started proceedings in 1887 when we created the Interstate Commerce Commission, thereby initiating the control of natural monopolies. But far more revolutionary was the Antitrust Act of 1890.

Western Europe has never had effective antitrust laws. To the contrary, there grew up in those countries a maze of State-favored private trade restraints, combinations, trusts and cartels. This form of economic organization sought profits by fixing prices and by control of production and distribution.

Under our revolutionized American system, competition remained the restless pillow of progress. It had to seeks profits from improved technology and lowered costs of production.

In time, western Europe, without the full pressure of competition, lost much of the impulse to improve methods and equipment. Plants became obsolete; standards of living stagnated.

In contrast, our technology with one hundred times as many inventing laboratories and a thousand times more trained technicians has steadily improved its tools. Our standards of living increased with cheaper costs and more goods. Our system was dynamic; theirs was static.

Finally, western Europe, with its obsolescent plants, its inability to compete in world trade, except at the expense of labor, was desperate. It took to hard drinking of the potions from the shades of Marx, Mussolini, and Keynes—plus the New Generosity.

Our American system continues to produce despite periodic indulgence in these drinks. It does it despite two world wars, innumerable interferences with incentives, and a Government take of 60 to 70 percent of its savings. It still retains the dynamic power to provide the greatest and widest spread of comfort to our people that the world has ever known. That is, if we would join Alcoholics Anonymous and quit mixed drinks.

CRADLE-TO-GRAVE SECURITY

Lest any dangerous thought flash through your minds, I am recalling this experience exclusively to you as publishers and editors.

Now lest someone think all this is economics without humanism, I offer an experience on the social side. It is punctuated today by the siren voices calling for security from the cradle to the grave.

Security from the cradle to about 18 or 20 years of age, and from about 65 to the grave, has always been sacred to the American people.

The training of our children, the care of our aged and the unfortunate have been a part of our system since the founding of the Republic. It is part of our civilization. The governmental part, however, needs some repairs.

But the voice of experience which I wish to recall relates to the idea of security for the middle group—say, from 20 to 65 years of age. We have less than 70,000,000 providers in this group, and they must provide for 80,000,000 children, aged, sick, nonproductive Government employees and their wives. It is solely from the energies of this middle group, their inventions and their productivity that can come the support of the young, the old, and the sick—and the Government employees.

Unless there is the constant pressure of competition on this group between 20 and 65 plus the beckoning of fairies and rewards, to stimulate incentives and work, the children and the aged will be the victims. This middle group can find its own security only in a free but tough system of risk and self-reliance. It can be destroyed by taxes and the four mixed drinks.

Experience calls sorrowful confirmation of all this. My recollection is that the Lord remarked to Adam something about sweat.

Be that as it may, there is convincing evidence from the British experience of trying to include the middle group in blessed security. Their incentives to sweat have diminished under that illusion. The needed leadership of the middle group in production and distribution is being destroyed. Otherwise they would not need lean on the New Generosity.

There are also some lessons of experience to be had from Russia where the grave is close to the cradle. And 15,000,000 people are compelled to work in slave camps under the whip.

The voice of experience also calls loudly as to organization of the political field. In 1938, I spent some months on the continent inquiring "how come" 15 new democracies created after the First World War had failed.

The downfall of these representative governments was due in part to the drinks compounded by the three ghosts. But there was another step in their arrival at chaos, which contains a potent experience for America.

THE SPLINTER PARTIES

There had grown up in their legislatures a multitude of splinter parties. There were all the way from 5 to 15 of them. In consequence, there was no responsible majority. Governments were driven to improvised legislative coalitions, which could only agree upon negative policies and give-away programs. In each coalition small foreign-controlled tricky groups played a part. In confusion and despair, their peoples welcomed the man on horseback.

Even though old-time religion, it is worth repeating that the preservation of representative government requires two major political parties.

I am not going to deliver a history of the rifts between major parties in the United States. So you may relax. I might mention that once upon a time, say for about 60 years, the members of both our major political parties were, in large majority, liberals in the ninteenth century sense. They quarreled mostly over the tariff but not over ideologies.

However, since Lenin's implication that the hermit crab, by seizing the shell of another animal knew his business, the term "liberal" has lost its soul. Its cheerful spirit of less power in government and more freedom of men has passed to the world beyond.

Nor am I going to try your after-dinner souls with ideological definitions—not even of statism. That definition has already been made instinctively by the common tongue of all nations where free speech still has a part in their proceedings. That effective but perhaps unrefined definition is "right wing" and "left wing."

The point I am concerned with here is that from the ideological tumults stirred by the three shades and their helpers, our major American political parties have been in large degree reoriented into these new compartments of right and left.

I do not charge the real Communists to the American left wing. They are agents of a foreign government.

If a man from the moon, who knew the essentials of representative government, came as a total stranger to the United States, he would say some obvious things within the first week or two.

He would say to the Republican Party: "There is no room for you on the left. You must be the party of the right, or you will split into ineffective factions."

And with equal emphasis he would say to the Democrats: "Your die is cast. You are the party of the left, or you will likewise split into futile factions."

He would say to some members of both parties: "You are not in your proper spiritual homes."

He would say that in all this ideological tumult, if there cannot be a reasonably cohesive body of opinion in each major party, you are on a blind road where there is no authority in the ballot box or in government.

He would say that if you want confirmation look at 15 European countries where representative government was torn to shreds.

EXPERIENCE WITH RUSSIA

I need not remind you that our page 1 international issue is Communist Russia. There are seven phases of this experience which I must recall before I come to a proposal of action.

The first phase of experience with Russia began under the czars. Since Peter the Great they steadily have expanded their reach of empire over the largest land mass in the world. Their method was that of a burglar going down a hall. If there was no one in the first room, he took everything, including the doorknob. If he found someone in the second room who protested, he weighed the strength of the protestor and might leave part of the furniture. If he found an armed man in the third room, he closed the door and waited.

Lenin and Stalin added a new apparatus for the robber. They now make the man in the second room a party member and rob him later, and by degrees. They now put the armed man in the third room asleep with a nonaggression pact or a promise of peace. Thus he neglects his weapons. In any event they steal his secrets.

The second phase of this experience with Russia was a period of 16 years during which four Presidents and seven Secretaries of State opposed our having any relations with this malignant government. Their attitude was that when our neighbors are living a life of spiritual and other disrepute, we do not attack them. But we can hold up standards in the world a little better if we do not invite them into our homes by so-called recognition.

The third historical phase arrived when our left wingers had their way in our relations with Communist Russia. They produced the recognition of the Soviet in 1933. They produced the alliance with Russia in 1941. They produced the appeasement of Russia in western Europe until its reversal by President Truman and Secretary Byrnes in 1945. I will not join in the explanations about China. Up to now there is agreement on only one point. We lost the game—400,000,000 to nothing.

Many of our left wingers were not consciously doing all this. They were just trigger happy to anything new in ideological life.

Lest anyone think I am a recent convert in these views, I may cite that just 9 years and 63 days ago I warned the American people that collaboration with Stalin to bring freedom to mankind was a gargantuan jest. I used the wrong adjective. I should have said tragic. For as a result, instead of the expansion of liberty, we witness a dozen nations and 600,000,000 human beings enslaved.

The fourth phase of this experience was that Soviet Russia has in the last 12 years violated more than 35 solemnly signed agreements.

The fifth phase of this experience has been with the Communists in the United Nations. That Charter for which we hoped so much contains lengthy pledges to the independence of nations, to human liberty, and to nonaggression. About a dozen provisions of that Charter have been violated either in spirit or in letter by Soviet Russia. The Kremlin has reduced the United Nations to a propaganda forum for the smearing of free peoples. It has been defeated as a preservative of peace and good will.

NOW THE COLD WAR

The sixth phase of this experience is that we now find ourselves in an expensive and dangerous cold war. We conduct the battle

with subsidies to beguile peoples to rectitude from internal communism. A year ago we made the Atlantic Military Pact. The expressed hope was that, although there was no commitment to go to war, these nations would build up their own arms to adequately defend their own rooms. In persistence to an old habit, we are taking up the check.

In the meantime, we learn that our first defense—the atomic bomb—has been stolen from us.

The final phase of our experience with Russia is the belated realization that this is not one world but two worlds. The one-world idea seems to be lost in the secret files.

One world is militaristic, imperialistic, atheistic, and without compassion. The other world still holds to belief in God, free nations, human dignity, and peace.

Now to come to the point of all this. The American people ought to take a cold and objective look at this experience before we go any further.

This look should be directed to the fact that more and more the burdens of defending free men and nations are being thrust upon the American people, who are only one-sixth the population of the globe. We are becoming more and more isolated as the sole contender in this cold war. We are steadily losing ground because the non-Communist states are being picked off one by one or are compromising with the Communists. Our countrymen are in a fog as to what, where, and when all this leads to.

What the world needs today is a definite, concrete mobilization of the nations who believe in God against this tide of Red agnosticism. It needs a moral mobilization against the hideous ideas of the police state and human slavery. The world needs mobilization against this creeping Red imperialism. The United States needs to know who are with us in the cold war against these practices and whom we can depend on.

Therefore, I have a proposal to make.

I suggest that the United Nations should be reorganized without the Communist nations in it. If that is impractical, then a definite New United Front should be organized of those peoples who disavow communism, who stand for morals and religion, and who love freedom.

This is specifically not a proposed extension of a military alliance or any color of it. It is a proposal based solely upon moral, spiritual, and defense foundations. It is a proposal to redeem the concept of the United Nations to the high purpose for which it was created. It is a proposal for moral and spiritual cooperation of God-fearing free nations.

If the free nations join together, they have many potent moral, spiritual, and even economic weapons at their disposal. They would unlikely ever need such weapons. Such a phalanx of free nations could come far nearer to making a workable relation with the other half of the two worlds than the United States can ever do alone.

By collective action we could much more effectively keep their conspiring agents and bribers out of all our borders and out of our laboratories.

It may be the non-Communist world is not willing to take such a vital stand. At least it would clarify what we have to do.

The test I propose is the logical and practical method of total diplomacy. It would make diplomacy dynamic and lessen the dangers of the American people. All this may give pain to some people. But by their cries ye shall know them.

My friends, I am not disheartened by all this recall of disturbing experience. We must retain our faith in western civilization. In support of that faith we are perhaps a slow but a resolute and intelligent people. We have the greatest organ of education known to man—a free press. You can dissolve much of our confusions and frustrations.

And in rejecting an atheistic other world, I am confident that the Almighty is with us.

## VETERANS' ADMINISTRATION DENTAL ACTIVITIES

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a letter which I have received from the Veterans' Administration regarding dental activities of that Administration.

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

VETERANS' ADMINISTRATION,
*Washington, D. C., April 18, 1950.*

Hon. WILLIAM F. KNOWLAND,
*United States Senate,*
*Washington, D. C.*

DEAR SENATOR KNOWLAND: Your letter of April 4 concerning the costs of certain Veterans' Administration dental activities is very much appreciated. It is regretted that this reply has been delayed until a decision could be reached as to the number of dentists it would be necessary to release.

As you perhaps have been informed, the proposed reduction in force of dentists has been temporarily extended, and we have hopes that it will not be necessary to reschedule it. However, should a similar occasion arise, the information you requested is contained in subsequent paragraphs.

As of February 28, 1950, there were 1,070 full-time employees in the dental units of the Medical Division of regional offices in the following categories:

| | |
|---|---|
| Dentists | 520 |
| Dental assistants | 314 |
| Dental hygienists | 8 |
| Dental mechanics | 109 |
| X-ray technicians | 1 |
| Clerical | 118 |
| Total | 1,070 |

During the month of February these employees completed 26,205 examination cases, 7,178 treatment cases, along with the professional work involved in the authorization of examination and treatment cases to participating dentists.

The proposed cut of approximately 175 employees represented a 16-percent reduction in staff personnel. By applying this percentage to the monthly production in examination and treatment cases, it can be determined that approximately 4,193 examination cases and 1,148 treatment cases would have had to be referred to participating dentists if the 175 employees had not been available. At $13.38 per examination case and $83.81 per treatment case, the bill for these services would have exceeded $150,000 for the month of February, and at the February rate, would amount to approximately $1,800,000 during a complete fiscal year.

It would be difficult to compute the exact amount of savings to the Veterans' Administration which would accrue by retaining these employees on a staff basis, but it is believed that the figure would be substantial. The average annual salary of employees in the medical division of regional offices was approximately $4,100 at the January rate. This division performs medical and dental out-patient activities. Assuming that the 175 dental employees previously scheduled for reduction in force were of the average salary group, their monthly salary would amount to approximately $60,000 and their annual salary to approximately $720,000. In order to compare these costs with the $1,800,000 cost of performing this work with participating dentists, it would be necessary to add to the staff salaries the costs of facilities, equipment, and supplies. However, in this instance, the facilities are already in operation, the equipment has already been installed, and the cost of supplies would be considerably less than the cost of salaries as computed at $720,000 per year at the January rate. Thus, it appears that it is to the advantage of the Veterans' Administration to avoid a reduction in force of employees in this category.

Your interest in this matter is very much appreciated.

Sincerely yours,

PAUL B. MAGNUSON,
*Chief Medical Director.*

## COMMUNISTS IN HAWAII—EDITORIAL FROM THE HONOLULU ADVERTISER

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very short editorial entitled "Communists' Numbers Unimportant," from the Honolulu Advertiser of April 23, 1950.

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

COMMUNISTS' NUMBERS UNIMPORTANT

Harping on the small number of Communists witnesses at the recent Un-American Activities Committee hearing were able to say reside in Hawaii is misleading. The Communist cell system prevents one group of party members from knowing the number or the identity of their comrades in sedition. What is important is that the Communists and their fellow travelers here had sufficient strength to seize and hold the Democratic Party machinery.

Whether there are 130 Communists in Hawaii or 1,300 has little significance. Some estimates place the total number of Communist card holders in the whole United States at only 200,000. Post-war investigations have shown that Hitler controlled Germany with a handful of Nazis. Mussolini dominated Italy with a small group of Fascists.

In subversive treachery it is what is done, not how many persons do it, that tells the story. Even one Communist in Hawaii who can deceive innocent Americans into disloyalty is one too many.

## NATIONAL SCIENCE FOUNDATION—CONFERENCE REPORT

The VICE PRESIDENT. If there are no further routine matters to be presented, the Chair recognizes the Senator from Utah [Mr. THOMAS].

Mr. THOMAS of Utah. Mr. President, I submit a conference report on Senate bill 247, to promote the progress of science, and so forth, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see pp. 5899–5906 of House proceedings of April 26, 1950.)

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

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

Mr. THOMAS of Utah. Mr. President, the Senate, of course, is very familiar with the Science Foundation bill. Such a bill has been passed three times by the Senate. The subject has been before us for consideration for almost 10 years. The bill is in reality the outgrowth of our experience in the war, when we were brought to realize that there had not been assembled into one group those persons who were thought-

ful about scientific development. During the war the Government set up various boards, and of course scientific contributions to the war were immense.

Mr. President, under the Science Foundation Act of 1950, the Foundation will come into being as an independent agency. A board of 24 members will be established. These members will be appointed by the President of the United States after recommendations or suggestions have been made to him by the great scientific groups of the country respecting such membership. After the board has been appointed the powers and functions of the Foundation will rest in the board. The board itself will make recommendations, or, rather, suggestions, respecting the appointment of the director. The President, of course, is free to act in that respect, however, under his constitutional powers. So after the board has been organized the President will name and the Senate will confirm a director. Thereafter the powers and functions of the Foundation will rest in a board of 24 members and a director.

Mr. President, I do not wish to detain the Senate by going over the details of the bill, unless there is some question; but I wish to say that after many days of meeting in conference, the conferees have worked out what I consider to be a stronger bill on this subject than has ever been presented before, a better bill than even the House version of the bill or the Senate version of the bill was. There is unanimous agreement on the part of all the conferees, both the conferees on the part of the House and the conferees on the part of the Senate. All the conferees have signed the report.

The House acted upon the conference report yesterday, at that time unanimously agreeing to accept it.

Mr. TAFT. Mr. President, I was on the conference committee on this bill. I wish to review briefly the history of the bill, as a matter of information for the Senate, and to make it perfectly clear that this is an example of bipartisan policy probably not equaled in the history of the last two or three Congresses.

This bill arose in the first place out of a recommendation by Dr. Vannevar Bush, Director of the Office of Scientific Research and Development, during the war, whose work I think received almost unanimous approval as the very best form of scientific organization to give the services of science to the Government during the war. His report in July 1945, recommended the creation of a permanent national science research foundation.

A bill on that subject was introduced by the Senator from Washington [Mr. MAGNUSON] and the Senator fram West Virginia [Mr. KILGORE], I believe, in the Seventy-ninth Congress. That bill passed the Senate in that Congress.

However, I have before me an editorial from the Washington Post at the time when the Seventy-ninth Congress expired. The editorial states, in part, that—

Failure to establish a National Science Foundation must be ranked high among the grievous sins of omission of the Seventy-ninth Congress. Guilt rests, in this case, exclusively with the House of Representatives.

Mr. President, as soon as the Eightieth Congress met, bills to establish a National Science Foundation were introduced.

Senate bill 526 was introduced on February 7, 1947, by the Senator from New Jersey [Mr. SMITH], who has taken an active interest in this bill throughout, although he is unable to be here today by reason of illness. The bill was introduced at that time by the Senator from New Jersey for himself, the Senator from Oregon, Mr. Cordon; the then Senator Revercomb, of West Virginia; the Senator from Massachusetts, Mr. Saltonstall; the Senator from Utah, Mr. Thomas; the Senator from Washington, Mr. Magnuson; and the Senator from Arkansas, Mr. Fulbright. That bill passed the Senate in 1947. It passed the House in 1947, and went to the President at the end of that session. The President pocket-vetoed the bill. He vetoed it in connection with a veto message, which I now submit and ask unanimous consent to have printed at this point in the RECORD as a part of my remarks.

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

AUGUST 6, 1947.

MEMORANDUM OF DISAPPROVAL

I am withholding my approval of S. 526, the National Science Foundation bill.

I take this action with deep regret. On several occasions I have urged the Congress to enact legislation to establish a National Science Foundation. Our national security and welfare require that we give direct support to basic scientific research and take steps to increase the number of trained scientists. I had hoped earnestly that the Congress would enact a bill to establish a suitable agency to stimulate and correlate the activities of the Government directed toward these ends.

However, this bill contains provisions which represent such a marked departure from sound principles for the administration of public affairs that I cannot give it my approval. It would, in effect, vest the determination of vital national policies, the expenditure of large public funds, and the administration of important governmental functions in a group of individuals who would be essentially private citizens. The proposed National Science Foundation would be divorced from control by the people to an extent that implies a distinct lack of faith in democratic processes.

Moreover, the organization prescribed in the bill is so complex and unwieldy that there is grave danger that it would impede rather than promote the Government's efforts to encourage scientific research. The Government's expenditures for scientific research and development activities currently amount to hundreds of millions of dollars a year. Under present world conditions, this work is vital to our national welfare and security. We cannot afford to jeopardize it by imposing upon it an organization so likely to prove unworkable.

Under S. 526 the powers of the proposed Foundation would be vested in 24 members, appointed by the President by and with the advice and consent of the Senate. These members would be part-time officials, required to meet only once each year. This group would, in turn, select biennially from among its 24 members an executive committee of 9 members and would exercise its powers through the executive committee. This nine-member executive committee would also be a part-time body required to meet only six times a year.

The Foundation would have a chief executive officer, known at the Director. He would be appointed by the 9-member executive committee unless the 24-member body itself chose to appoint him. The power and duties of the Director would be prescribed by the executive committee and exercised under its supervision.

There would be within the Foundation a number of divisions, each exercising such duties and performing such functions as the Foundation prescribed. There would be no limit upon the number of divisions which the Foundation could establish. For each division there would be a divisional committee. In the case of the Committee for the Division of National Defense, there would be a limit of 36 members, half of whom would be appointed by the Foundation and half of whom would be representatives of the armed services. In other cases, there would be no limit upon the number of members of each divisional committee and all of the members would be appointed by the Foundation. Not only would these part-time committees furnish advice and make recommendations concerning the Government's scientific research program, but each divisional committee would also exercise and perform the powers and duties of its division.

The Foundation would also be empowered to appoint commissions in various fields of research. Three such commissions are specified in the bill, and the Foundation could appoint as many additional special commissions as it saw fit. Each such commission would consist of six eminent scientists and five members from the general public. After making a survey of public and private research already being carried on, each of these commissions would recommend a research program within its field and constantly review the manner in which such program was being carried out.

Apart from the conflicts and confusion which would result from this complex organization, the bill would violate basic principles which make for responsible government.

The Constitution places upon the President the responsibility for seeing that the laws are faithfully executed. In the administration of this law, however, he would be deprived of effective means for discharging his constitutional responsibility.

Full governmental authority and responsibility would be placed in 24 part-time officers, whom the President could not effectively hold responsible for proper administration. Neither could the Director be held responsible by the President, for he would be the appointee of the Foundation and would be insulated from the President by two layers of part-time boards. In the case of the divisions and special commissions, the lack of accountability would be even more aggravated.

The members of the Foundation would also be authorized to appoint the full-time administrative head of an important agency in the executive branch of the Government, as well as more than 70 additional part-time officials in whom important governmental powers would be vested. This represents a substantial denial of the President's appointing power, as well as an impairment of his ability to see that the laws are faithfully executed.

The ability of the President to meet his constitutional responsibility would be further impaired by the provisions of the bill which would establish an Interdepartmental Committee on Science. The members of this committee would be representatives of departments and agencies who are responsible to the President, but its chairman would be the Director of the Foundation. It would be the duty of this committee to correlate data on all Federal scientific research activities

and to make recommendations to the President, to the Foundation, and to the other departments and agencies of the Government concerning the performance of their functions in this field. Thus, an officer who is not appointed by the President, and not responsible to him, would be the man primarily charged with the performance of functions which are peculiarly within the scope of the President's duties—that is, the coordination of the work of executive agencies. This is especially unwise when the activities concerned are so intimately related to the national welfare and security.

There are other compelling reasons why control over the administration of this law should not be vested in the part-time members of the Foundation. The Foundation would make grants of Federal funds to support scientific research. The recipients of these grants would be determined in the discretion of the Foundation. The qualifications prescribed in the bill for members of the Foundation would insure that most of them would be individuals employed by institutions or organizations eligible for the grade. Thus, there is created a conflict of interests which would inevitably give rise to suspicions of favoritism, regardless of the complete integrity of the members of the Foundation.

It is unfair to individuals asked to accept public office that they should be put in such a vulnerable position. Moreover, colleges and universities and other organizations seeking aid for scientific research deserve the assurance that the manner and extent of their participation in a national program will be determined on a completely impartial and objective basis.

Adherence to the principle that responsibility for the administration of the law should be vested in full-time officers who can be held accountable will not prevent the Government from utilizing with great advantage the services of eminent scientists who are available only for part-time duty. We have ample evidence of the patriotic and unselfish contributions which such citizens can make to the success of governmental programs. The role to be played by such part-time participation, however, is more appropriately one of an advisory nature rather than of full responsibility. In other governmental programs of vast national importance, this method is used to obtain advice and recommendations from impartial experts as well as from parties in interest. There is no reason why such a system cannot be incorporated in legislation establishing a National Science Foundation.

For the reasons I have indicated, I believe that this bill raises basic issues of public policy. There would be no means for insuring responsible administration of the law. If the principles of this bill were extended throughout the Government, the result would be utter chaos. There is no justification in this case for not using sound principles for normal governmental operations. I cannot agree that our traditional, democratic form of government is incapable of properly administering a program for encouraging scientific research and education.

It is unfortunate that this legislation cannot be approved in its present form. The withholding of my signature at this time, however, will not prevent the Government from engaging in the support of scientific research. Research activities are carried on extensively by various executive agencies under existing laws, and would continue to be carried on whether or not this bill became law. The only funds made available by the Congress for expenditure by the Foundation are funds which might be transferred from other agencies, thereby reducing the amounts which those other agencies could spend for similar purposes. No funds were made available for the scholarships and fellowships authorized in the bill. Thus, there would be no immediate gains which would justify accepting the risks involved in the approval of this legislation.

I am convinced that the long-range interests of scientific research and education will be best served by continuing our efforts to obtain a Science Foundation free from the vital defects of this bill. These defects in the structure of the proposed Foundation are so fundamental that it would not be practicable to permit its establishment in this form with the hope that the defects might be corrected at a later date. We must start with a law which is basically sound.

I hope that the Congress will reconsider this question and enact such a law early in its next session.

HARRY S. TRUMAN.

THE WHITE HOUSE, *August 6, 1947.*

Mr. TAFT. Mr. President, the President of the United States vetoed the bill largely because of the fact that in the bill the board of 24, to be set up, was given power to appoint the director of the Foundation, and because the board had power to distribute the grants among the various colleges and other foundations which were to conduct the actual scientific work. No effort was made at the time to pass the bill over the veto of the President, although efforts were made to compromise with him on his objections to the bill and to find out exactly what might be satisfactory.

The pending bill was introduced by the Senator from Utah [Mr. THOMAS], I think, in behalf of himself and other Senators, on January 6, 1949. It passed the Senate on March 18, 1949. It passed the House of Representatives on March 1, 1950. The matters objected to by the President were compromised. The director is to be appointed by the President, but he is to be subject to the direction of the board. I, myself, felt very strongly that it was a great mistake for the President to veto the bill or to give power to a director to distribute millions of dollars between different private institutions. I felt confident that a director subject to appointment by the President would be subject to all kinds of political pressure from various Senators and Representatives, and that the distribution would be made on a political basis.

This bill, as I have said, permits the President to appoint the director; but all distribution of money—contrary to the principles set forth in the President's veto message—is under the control of the board of 24 members. They cannot even delegate the final action on that question to the executive committee of nine. So the 24 scientists finally will pass on all grants to colleges, other institutions of all kinds, and research organizations throughout the entire United States.

I trust very much that the President will sign the bill.

However, I wish to make it clear that the bill originated in Congress. It is literally a product of bipartisan work. Both Democrats and Republicans have worked on it in three Congresses, and I think the result which has come out should be satisfactory to everyone.

I think it is highly to the credit of the Senate of the United States, because the Senate originated the bill in all cases—the Senate of the Seventy-ninth Congress, the Senate of the Eightieth Congress, and now the Senate of the Eighty-first Congress.

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

Mr. TAFT. I yield.

Mr. SALTONSTALL. As one who has been very much interested in this bill over the past 4 years, I wish to ask whether the authorization made by the bill is $15,000,000.

Mr. TAFT. I think there is no limit.

Mr. THOMAS of Utah. Mr. President, if I may reply, let me say that the Senate version of the bill had no authorization limit. However, the House version of the bill provided an authorization of half a million dollars for the first year and $15,000,000 for the years thereafter. The Senate conferees have accepted the House provision.

Mr. SALTONSTALL. So the authorization for the Science Foundation is to be $15,000,000, unless it is amended by future legislation. Is that correct?

Mr. THOMAS of Utah. Yes; after the first year.

Mr. TAFT. It is $15,000,000, but of course the $15,000,000 is the limit on direct appropriations to the National Science Foundation. However, we are now appropriating hundreds of millions of dollars for research. In the armed forces bill, I think, provision is made for——

Mr. SALTONSTALL. For $5,000,000 or $6,000,000, I believe.

Mr. TAFT. The Senator from Massachusetts says he understands that research funds of $5,000,000 or $6,000,000 are provided in that bill. It is suggested that in connection with the distribution of that fund for actual research by others it will to a considerable extent be turned over by the Department of Defense to the National Scientific Foundation. So, actually, the funds at its disposal may be much greater than $15,000,000, without any amendment to this bill.

Mr. SALTONSTALL. I thank the Senator. Let me very briefly add my congratulations to the conference committee. I am not a member of that committee; but, as the Senator from Utah and the Senator from Ohio know, I worked many hours on this bill, and I am very pleased to see it go through.

Mr. THOMAS of Utah. Mr. President, I should like to say a further word or two. First, I ask unanimous consent that a statement which I have prepared on the bill be printed at this point in the RECORD.

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

STATEMENT BY SENATOR THOMAS OF UTAH

Mr. President, I have moved that the Senate temporarily lay aside the pending business and proceed immediately to the consideration of the conference report on S. 247, the National Science Foundation bill.

Mr. President, as is well known by the Members of this body, this problem has been continually before the Congress for a period of 10 years. During the Eightieth Congress both Houses approved a National Science Foundation bill which was vetoed by the President. After a series of conferences between the executive branch and representatives of the Congress, a revised bill was passed in the last session of the Eightieth

Congress but the Congress adjourned before final action was taken by the House of Representatives.

During the first session of the Eighty-first Congress the Senate approved a National Science Foundation bill by unanimous consent. This bill, with some modifications, was approved by the House of Representatives on March 1, 1950. The Senate disagreed to the House amendments and requested a conference.

Mr. President, the report which I submit has the unanimous approval of the conferees of the two Houses and represents, in my opinion at least, a bill which is superior to both the House and Senate versions. Your conferees have given careful study to this matter and the result of their efforts is worthy of the approval of the full Congress. The House of Representatives adopted this conference report yesterday and I now present it to the Senate for final approval.

FOUNDATION AND BOARD

The conference report embodies the language designating the Foundation as the institution created by this act and designating as the Board the 24 members who are primarily responsible for the administration of the act. This change was made in order to differentiate clearly between the Foundation in the institutional sense and the individuals responsibility for carrying out the purposes for which the Foundation is created.

DIRECTOR

The bill as agreed upon by the conferees provides that the Director shall be appointed by and with the advice and consent of the Senate after the Board has had an opportunity to make recommendations to the President. The Senate bill required that the Director could not be appointed until the Board had been appointed and qualified. It was pointed out in conference that in view of the fact that the Board members are required to be confirmed by the Senate, unnecessary and serious delay might result if only 1 or 2 of the 24 nominations to the Board were held up, for any reason, by the Senate. The provisions agreed upon in conference make it clear that the Board shall be given every opportunity to present recommendations on the appointment of the Director to the President.

Another provision agreed upon by the conferees provides that the Director shall carry out the policies established by the Board, but that he may not take any final action with respect to the granting of scholarships and graduate fellowships or the entering into of contracts or other arrangements for the conducting of basic research until the Board shall have reviewed and approved the proposed action in each instance. This provision is designed to assure the final responsibility of the Board in these two important areas of the Foundation's activities.

EXECUTIVE COMMITTEE

The bill as passed by the Senate permitted, but did not require, the establishment of an executive committee. The bill as passed by the House required the establishment of an executive committee and set forth in some detail the procedure to be followed in the establishment of such a committee.

The bill agreed upon by the conferees retains the permissive provisions of the Senate bill, but further provides that in the event such an executive committee is created, it shall be created only in accordance with the standards provided in the bill. These standards are set forth in order to make sure that the primary purposes of the act, particularly those concerned with the widest possible distribution of research, shall not be subverted.

Since the Board is required to meet only once a year, it is quite likely that some such committee will, of necessity, be established. Since that is so, the conferees agreed that that committee should be surrounded with proper safeguards.

In the event that an executive committee is created the Board may not assign to that committee the function of establishing policies or the function of review and approval to be exercised by the Board in accordance with section 5 (b). The Board may, however, assign to the executive committee the review and approval of minor modifications of contracts or other arrangements previously approved by the Board.

OTHER COMMITTEES

The bill agreed upon by the conferees empowers the Foundation to create other committees composed either of members or nonmembers of the Foundation. These committees, however, are limited to performing only such survey and advisory functions as the Board shall designate.

DEFENSE RESEARCH

The bill as agreed upon by the conferees provides that the Secretary of Defense may call upon the Foundation to conduct specific research activities in connection with matters relating to the national defense. The conferees agreed that such a provision was desirable in order that whenever the need presented itself, maximum effort could be centered on any scientific research necessary to the national defense.

PROTECTION OF CERTAIN ESTABLISHED RESEARCH PROGRAMS

The bill as passed by the Senate provided that the activities of the Foundation shall be construed as supplementing but not curtailing or limiting any of the functions or activities presently being carried on by Government agencies. This provision was stricken from the House bill.

The conferees were agreed that the Senate language was so restrictive that it might result in depriving the Foundation of effecting any coordination of research presently being conducted. The conferees were likewise agreed that certain of the established research activities, particularly those being carried on by the National Institutes of Health in the United States Public Health Service, should not be interfered with. The position of the conferees on this point is made clear on the last page of the conference report.

PATENT RIGHTS

The bill as agreed upon by the conferees follows completely the theory of the Senate bill. Two clarifying changes have been made in the text in order to more clearly set forth the intent of the Congress in this regard. The Senate bill provided that nothing in the act shall be construed to authorize the Foundation to alter or modify any provision of law affecting the issuance and use of patents. Since it is obvious that no agency other than Congress has the authority to alter or modify existing law, the language has been amended to read that the Foundation may not enter into any contract or other arrangement inconsistent with existing law.

APPROPRIATIONS

The bill as agreed to by the conferees provides that not more than $500,000 may be appropriated to the Foundation for the fiscal year ending June 30, 1951, and that not more than $15,000,000 may be appropriated to the Foundation for any fiscal year thereafter. The Senate bill contained no such limitations.

The conferees were agreed that at least in the early years the Foundation could not effectively expend great sums of money and that most of its efforts must be concentrated toward establishing a solid and effective basis upon which to carry forth its activities. It is highly unlikely that the Foundation will be in a position to effectively spend more than the amounts stipulated in the bill, when it is remembered that other agencies of the Government may transfer funds to the Foundation to permit that agency to carry on certain research activities.

SECURITY PROVISIONS

The bill as passed by the Senate provided that the Foundation must obtain the concurrence of the Atomic Energy Commission in conducting any research in the field of atomic energy. The Senate bill also provided that regulations and procedures for the security classification of information or property having military significance should be established in conjunction with the Secretary of Defense in order to properly safeguard the national security.

The House bill, in addition to the above provisions, contained extensive amendments dealing with the investigation of individuals employed by the Foundation or awarded scholarships by the Foundation and relating to foreign nationals who might become associated with the Foundation.

The provisions contained in the House bill were rather severely criticized by educators and other groups, as well as by the agencies who would be charged with conducting the investigations required by the House bill.

The conferees rewrote the security provisions of the bill in a manner which the conferees feel properly safeguard the national security, without impeding the untrammeled development of basic research. The provisions approved by the conference have been endorsed by the Federal Bureau of Investigation, the Atomic Energy Commission, and the Department of Defense.

The security provisions approved by the conferees can be summarized as follows:

1. Where any activity involves restricted data as defined by the Atomic Energy Act of 1946, the provision of that act regarding the control of the departmentation of restricted data and the security clearance of those individuals to be given access to restricted data shall be applicable.

2. In the case of scientific research activities relating to national defense, security requirements and safeguards shall be established by the Secretary of Defense.

3. No employee of the Foundation shall be permitted to have access to information or property with respect to which restrictions have been established until the Federal Bureau of Investigation shall have made an investigation of the character, association, and loyalty of such individual and reported its findings to the Foundation, and the Foundation shall have determined that permitting such individual to have access to such information or property will not endanger the national security.

4. Before any funds can be paid by the Foundation under a scholarship or fellowship, the individual must subscribe to the following oath or affirmation:

"I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic."

It is believed by the conferees that the provisions contained in the bill finally agreed upon effectively protect the national security, without departing from established security procedures, without burdening the investigating agencies of the Government with additional responsibilities of questionable merit. The provisions also avoid subjecting those actively engaged in scientific pursuits to needless investigations and controls.

Mr. THOMAS of Utah. Next, Mr. President, let me say that before the conference report is agreed to a statement should be made regarding the security provisions of the measure. We have worked out what I think is a most sensible provision, which will provide security in every way in which such matters

are secure now under regulations and under the laws of the United States, so far as all persons who may be working on a defense project or on an atomic-energy project, or something of that kind, are concerned. The country's welfare is well taken care of. But the average scientist, who is a scholar and works in all sorts of fields, will not be bound except by this one single provision, and we thought anyone who took employment in the United States, even as a scientific scholar or as a fellow, should be held by the same sort of oath or affirmation which we all take and which all persons who serve the country take, so that in the beginning of his work he will swear allegiance to the United States.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. TAFT. Mr. President, I should like to say that we agreed with the House upon a conference report as well as upon the statement as submitted by the House managers. That is true; is it not?

Mr. THOMAS of Utah. We agreed to accept the statement made by the House managers to the House of Representatives, and it is incorporated in our report.

Mr. TAFT. Will it be printed in the RECORD, without a special request?

Mr. THOMAS of Utah. I ask unanimous consent that the statement be printed in the RECORD.

The VICE PRESIDENT. Without objection, the statement to which the Senator refers will be printed in the RECORD.

The statement of the managers on the part of the House is as follows:

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 247) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; 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:

The House amendment was passed in lieu of all of the Senate bill after the enacting clause. The accompanying conference report recommends the adoption of a substitute for both the Senate bill and the House amendment.

The substitute agreed to in conference follows in general the pattern of the House amendment, including the organizational structure providing for a Foundation consisting of a Board and a Director.

The differences between the House amendment and the conference substitute are explained below, except for minor clerical, clarifying, and conforming changes.

FOUNDATION'S REPORT TO PRESIDENT AND CONGRESS

By section 3 (c) of the conference substitute the Foundation is required to make an annual report to the President for submission to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. This subsection is the same as it appeared in the House amendment, except that there is included a requirement that the Foundation's report shall contain the minority views and recommendations, if any, of members of the Board.

DIRECTOR OF THE FOUNDATION

Section 5 of the House amendment contained the following sentence: "There shall be a Director of the Foundation who shall be appointed by the President, by and with the advice and consent of the Senate, after receiving recommendations from the Board." In this sentence, the words "after receiving recommendations from the Board" replaced the words "after the members of the Foundation have been appointed and qualified" which were contained in the same sentence in the Senate bill. In lieu of this sentence the conference substitute contains the following two sentences: "There shall be a Director of the Foundation who shall be appointed by the President by and with the advice and consent of the Senate. The Board may make recommendations to the President with respect to the appointment of the Director, and the Director shall not be appointed until the Board has had an opportunity to make such recommendations."

Section 5 (b) of the conference substitute, relating to the powers and duties of the Director, is the same provision contained in the House amendment except that it has been modified to make it clear that in each instance where the Director takes any final action under section 10 or 11 (c) the Board must review and specifically approve the action proposed to be taken. It is the view of the conference committee that this requirement makes more certain than otherwise might be the case that, in conformity with section 3 (b), contracts or other arrangements made under section 11 (c) for carrying on basic scientific research activities will not be unduly concentrated in a few organizations or institutions or in a limited area of the Nation.

POWERS TO CREATE AN EXECUTIVE COMMITTEE AND OTHER COMMITTEES

The Senate bill, in section 4 (e), authorized the Foundation to appoint an Executive Committee from among its members, and to appoint from among its members or otherwise such other committees as it deemed necessary, and to assign to such Executive Committee or other committees such powers and functions as it deemed appropriate for the purposes of the act.

The House amendment, in section 6, created an Executive Committee and provided that, in addition to the powers and duties specifically vested in it by the act, the Executive Committee "shall exercise such powers and duties as may be delegated to it by the Board." The House amendment granted no authority, similar to that granted by the Senate bill, for the creation of other committees. Section 6 of the House amendment also contained specific provisions as to the membership of the Executive Committee, the term of office of members, a requirement that members should be representative of diverse interests and should be chosen so as to provide representation so far as practicable for all areas of the Nation, and contained a provision as to the making by the Executive Committee of an annual report by the Board.

Section 6 of the conference substitute combines the Senate and House provisions above referred to as follows:

(1) It grants to the Board the authority to create an Executive Committee and to assign to the Executive Committee such powers and functions as may be deemed appropriate, except that it is provided that the Board may not assign to the Executive Committee the function of establishing policies, or the function of review and approval (except review and approval of minor modifications of contracts or other arrangements previously approved by the Board), to be exercised by the Board in accordance with section 5 (b).

(2) The section further provides that if an Executive Committee is established by the Board it shall consist of nine members of the Board elected by the Board, and of the Director as a nonvoting ex officio member, and it contains provisions, similar in general to those contained in the House amendment, as in terms of office, representation of diverse interests, and the making of an annual report to the Board.

(3) It authorizes the Board to appoint from among its members or otherwise such committees as the Board deems necessary, and authorizes the Board to assign to such committees such survey and advisory functions as the Board deems appropriate.

CONTRACTS OR ARRANGEMENTS FOR RESEARCH RELATING TO THE NATIONAL DEFENSE

In both the Senate bill and the House amendment (sec. 4 (a) (3) of the Senate bill and sec. 3 (a) (3) of the House amendment) the Foundation was authorized and directed, after consultation with the Secretary of Defense, to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research. Section 10 (c) of the Senate bill authorized the Foundation to enter into contracts or other arrangements, or modifications thereof, for the carrying on, by organizations or individuals in the United States and foreign countries, including other Government agencies of the United States and of foreign countries, of such basic scientic research activities as the Foundation deemed necessary to carry out the purposes of the act. In this section no reference was made to contracts or arrangements for scientific research in connection with matters relating to the national defense. Section 11 (c) of the House amendment contained an authorization similar to that contained in section 10 (c) of the Senate bill, but also authorized the Foundation to enter into contracts or other arrangements, with the approval of the Secretary of Defense, for the carrying on of scientific research activities in connection with matters relating to the national defense.

Both sections 10 (c) of the Senate bill and section 11 (c) of the House amendment authorized the Foundation to enter into contracts or other arrangements or modifications thereof, without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes.

In the conference substitute section 3 (a) (3) is a modification of section 4 (a) (3) of the Senate bill and section 3 (a) (3) of the House amendment, and reads as follows:

"SEC. 3. (a) The Foundation is authorized and directed—

* * * * *

"(3) at the request of the Secretary of Defense, to initiate and support specific scientific research activities in connection with matters relating to the national defense by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such scientific research;"

Section 11 (c) of the conference substitute is a modification of section 10 (c) of the Senate bill and section 11 (c) of the House amendment, and reads as follows:

"SEC. 11. The Foundation shall have the * * * authority"—

* * * * *

"(c) to enter into contracts or other arrangements, or modifications thereof, for the carrying on, by organizations or individuals in the United States and foreign countries, including other Government agencies of the United States and of foreign countries, of such basic scientific research activities as the Foundation deems necessary to carry out the purposes of this act, and, at the request of the Secretary of Defense, specific scientific research activities in connection with matters relating to the national defense and, when deemed appropriate by the Foundation, such contracts or other arrange-

ments, or modifications thereof, may be entered into without legal consideration, without performance or other bonds, and without regard to section 3709 of the Revised Statutes;"

The fact that under the conference substitute the Foundation is authorized, at the request of the Secretary of Defense, to engage in specific scientific research activities relating to the national defense (research which may be basic or applied in character) does not place a limitation on the authority of the Foundation to engage in basic scientific research.

SECURITY PROVISIONS

In the conference substitute the provisions with respect to security safeguards have been brought together in section 15.

This section has been given very full and careful consideration, in consultation with representatives of the Department of Justice, the Atomic Energy Commission, and the Department of Defense.

The objective of the conferees has been to provide for full and adequate security safeguards, while at the same time meeting certain points raised by the Department of Justice and the Secretary of Defense with respect to two provisions contained in the House amendment. It is believed that this objective has been successfully accomplished.

The following explanation of section 15 points out how it differs from the security provisions contained in the Senate bill and the House amendment.

Subsection (a): This subsection, relating to research in the field of nuclear energy, is identical with subsection 14 (k) of the Senate bill and subsection 14 (j) of the House amendment, except that a new sentence, shown in italic type in the subsection as reproduced below, has been added:

"(a) The Foundation shall not support any research or development activity in the field of nuclear energy, nor shall it exercise any authority pursuant to section 11 (e) in respect to that field, without first having obtained the concurrence of the Atomic Energy Commission that such activity will not adversely affect the common defense and security. *To the extent that such activity involves restricted data as defined in the Atomic Energy Act of 1946 the provisions of that Act regarding the control of the dissemination of restricted data and the security clearance of those individuals to be given access to restricted data shall be applicable.* Nothing in this act shall supersede or modify any provision of the Atomic Energy Act of 1946."

The committee of conference is satisfied that this subsection is entirely adequate to give full security protection in connection with any activity of the Foundation in the field of nuclear energy involving restricted data. The provisions of the Atomic Energy Act of 1946 (including penalties) will be fully applicable with respect to any such activity and to those individuals who are engaged in it. With respect to this subsection, Acting Chairman Sumner T. Pike, of the Atomic Energy Commission, in a letter dated April 12, 1950, addressed to the chairman of the committee of conference, made the following statement with particular reference to the new sentence which has been included in this subsection:

"It is the purpose of this language to make explicit that which is implicit in section 14 (j) as presently drafted with particular emphasis placed on those security provisions of the Atomic Energy Act of 1946 which would be applicable to certain activities of the Foundation in the field of nuclear energy. The effect of this section together with the suggested additional language is to make it clear that all those who receive restricted data (as defined in the Atomic Energy Act) through work with the Science Foundation shall be investigated by the Federal Bureau of Investigation as to character, associations, and loyalty and shall be cleared by the Atomic Energy Commission."

Subsections (b), (c), and (d): These subsections are included in section 15 of the conference substitute in lieu of subsection 10 (b) of the House amendment; subsection 14 (l) of the Senate bill and subsection 14 (k) of the House amendment; and subsections 14 (l) and (m) of the House amendment.

Subsections (b), (c), and (d) of section 15 of the conference substitute are as follows:

"(b) (1) In the case of scientific or technical research activities under this act in connection with matters relating to the national defense, with respect to which funds have been transferred to the Foundation from the Department of Defense in accordance with the provisions of section 14 (h) of this act, the Secretary of Defense shall establish such security requirements and safeguards, including restrictions with respect to access to information and property, as he deems necessary.

"(2) In the case of scientific research activities under this act in connection with matters relating to the national defense other than research activities referred to in paragraph (1) of this subsection, the Foundation shall establish such security requirements and safeguards, including restrictions with respect to access to information and property, as it deems necesary.

"(3) Any agency of the Government exercising investigatory functions is hereby authorized to make such investigations and reports as may be requested by the Foundation in connection with the enforcement of security requirements and safeguards, including restrictions with respect to access to information and property, established under paragraph (1) or (2) of this subsection.

"(c) No employee of the Foundation shall be permitted to have access to information or property with respect to which access restrictions have been establised under subsection (b) (1) or (2) until the Federal Bureau of Investigation shall have made an investigation into the character, associations, and loyalty of such individual and shall have reported the findings of said investigation to the Foundation, and the Foundation shall have determined that permitting such individual to have access to such information or property will not endanger the common defense and security.

"(d) No part of any funds appropriated or otherwise made available for expenditure by the Foundation under authority of this act shall be used to make payments under any scholarship or fellowship to any individual unless such individual (1) has executed and filed with the Foundation an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods, and (2) has taken and subscribed to an oath or affirmation in the following form: 'I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic.' The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits."

Subsection (d) is the same as section 10 (b) of the House amendment, except that it contains an additional requirement that before funds may be paid to an individual under a scholarship or fellowship such individual must subscribe to the following oath or affirmation:

"I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic."

Section 1001 of title 18, the penalties of which are by subsection (d) made applicable with respect to false affidavits executed under that subsection, applies only in the case of violations knowingly and willfully committed.

Subsection (b) is a modification of subsection 14 (l) of the Senate bill and subsection 14 (k) of the House amendment and requires the establishment of such security requirements and safeguards, including restrictions with respect to access to information and property, as may be deemed necessary in connection with research activities under the act in connection with matters relating to the national defense. Such requirements and safeguards will be established by the Secretary of Defense in the case of research carried on with funds transferred from the Department of Defense, and by the Foundation in the case of research carried on with other funds.

Subsections 14 (l) and (m) of the House amendment (quoted in full below at the beginning of the letter from the Department of Justice) required a specified investigation and report to be made by the Federal Bureau of Investigation with regard to any individual before he could be employed by the Foundation or awarded a scholarship, or, in the case of a national of a foreign country, before he could become associated with the Foundation in any capacity.

Serious objections have been made to these provisions of the House amendment by the Department of Justice and the Secretary of Defense. These objections are based on reasons which may be summarized as follows:

(1) If enacted, section 14 (l) would require the Federal Bureau of Investigation not only to investigate employees of the Foundation and applicants for scholarships but to evaluate the information collected through its investigation. This requirement would seriously impair the efficiency and reputation of the Federal Bureau of Investigation as an investigating agency.

(2) Section 14 (l) would preclude employment of, or awarding of scholarships to, persons who at any time have been members of so-called front organizations regardless of whether such persons withdrew from such organizations when they first suspected their subversive character. To deny to such persons an opportunity to prove that their membership was innocent would unjustly penalize many completely loyal Americans who innocently joined such organizations, and the denial of such opportunity would be inconsistent with American concepts of justice and fairness.

(3) Section 14 (m) would require investigations to be carried on by the Federal Bureau of Investigation of foreign nationals in foreign countries. This requirement would be impractical since the Federal Bureau of Investigation does not have facilities for conducting investigations abroad.

The objections of the Department of Justice and the Secretary of Defense were set forth in identical letters to Senator ELBERT D. THOMAS, chairman of the Senate Committee on Labor and Public Welfare and chairman of the committee of conference, and to Hon. ROBERT CROSSER, chairman of the House Committee on Interstate and Foreign Commerce, the letter to Mr. CROSSER being as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ASSISTANT TO
THE ATTORNEY GENERAL,
*Washington, March 6, 1950.*

Hon. ROBERT CROSSER,
*Chairman, Committee on Interstate and Foreign Commerce,*
*House of Representatives,*
*Washington, D. C.*

MY DEAR MR. CHAIRMAN: The legislation to establish the National Science Foundation (S. 247 and H. R. 4846) has been amended within the past few days in a manner which

has caused me deep concern. I refer to two amendments added by the House of Representatives to S. 247. The first of these amendments reads as follows:

"(1) No person shall be employed by the Foundation and no scholarship awarded to any person by the Foundation unless and until the Federal Bureau of Investigation shall have investigated the loyalty of such person and reported to the Foundation such person is loyal to the United States, believes in our system of government, and is not and has not at any time been a member of any organization declared subversive by the Attorney General or any organization that teaches or advocates the overthrow of our Government by force and violence."

The second amendment provides:

"(m) No person a national of a foreign country shall be associated with the Foundation in any capacity whatsoever unless and until the Federal Bureau of Investigation, independent of any investigation made by the government of such person, shall have investigated such person and reported to the Foundation that such person is not and has not at any time been a member of any organization that teaches or advocates the overthrow of the Government of the United States by force or violence."

I, of course, am firmly of the belief that disloyal persons should not be in the employ of the National Science Foundation. The amendments, however, go beyond this. Should they be enacted into law they would not only effect an extremely radical and undesirable change in the basic responsibilities and functions of the Federal Bureau of Investigation but also, in my opinion, they would bring about a departure from American concepts of justice and democratic government.

The Bureau is at the present time solely an investigative and fact-gathering agency; it does not evaluate or make recommendations with reference to the information it collects through its investigations. In loyalty investigations, as in others, the Bureau submits the information it has obtained through investigation for the consideration of the employing agency and for such determinations by that agency as may be required. The fine reputation which I believe the Bureau enjoys today as an impartial investigative agency results in large part because it has carefully restricted its activities to the making of investigations. Indeed, while the Bureau's expertness and high qualifications in this field would be challenged by no one, it is not equipped to go beyond the field of investigation and into that of making the determinations called for by the amendments. If the Bureau were called upon to perform the functions required by the amendments, its efficiency and good reputation as an investigative agency would be seriously impaired.

The enactment of either of the amendments mentioned above would remove the Bureau from its position as an impartial fact-gathering organization and impose upon it the responsibility for making decisions concerning the loyalty of individuals under consideration by the National Science Foundation for employment or for a fellowship under the act. To place the Bureau in the position of an evaluating agency regarding the loyalty of persons affected by this legislation is fraught with peril, not only to the Bureau itself, but also to the country at large. In the opinion of the Director of the Federal Bureau of Investigation, with which I agree, such legislation would constitute a clear departure from accepted fundamental theories of American government and lay a foundation for criticism of the Bureau as a state police organization.

It is also to be noted that the amendments, in precluding the employment of, or the awarding of a scholarship to, any person who has "at any time been a member of" any subversive organization seeks to deny to the Foundation the services of many Americans of unquestionable loyalty to the United States and its form of government who innocently joined a so-called front organization with the highest motives and who withdrew their membership from such organization upon their first suspicion of its subversive character.

It is characteristic of many front organizations that their purported purposes and programs are designed to appeal to loyal Americans and frequently it is behind a screen of respectability, loyalty, and even patriotism that subversive activities are carried on, often by only a few disloyal persons. In other instances a small minority subvert an organization of previously good purposes and having many members of unquestionable loyalty to the United States. This amendment would unjustly penalize many completely loyal Americans who innocently joined such organizations and would, in some measure, tend to defeat the carrying out of the purposes of the act.

The amendments also overlooked the fact that under the employee loyalty program, membership in an organization on the Attorney General's list is regarded as merely one piece of evidence pointing to possible disloyalty. The loyalty program enables an employee who is a member of a listed organization to respond to charges against him and to show that his membership is innocent and does not reflect upon his loyalty. This opportunity to defend oneself in a manner consistent with American concepts of justice and fairness is lacking from the amendments.

It is also to be noted, with regard to the second amendment, above quoted, that a very practical difficulty exists with respect to the proposed investigation of foreign nationals by the Federal Bureau of Investigation, in that the Bureau does not have facilities for conducting investigations abroad.

For the reasons above stated, I request and hope that you will make every effort to eliminate the amendments in question before final enactment of the National Science Foundation Act of 1949, thus leaving investigations of the personnel of this agency to be conducted on the same basis as investigations of personnel of other nonsensitive agencies.

I am authorized to state that this letter also reflects the views of the Secretary of Defense.

The Director of the Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Yours sincerely,

PEYTON FORD,
*The Assistant to the Attorney General.*

In reaching agreement on the provisions of section 15 the committee of conference has retained the purposes of subsections 14 (l) and (m) of the House amendment so far as it has been practicable to do so, but great weight has necessarily been given to the strongly expressed views of the Department of Justice and the Secretary of Defense.

The text of section 15 has been examined by representatives of the Department of Justice, and on April 25, 1950, the Honorable Peyton Ford, Assistant to the Attorney General, sent a joint letter to the chairman and vice chairman of the committee of conference in which he stated:

"The Department of Justice would have no objection to the proposed new section 15."

The committee of conference is convinced that the provisions of section 15 are adequate with regard to the loyalty investigation of individuals who will become employees of the Foundation or holders of scholarships or fellowships, or who will be associated with the Foundation in any way.

A draft of the proposed section 15 was submitted to the Department of Defense, and a letter regarding it was addressed to the chairman of the committee of conference on April 24, 1950, by Mr. William Webster, Chairman of the Research and Development Board of the Department. The letter states in part as follows:

"This draft has been examined with care, for the Department of Defense has long been strongly in favor of the establishment of a National Science Foundation. The proposed security provision seems to strike a proper balance between two objectives. It recognizes, first, the need to protect research and development related to the national defense according to the possible damage which could result from the disclosure to a potential enemy of information concerning it and, second, the need that scientific research, particularly basic research, be open in order to achieve maximum progress.

"It is our understanding that the National Science Foundation would deal principally with basic research and other matters of a nonclassified nature and that the authorization for it to engage in applied research in connection with matters relating to the national defense is designed primarily to enable the Foundation to assist the military effort in a small number of cases or in the event of an emergency. It does not appear that the volume of such work relating to the national defense will be significant, particularly classified work of that type. In view of the limitation on appropriations authorized for the Foundation, it may be expected that the bulk of such work would be carried on by funds transferred from the Department of Defense. In cases of this type, authority is provided to the Department by the proposed subsection (b) (1) to insure that adequate security precautions are taken wherever necessary. It is assumed that the subsection would authorize controls relating to any person who might have access to classified information including fellows and employees of the Foundation and its contractors. The caliber of men who will constitute the Foundation—appointed by the President and confirmed by the Senate—should provide assurance that the Foundation would take adequate precautions with respect to research supported by it and related to the national defense, if there be any. Furthermore, it is noted that all employees of the Foundation must be fully investigated and cleared before being given access to any classified information.

"I understand that subsection (a) of the proposed security provisions has been approved by the Atomic Energy Commission. It appears that the principles involved in the proposed provisions and the provisions themselves will be satisfactory, particularly in view of the assurance above-mentioned that the Department of Defense would establish requirements covering the security of all research work supported with its funds. This letter has been coordinated among the departments and agencies of the Department of Defense in accordance with procedures established by the Secretary of Defense. Shortness of time, however, has prevented submission of it to the Bureau of the Budget for clearance."

It has already been pointed out in the explanation of subsection (a) that full investigation by the Federal Bureau of Investigation will be required, under the Atomic Energy Act of 1946, before individuals are permitted to have access to restricted data as defined in that act.

Subsection (c) provides that no employee of the Foundation shall be permitted to have access to information or property with respect to which access restrictions are established under subsection (b) (1) or (2), with respect to research related to the national defense, until the Federal Bureau of Investigation shall have made an investigation into the character, associations, and loyalty of such individual and shall have reported its findings to the Foundation, and the Foundation shall have determined that

permitting such individual to have access to such information or property will not endanger the common defense and security. The investigation thus required is the same as that required under the Atomic Energy Act of 1946. Since the members of the Board and the Director will not be employees of the Foundation, but officers appointed by the President, by and with the advice and consent of the Senate, subsection (c) will not apply to them.

Under subsection (b) the security safeguards to be established by the Secretary of Defense and the Foundation in connection with research activities of the Foundation related to the national defense may provide for such investigations of scholarship and fellowship holders, employees of contractors, and others, as may be deemed necessary.

In order that the Federal Bureau of Investigation, the Central Intelligence Agency, and any other appropriate agency of the Government will have authority to make the investigations provided for pursuant to subsection (b), a paragraph (3) has been included specifically authorizing any agency of the Government exercising investigatory functions to make such investigations and reports as may be requested by the Foundation. Nothing in section 15 of the conference substitute is intended in any way to alter the present authority of the Federal Bureau of Investigation in matters dealing with internal security.

The provisions of subsection (b) are consistent with the method of imposing and enforcing security safeguards which is presently in effect with respect to the Department of Defense. In the case of that Department, it is left to its judgment to determine the instances in which to require investigations of individuals before they are permitted to have access to classified matters and, depending on the degree of secrecy involved, the nature and extent of the investigation to be made of particular individuals.

As indicated in the letter from the Chairman of the Research and Development Board, the Foundation's activities will be almost exclusively in basic research. Basic research generally does not involve security problems. It is confidently anticipated that only a very small part of its activities will be concerned with research on matters related to restricted data in the field of nuclear energy or related to the national defense—the two fields in which problems of security may be involved. It is the considered judgment of the committee of conference that to the very limited extent that activities of the Foundation will involve security problems, section 15 of the conference substitute provides a sound and satisfactory method of dealing with those problems.

It is unnecessary to include in this legislation special penal provisions with respect to violations of the security requirements and safeguards which will be in effect, thereunder. As already pointed out, the penalties provided by the Atomic Energy Act of 1946 (in sec. 10 thereof) will apply with respect to any activity involving restricted data in the field of research related to nuclear energy. These penalties are wholly adequate. In the field of research related to the national defense, the same penalties which now apply to security matters concerning the Department of Defense will be applicable. These penalties are contained in title 18 of the United States Code, principally in chapter 37 thereof. Sections 793 and 794 of that chapter are as follows:

"§ 793. Gathering, transmitting, or losing defense information.

"Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon, enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless, or signal station, building, office, or other place connected with the national defense, owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vesesl, aircraft, arms, munitions, or other materials or instruments for use in time of war are being made, prepared, repaired, or stored, under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any other prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army or Navy is being prepared or constructed or stored, information as to which the President has determined would be prejudicial to the national defense; or

"Whoever, for the purpose aforesaid, and with like intent or reason to believe, copies, takes, makes, or obtains, or attempts to copy, take, make, or obtain, any sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, writing, or note of anything connected with the national defense; or

"Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note, of anything connected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made or disposed of by any person contrary to the provisions of this chapter; or

"Whoever, lawfully or unlawfully having possession of, access to, control over, or being intrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, willfully communicates or transmits or attempts to communicate or transmit the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or

"Whoever, being intrusted with or having lawful possession or control of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, or information, relating to the national defense, through gross negligence permits the same to be removed from its proper place of custody or delivered to anyone in violation of his trust, or to be lost, stolen, abstracted, or destroyed—

"Shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"§ 794. Gathering or delivering defense information to aid foreign government.

"(a) Whoever, with intent or reason to believe that it is to be used to the injury of the United States or to the advantage of a foreign nation, communicates, delivers, or transmits, or attempts to communicate, deliver, or transmit, to any foreign government, or to any faction or party or military or naval force within a foreign country, whether recognized or unrecognized by the United States, or to any representative, officer, agent, employee, subject, or citizen thereof, either directly or indirectly, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, instrument, appliance, or information relating to the national defense, shall be imprisoned not more than twenty years.

"(b) Whoever violates subsection (a) in time of war shall be punished by death or by imprisonment for not more than thirty years.

"(c) Whoever, in time of war, with intent that the same shall be communicated to the enemy, collects, records, publishes, or communicates, or attempts to elicit any information with respect to the movement, numbers, description, condition, or disposition of any of the armed forces, ships, aircraft, or war materials of the United States, or with respect to the plans or conduct, or supposed plans or conduct of any naval or military operations, or with respect to any works or measures undertaken for or connected with, or intended for the fortification or defense of any place, or any other information relating to the public defense, which might be useful to the enemy, shall be punished by death or by imprisonment for not more than thirty years.

"(d) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy."

RESEARCH ACTIVITIES OF OTHER GOVERNMENT AGENCIES

Section 14 of the Senate bill contained the following subsection not contained in the House amendment:

"(h) The activities of the Foundation shall be construed as supplementing and not superseding, curtailing, or limiting any of the functions or activities of other Government agencies authorized to engage in scientific research or development."

This provision has not been included in the conference substitute. No such provision seems needed to insure continuance of research which is or may be carried on by other Government agencies under specific statutory authority and the provision seemed so broad and inflexible in its terms that its inclusion might unduly interfere with the administrative coordination through the National Science Foundation of activities in the basic sciences being carried on by various Government agencies.

Moreover, debate in the House over the striking out of a similar provision in the House bill as introduced made it clear that omission of the provision in no way implies that the Foundation is authorized to take over the research functions which have been granted other agencies by law or that the exercise of those functions is to be curtailed. It was made especially clear in the debate that its omission would not result in any limitation or curtailment of the programs of research in the fields of medicine and related activities being carried on by the National Institutes of Health or other units of the United States Public Health Service. After discussion of the nature of the research being carried on by the Institutes or supported by them, the committee of conference agreed with this interpretation.

TRANSFER OF NATIONAL ROSTER OF SCIENTIFIC AND SPECIALIZED PERSONNEL

Section 14 (i) of the conference substitute relates to the transfer to the Foundation of the National Roster of Scientific and Specialized Personnel, which is now in the United States Employment Service. The provision is the same as in the House amendment, except that the President, rather than the Director of the Bureau of the Budget, will have the authority to determine the records and property to be transferred with the roster and

the time when the transfer shall take effect. This modification has been taken from the corresponding provision in the Senate bill.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CARL HINSHAW,
JOSEPH P. O'HARA,
*Managers on the Part of the House.*

Mr. LEHMAN. Mr. President, as one of the conferees on the part of the Senate on this bill, I simply wish to say that I feel the proposed legislation is now in a satisfactory condition, and that the establishment of the National Science Foundation represents a great and a constructive step forward. I very much hope that the conference report will be agreed to by the Senate.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF ECONOMIC COOPERATION ACT OF 1948

The Senate resumed the consideration of the bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended.

The VICE PRESIDENT. The pending question is the amendment offered by the Senator from Missouri [Mr. KEM.]

Mr. SALTONSTALL. Mr. President, I wish to speak briefly in favor of an adequate authorization for the Economic Cooperation Administration and at more length in favor of the amendment which has been proposed by the Senator from Colorado [Mr. MILLIKIN] and myself, calling for a bipartisan study of technical assistance and private investment overseas.

Three years ago, on June 5, 1947, former Secretary of State Marshall spoke at a Harvard commencement. This was the origin of the so-called Marshall plan. In outlining what is now the Economic Cooperation Administration, he stated:

> I need not tell you gentlemen that the world situation is very serious.

He concluded his remarks by saying:

> An essential part of any successful action on the part of the United States is an understanding on the part of the people of America of the character of the problem and remedies to be applied. Political preference and prejudice should have no part. With foresight and a willingness on the part of our people to face up to the vast responsibility which history has clearly placed upon our country, the difficulties I have outlined can and will be overcome.

The plan General Marshall outlined at that time has twice been authorized by Congress and funds have been appropriated to carry it out. It has been well administered by businessmen—Paul Hoffman and his assistants.

We now have before us a bill which includes a third authorization. I intend to vote for an adequate authorization, as I have for the two previous ones.

I do so because I believe that the ECA expenditures are in the best interests of our own security and of world peace. But these expenditures are in the best interests of our own security only if we make it clear that ECA, in its original concept, will be completed in 1952.

Nothing in the history of mankind has been more important than is peace to the present generation. Peace—and the security that goes with peace—means more to more people now than ever before in the history of the world. Of course there are great differences of opinion as to the best way to gain peace, but we all agree upon the final objective—peace with security.

Today the world is still in a turbulent condition. The uncertainties we face from day to day are brought home to us by new incidents. Only last week 10 of our citizens in an unarmed plane were shot down and killed or drowned. More incidents are bound to come. We can expect them. Apparently Soviet Russia does not begin to understand the moral fiber of the American people. The more incidents, the tougher we are going to get, and the more we will understand how to deal with a ruthless opponent. This does not mean war, but it does mean that we cannot predict just what is in store for us in the years ahead. I optimistically and sincerely believe we are gaining in our over-all effort to bring about greater security and peace, but we cannot for one moment relax that effort. Certainly, an adequate authorization and appropriation for ECA in the fiscal year 1951 is one more such necessary effort on our part.

We are all familiar to a greater or less degree with the problems represented by the ECA. We have become so by listening to the debates on the floor and in committee over the past 2 years. So, I should like for a few moments to discuss briefly one subject which is not strictly a part of the responsibility of the ECA, but which has become a part of the pending bill by reason of the action of the House in joining to the ECA authorization for 1951 a new title: "Title III—An Act for International Development." This title seeks to create in other countries an atmosphere or climate favorable to private investment and provides for technical assistance to underdeveloped areas.

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

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

Mr. SALTONSTALL. I yield to the distinguished Senator from Texas.

Mr. CONNALLY. The provisions of the Senate bill are not those contained in the House bill. The Senate bill is not centered around the idea of encouragement of foreign investments. It is confined to purely technical and other assistance. I wanted to bring that to the Senator's attention.

Mr. SALTONSTALL. I may say to the Senator from Texas I realize that, and I shall discuss it more fully as I proceed. I realize the distinction.

Mr. CONNALLY. I wanted the Senator to bear that in mind. The Senate committee did not feel that this was a program to export our funds to foreign countries for foreign investment. I know there is much support for the idea in this country, but we were confining it purely to technical and other assistance.

Mr. SALTONSTALL. I thank the Senator.

The Senate Foreign Relations Committee, in reporting the ECA authorization, omitted title III of the House bill, but the chairman of the committee [Mr. CONNALLY] has filed on behalf of the committee an amendment creating a new title, title V, which covers in part title III of the House bill. It provides for technical assistance, but does nothing toward creating a favorable atmosphere for private investment.

The House authorized $25,000,000 for its title III. The Connally amendment authorizes an appropriation of $45,000,000 for his title V, $20,000,000 more than the House authorized for the same general purposes: namely, the providing of technical assistance to underdeveloped areas. But, the provision for technical assistance is only a part of the problem as I see it. The other part is the responsibility of our Government to create an atmosphere which will encourage private investment in other areas of the world, such an atmosphere as may also result in furnishing the technical assistance which under the Connally amendment Government alone must provide.

Mr. President, I favor title III of the House bill. I had hoped that the Senate Foreign Relations Committee might see fit to recommend it in its entirety, but in their wisdom they have not. They have merely seen fit to recommend the technical assistance part without the investment "atmosphere" part. As a member of the Appropriations Committee, I have recently heard a great deal about technical assistance and am beginning to learn of its many ramifications that already exist within our governmental departments. At first I thought that I would offer title III of the House bill as an amendment to this bill, but after careful consideration. I decided that it could not be adopted, and therefore I thought of ways and means to which the Senate might agree and which, in the long run, would preserve a program similar to that contemplated in the President's point 4 program and implemented by title III of the House bill.

I believe that the amendment filed by the Senator from Colorado for a bipartisan study is a proper approach. This amendment, if adopted, as I hope it will be, will solidify in its report the thinking of various groups of people. It will point up to the Congress where we are headed and point it up to the American people in more concrete terms than it has been possible to do to date because of the newness of the whole proposal and the total problem.

While I realize there has been broad discussion of point 4 and that in its objectives it is backed by a great many organizations and people, I do not believe the average individual has had an opportunity to think through this question and where it may lead us in all of its various ramifications. It is the duty of the Congress to appropriate, and I feel that the Congress wants to understand what the program is, and where it will head before too large appropriations are made.

On September 15, 1949, I introduced Senate bill 2561, entitled, "A Bill To Establish a Program of Foreign Economic Development." This was exactly

the same bill as was introduced in the House by Representative HERTER of Massachusetts. On January 24, 1950, Representative HERTER introduced in the House an improved version, and I introduced in the Senate the same version, which is now Senate bill 2197. The bill introduced by Mr. HERTER became the basis of title III of House bill 7797, a bill to provide foreign economic assistance, which was passed by the House. Now, in the interest of seeing the overall problem in point 4 get off to a proper start, and to see that its potentialities are properly recognized and developed, with emphasis on private investment, I have joined with the Senator from Colorado [Mr. MILLIKIN] in filing an amendment to Senate bill 3304, which is now pending.

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

Mr. SALTONSTALL. I yield to the Senator from Texas.

Mr. CONNALLY. Is it the major purpose of the Senator from Massachusetts and the Senator from Colorado to encourage foreign investments?

Mr. SALTONSTALL. I cannot speak for the Senator from Colorado on that point. I speak for myself alone. I listened very intently to the President's explanation of point 4. I believe we should, to the best of our ability, provide an atmosphere to encourage American businessmen to take an interest in other countries, to help develop those countries in the way we have always gone ahead in this country and in our undertakings throughout the world, from the early clipper-ship days on. I would say to the distinguished chairman of the Foreign Relations Committee that there are many problems involved which I shall discuss at length. I believe in the purpose, in the ideal, and in the principle involved in creating an atmosphere for private citizens to invest their money abroad.

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

Mr. SALTONSTALL. I yield.

Mr. CONNALLY. Is the creation of this atmosphere to be followed later on by Government guaranties?

Mr. SALTONSTALL. Not in every instance, by any means.

Mr. CONNALLY. But in some instances?

Mr. SALTONSTALL. That would depend on the discretion of the Export-Import Bank as it is now constituted. It would depend on the purposes for which the Export-Import Bank guaranteed investments. As I understand, the provision in the bill which is now before the Senate and in the bill agreed to by the House committee is for expropriation and for currency purposes alone. It does not guarantee profits, and I think it should not guarantee profits.

The amendment to which I have referred calls for a study by a bipartisan commission set up on the same basis as the Hoover Commission, except that it is proposed to have 24 members instead of 12 members. The purpose is to study the whole program of international development and technical assistance, with, as I say, emphasis on private investment, with a directive to report within 60 days after Congress meets in 1951.

I have joined in this amendment because I believe there are many problems connected with these undertakings which have not been sufficiently clearly brought before the Congress and certainly not clearly understood by it. I have joined in the amendment because I believe Congress should include in its authorization the creation by our Government of the necessary atmosphere or climate to encourage private investment in the underdeveloped and other areas of the world. The House version provides for this, but the amendment proposed by the Senator from Texas [Mr. CONNALLY] does not.

Mr. President, I should like to insert as a part of my remarks at this point, and I ask unanimous consent to do so, excerpts from Secretary Acheson's testimony before the Foreign Relations Committee. The Secretary said in his statement, in part:

> Its purpose is to encourage the exchange of technical skills and promote the flow of private-investment capital where these skills and capital can help to raise standards of living, create new wealth, increase productivity, and expand purchasing power.

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

THE BILL ESTABLISHES NEW NATIONAL POLICY

The bill now before you establishes economic development of underdeveloped areas for the first time as a national policy. Its purpose is to encourage the exchange of technical skills and promote the flow of private-investment capital where these skills and capital can help to raise standards of living, create new wealth, increase productivity, and expand purchasing power. There are other conditions. American aid will be furnished only where it contributes to the development of a balanced economy. It may go only where it is actually needed, and where the country receiving it cannot provide skills and capital for itself.

CAPITAL TO COME FROM UNDERDEVELOPED AREAS

Most of the capital needed for economic development must come from the underdeveloped areas themselves. However, foreign capital will be needed from three main sources: from private investors, from the International Bank for Reconstruction and Development, and from the Export-Import Bank. The latter two should supplement, not compete with, private capital. They should finance projects, such as transportation and irrigation, which are foundations for economic development and which are not ordinarily attractive to private investment. We put primary emphasis, however, on the need for stimulating an expansion of private investment not only to provide capital but also to provide the technical and managerial skills that come with capital. On the subject of capital investment, the bill makes some important findings. It recognizes that, if investment is to do its job, the people of those underdeveloped areas must have confidence that foreign investors will not squander their natural resources, will pay taxes, will obey the local laws, and will provide decent wages and working conditions.

At the same time, it recognizes the fact that investors must have confidence that their property will not be confiscated without fair compensation; that they can take their legitimate profits and their capital out of the country, and that they can have reasonable freedom to manage their own business, subject to local laws that apply to everybody equally.

We have examples of these treaties, Senator, which are now before your committee. One of them is a treaty which we have recently negotiated with Uruguay, which is now before the Foreign Relations Committee of the Senate. A treaty in a somewhat similar vein is the treaty with Italy, which you have before you, and we are negotiating with a number of other countries to provide these treaties which do guarantee protection along the lines which I have indicated for investment capital, for the right to do business, for the right to have managerial personnel come to the country and operate the business, equality of application of local laws such as taxes, et cetera, et cetera. Some of these treaties have been negotiated. Some are before your committee; others are being negotiated.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the statement of Mr. Thorp, along the same line, be printed in the RECORD at this point in my remarks.

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

POSSIBILITY OF USING SMITH-MUNDT ACT

I think that a considerable part of this program could be done under the authority of that act. There are some elements, such as cooperation with the United Nations, for example, which were not envisaged at the time that that act was passed. I think the other element is that the general framework of that act is not focused on economic development. While that certainly is an element in the total picture, the diffusion of effort in covering all cultural informational relations in many areas makes it harder to focus on economic development, and therefore it seemed better to have a bill which was specifically directed to the economic development program.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD the colloquy between the Senator from New Jersey [Mr. SMITH] and the Senator from Texas [Mr. CONNALLY], appearing at page 39 of the hearings.

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

Senator SMITH of New Jersey. I raised the question of the Secretary of State whether it (the technical assistance program) could not be incorporated in our existing legislation. I am still troubled by having a new over-all approach to this, because I think we have to feel our way. I think if we try to cover the whole scope of it in this thing now, and especially if we try to add it on to the ECA bill, we are going to have real resistance.

The CHAIRMAN. I think you are right, and I thought that we were just simply going to utilize the ECA bill for this year and appropriate money for this year, and let this thing come up on an independent basis.

Senator SMITH of New Jersey. I would rather see it as separate legislation. I think it is a very worthy project, but it needs a lot of study.

The CHAIRMAN. Yes; because this ECA is just an annual appropriation, and if we are going to bring this in and tie on to it a lot of permanent legislation we are going to be in difficulties. I think we ought to handle this on the basis of this year in the ECA bill and then take it up as an independent measure. That is the way I feel about it. However, I will be governed by the committee's action, of course.

Mr. SALTONSTALL. I cite the colloquy and statements, Mr. President, to

show that the committee itself believed that study and careful consideration should be given to the subject.

Mr. FERGUSON. Mr. President, is the Senator yielding for a question at this time?

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

Mr. FERGUSON. I merely wish to ask the Senator if he does not think that in the past some of the projects in connection with our foreign policy have been failures, or partial failures, because we had not given them sufficient study as independent projects?

Mr. SALTONSTALL. There is no question about that.

Mr. FERGUSON. Does not the Senator feel that here we have a project which is very important not only to America, but to the world, and which needs special attention as an independent project, so that we may ascertain what the roadblocks or pitfalls may be, in order that we may do a good job and do it through the independent, free enterprise system, rather than have the Government start in now on a temporary program and be unable, perhaps, to vary it in the future?

Mr. SALTONSTALL. I agree with the Senator. I think we ought to get the point of view of the private interests who are now interested in foreign countries, as well as of the private interests in the United States who perhaps would have to compete with the businesses abroad, and who may have a completely different point of view. We want to get all points of view. We want to get the point of view of the Government. As I say a little later in my address, if some cash appropriations are to be made we can consider it as a separate proposal, and not ascribe to it the purpose which the Senate Foreign Relations Committee ascribed to it when they said that its purpose is to help and encourage foreign trade. Those are not the exact words of the committee.

Mr. FERGUSON. As the Senator has indicated, does not the danger exist that if we are not careful in laying out the road, even on a temporary basis, we may not be able to vary that course in the future? In other words, there should be a complete study of the project.

Mr. SALTONSTALL. We may get ourselves into a position of giving false ideas to other countries as to what we intend to do.

Mr. FERGUSON. That is what I mean, that it would be expected we would follow it out along the same road as that set forth in the bill.

Mr. SALTONSTALL. Yes.

Mr. FERGUSON. I am eager to hear the remainder of the distinguished Senator's address on the subject, because I am greatly interested in the program.

Mr. SALTONSTALL. I appreciate the Senator's statement. I know he is interested. Later in my address I shall cite some of the work he has done in connection with it.

Mr. President, this country has reached its maturity and its strength through the initiative, the imagination and the willingness of private persons to risk their savings and even their lives in new undertakings. If the underdeveloped areas of the world are to become greater markets for our products and for the industry of our workers, more must be done than simply to help improve their health, or to give them more education, or to encourage know-how in agriculture and industry. These aids, it is true, will provide a first step by creating better conditions in these areas, by creating a better understanding of our country and of theirs, but they are only a first step. There is much more to be done. We must encourage our private citizens to undertake activities abroad and provide an outlet for greater investment by them in other parts of the world. Our taxpayers cannot continue indefinitely to carry the entire burden.

I listened intently to President Truman in his inaugural address describe his so-called point 4 program, and I came away with the feeling that this program had great possibilities when properly implemented, but that the implementation must be carefully worked out and cover a really adequate program.

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

Mr. SALTONSTALL. I yield to the Senator from Minnesota.

Mr. THYE. The point 4 program will go beyond the countries that are now a part of the ECA program, will it not?

Mr. SALTONSTALL. That is correct.

Mr. THYE. In the event the point 4 program were incorporated into the ECA plan, we would go beyond the countries with which we are now engaged in the European recovery plan?

Mr. SALTONSTALL. If the amendment proposed by the Senator from Texas [Mr. CONNALLY] were adopted, it would apply to countries which are not now included in ECA.

Mr. THYE. Does the Senator agree that point 4 is not a necessity insofar as the countries which are now under and in the ECA program are concerned?

Mr. SALTONSTALL. That statement is a little too inclusive. Korea is included in the ECA bill. It includes Korea and some other parts of the world.

Mr. BREWSTER. Palestine.

Mr. SALTONSTALL. Yes; Palestine, and some other parts of the world which were not in the original ECA bill.

Mr. BREWSTER. China.

Mr. SALTONSTALL. Also China.

Mr. THYE. ECA administrators may proceed in any manner they desire to assist, whether in the field of agriculture or industry, or in the monetary field. In other words, ECA is not in any sense restricted as to the manner in which it may assist in European recovery.

Mr. SALTONSTALL. That is the way I understand it. I understand they have very broad discretionary powers.

Mr. THYE. I have found them engaged in introducing the use of hybrid plants and seeds to advance and promote greater production of agriculture, and I have found them engaged in consolidating parcels of land into one unit in order to bring about a more efficient program of operating the farm unit. Therefore it was my observation and understanding that ECA could enter any field they desired in order to bring about a speedy recovery in the European countries where ECA is now in operation. So, point 4 would not mean anything so far as advancing recovery of the countries now under the ECA program are concerned. It would be only in the areas where ECA does not reach at the present time.

Mr. SALTONSTALL. I would say to the Senator that I do not think that is quite correct. The amendment offered by the Senator from Texas [Mr. CONNALLY] would provide additional funds, presumably to go into ECA areas and into areas all over the world which are not now included. As I conceive it, point 4, with private investment, might include European countries, because they create the atmosphere, as well as any other place.

Mr. THYE. ECA is creating an atmosphere which has encouraged private capital's adventure. ECA has given hope and courage to the foreigner to invest his money, as well as to the American investor. My observation last fall was that ECA was not only bringing about a recovery by the use of the American dollars, but that it was giving hope and courage to the people, not only industrially but politically. It has encouraged them to enter into political campaigns in order to elect sounder types of government.

So, from the standpoint of point 4 as the President outlined it before the joint session of Congress, I could see that ECA was doing much of what was set forth in the Presidential message on point 4. But that is only in the countries that come under the European recovery program. From the standpoint of point 4 in other countries, where ECA does not reach, because we are not operating in those countries, I could see an opportunity for an administrative function under the proposed plan of point 4.

However, as I have followed the distinguished Senator from Massachusetts in his statement, I believe he is entirely correct when he says that we might find ourselves out in a millstream without any way of getting back to shore. Evidently the Senator proposes a plan of study and research on how we may get back to shore after we get out into the millstream. I think the Senator is entirely sound in his approach to the question.

Mr. SALTONSTALL. I thank the Senator.

Mr. MILLIKIN. Mr. President——

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

Mr. SALTONSTALL. I yield.

Mr. MILLIKIN. Is it not correct that the ECA is a temporary program, intended to expire 2 years from now?

Mr. SALTONSTALL. The Senator is correct.

Mr. MILLIKIN. Point 4 necessarily would be a permanent program, perhaps running over generations, involving billions upon billions of dollars.

Mr. SALTONSTALL. Of private investment, and some Government funds.

Mr. MILLIKIN. The Senator may consider it either way he wishes, but in either event, whether by private investment or by Government investment, or by both, by its very nature it is a permanent program. So is not a basic defect of the Connally amendment the fact that it in-

jects into a dying temporary plan a long-range program plan, with implications possibly as great as the plan which is now on its way out?

Mr. SALTONSTALL. I agree. We now provide technical assistance in the pan-American countries through the Institute of Inter-American Affairs and by other activities. We now provide for all the ECA countries through ECA. We have 47 different international tie-ups which I shall set forth a little later. The Connally amendment would permit in any section of the world the same work that is being done in South America and the ECA countries.

Mr. MILLIKIN. Is it not correct that the program covered by the Connally amendment is the entry program into point 4?

Mr. SALTONSTALL. It is the entry to point 4 so far as the Government is concerned.

Mr. MILLIKIN. That is what I am talking about. Therefore, it is the entry program into a permanent program, injected into the middle of a program which is temporary and which will expire in a couple of years.

Mr. SALTONSTALL. That is correct. The chairman of the committee said that himself in the colloquy in the committee.

Mr. LODGE. Mr. President, will my colleague yield?

Mr. SALTONSTALL. I yield to my colleague.

Mr. LODGE. First of all, I express my regret that because of my attendance on the meeting of the Subcommittee on Disloyalty Charges I have not been able to be on the floor in connection with the proposal now under consideration, which interests me very much.

I should like to say further, so far as the comment of the Senator from Colorado [Mr. MILLIKIN] is concerned, that he is entirely right that this is not an ideal place to put such legislation, and I made the same comment when the matter was before us in the committee, and was given the classic answer which we so often receive, that this is the way the House wants us to do it because in the House they must take up one big bill and cannot take up separate small bills. Whether that is accurate or not, or desirable or not, if accurate, I cannot say, but I think it is not ideal to tie a long-range program into a short-range program.

So far as my colleague is concerned, he and Representative HERTER, of Massachusetts, have made a very profound study of this whole matter, and I think have done valuable pioneer work in connection with it. The proposed legislation as it came over from the House not only covered the question of technical assistance, which we now have before us, but also contained language which was agreed upon after long conferences between representatives of the State Department and representatives of American industry, which, without underwriting anything or guaranteeing anything or pledging anything, would nevertheless have tended to create an atmosphere abroad that was favorable and encouraging to private investment.



Of course, for most of the undeveloped countries, that is by far the best hope. The work which a foundation, like the Rockefeller Foundation, does is very good and is to be commended, the work of Government agencies is very good, and is also to be commended; but, by and large, the best hope of those undeveloped countries is the work of private enterprise.

This language which my colleague had a great part in developing, and which Representative HERTER defended in the House, came over to us in the House bill, and very much to my regret, was taken out of the bill in committee. I argued as best I could in the committee, but for reasons which did not seem to me good then, and do not seem to me good now, it was taken out.

I believe what is left is all right. I do not share the fears entertained by the Senator from Colorado that the provisions for technical assistance are dangerous, but I believe it would have been very much better if we had stayed with the over-all, well-balanced contemplation which my colleague advocates, and of which he is such a distinguished sponsor.

Mr. MILLIKIN. Mr. President, will the senior Senator from Massachusetts yield again?

Mr. SALTONSTALL. I thank my colleague for his contribution. I yield to the Senator from Colorado.

Mr. MILLIKIN. My present purpose is not to attack the technical assistance. My present purpose is merely to say that this is the indirect entry to a long-range program, and that it requires preliminary study, rather than the hasty consideration which has been given to it.

Since the distinguished junior Senator from Massachusetts was good enough to state his own position in the hearing, I would remind him that the distinguished chairman of the committee, and the Senator from New Jersey [Mr. SMITH] and the Senator from Wisconsin [Mr. WILEY], voiced similar alarm over the inappropriateness of putting this matter into the ECA legislation.

Mr. SALTONSTALL. Mr. President, I shall now proceed with my prepared remarks.

The amendment proposed by the Senator from Texas and offered by him with, I understand, the unanimous support of his committee, does not, in my opinion, adequately implement the President's program. It covers only part of the ground. I believe, therefore, that the time has come to have a thorough study of this whole subject made by a bipartisan commission composed of members of the executive department, Members of Congress, and citizens from private life, over the period of the next 8 months so that the Congress and the public may have a factual report at hand to help them with their studies, with their deliberations, and with their actions.

I quote from the first paragraph of the proposed amendment:

> There are presently before Congress problems for stimulating an atmosphere for capital investment in and providing technical assistance for underdeveloped areas of the world such as Africa, the Near and Far East, and Central and South America.

And again, section 9-B of the amendment states:

> Within 60 days after the Eighty-second Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress with attention to the relationship between the Commission's recommendations and the peace, security, and solvency of the United States.

Spread out through our various departments of Government, but concentrated to a large extent in the Department of State, are a greater number of activities in this field of technical assistance than most of us have any idea exist. In addition, there are spread through the United Nations and its various commissions more of these undertakings to which we contribute in great part.

Let me quote from a recent pamphlet issued by the Public Affairs Institute called Ground Work for Action—Bold New Program, Series No. 3, page 14:

> To implement the President's point-4 proposal of January 1949, a program was prepared and submitted to Congress. This would provide for furnishing assistance to underdeveloped areas both through multilateral programs such as the United Nations program, and bilateral programs conducted in accordance with arrangements made directly with foreign governments. The program as submitted covered technical assistance and proposals for fostering foreign investment by United States capital. The proposals for technical-assistance programs were based largely on the assumption of expanding existing United States bilateral programs and increased participation in the expanded program of the United Nations and specialized agencies.

Please note the statement that both the bilateral and multilateral programs were expanding.

As a member of the subcommittee of the Appropriations Committee on the State Department, let me call the Senate's attention to requests for contributions to the following international organizations:

| | |
|---|---|
| World Health Organization | $1,920,000 |
| UNESCO | 2,814,381 |
| International Labor Organization | 1,091,739 |
| Food and Agriculture Organization | 1,250,000 |

They total $7,076,120.

In addition to these requests for contributions, there are requests for funds for American missions to these and other international organizations with salaries and expenses of approximately $1,500,000. In addition, there are employees in the State Department whose job it is to correlate the work of these missions and of these organizations in the State Department, as well as in the Department of Agriculture and other departments of our Government.

In addition, under the Smith-Mundt Act, there is a request of approximately $2,925,000. It does not include the estimated amount of foreign credits under the Fulbright program nor the educational activities under the Voice of America program. Please note in subchapter 4 of the Smith-Mundt Act, entitled "Participation by Government Agents," section 1458, a policy governing rendition of services, that the Secretary

of State shall encourage through any appropriate Government agency the performance of services to foreign governments by qualified private American individuals and agencies and "shall not enter into the performance of such services to any foreign government where such services may be performed adequately by qualified private American individuals and agencies, and such qualified individuals and agencies are available for the performance of such services."

I mention this to show that the Smith-Mundt Act clearly recognizes the need for encouragement of private investment. The Connally amendment recognizes the need for participation of private agencies but does not create the necessary implementation to attract these agencies.

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

Mr. SALTONSTALL. I yield.

Mr. FERGUSON. I am very much in favor of the amendment the Senator from Massachusetts is discussing which provides for a study to be made of the subject of technical assistance, and so forth. Should not the study include the nature of the government of the country to which we propose to supply aid, in order that we may determine whether the aid will stimulate free and individual enterprise rather than to give aid which will be under Government control? Is it not necessary that the aid we furnish shall create a climate favorable to individual enterprise rather than that in giving such aid we become a partner with a socialistic nation? If we give the aid without making a thorough study of the purposes for which it is to be used is there not danger that what our country really will do will be to become a partner with a foreign government on a socialistic basis?

Mr. SALTONSTALL. What the Senator says might very well happen.

Mr. FERGUSON. Therefore it is essential that we make a study not only with respect to what we might very well do to aid a certain country, but whether or not there exists there a climate favorable to the aid developing through free enterprise?

Mr. SALTONSTALL. That is correct. I will say to the Senator from Michigan that the more I have studied the question, particularly in connection with this amendment, the more I am convinced that there should be made a thoroughgoing study as absolutely far removed from politics as possible. I believe such a study will be of benefit to the Congress.

Mr. FERGUSON. I thank the Senator from Massachusetts.

Mr. SALTONSTALL. The report to be made next March may be merely a temporary one, merely a report of progress. We should have such a report. That report, however, may show that it is necessary that further study be made, and the report may furnish the ground work for further study.

Further, there is the Institute of Inter-American Affairs, which has been engaged over a number of years in very successful technical-assistance programs covering the fields of education, health, and agriculture in particular. That Institute is this year requesting a cash appropriation of $6,500,000 and contract authority of $14,000,000, or a total of $20,500,000. The House Committee on Appropriations cut the cash appropriation by a million dollars and the contract authority in half. The House itself threw out, on a point of order, the contract authority, but the amount will undoubtedly be requested of the Senate Appropriations Committee in due course.

In addition to the Institute, there are other inter-American organizations, for eight of which requests for appropriations amounting to $3,032,919 have been made.

I also call attention to the report of the Committee on Expenditures in the Executive Departments, Report No. 1274, filed by the junior Senator from Maryland [Mr. O'CONOR] on February 14, 1950. The appendixes to this report commencing on page 50 give a list of the permanent and emergency international organizations in which the United States participates. This list totals 47 in number.

Mr. President, I ask unanimous consent to insert the list in the RECORD at this point in my remarks.

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

PERMANENT AND EMERGENCY INTERNATIONAL ORGANIZATIONS IN WHICH THE UNITED STATES PARTICIPATES

I. United Nations and specialized agencies: United Nations (including International Court of Justice); Food and Agriculture Organization; International Civil Aviation Organization; International Labor Organization; International Telecommunication Union; United Nations Educational, Scientific, and Cultural Organization; Universal Postal Union; World Health Organization; International Bank for Reconstruction and Development; International Monetary Fund; International Refugee Organization;[1] United Nations International Children's Emergency Fund.[1]

II. Inter-American organizations: American International Institute for the Protection of Childhood, Inter-American Indian Institute, Inter-American Institute of Agricultural Sciences, Inter-American Radio Office, Inter-American Statistical Institute, International Office of Postal Union of Americas and Spain, Pan American Institute of Geography and History, Pan American Railway Congress, Pan American Sanitary Bureau, Pan American Union (including Inter-American Defense Board).

III. Other international organizations: Bureau of the Interparliamentary Union for the Promotion of International Arbitration, Cape Spartel and Tangier Lighthouse, Caribbean Commission, Central Bureau of the International Map of the Millionth Scale, International Bureau for the Protection of Industrial Property, International Bureau for the Publication of Customs Tariffs, International Bureau of the Permanent Court of Arbitration, International Bureau of Weights and Measures, International Council of Scientific Unions and Seven Associated Unions, International Criminal Police Commission, International Hydrographic Bureau, International Meteorological Organization, International Penal and Penitentiary Commission, International Statistical Bureau at The Hague, International Sugar Council, Permanent International Association of Navigation Congresses, South Pacific Commission.

TEMPORARY INTERNATIONAL ORGANIZATIONS IN WHICH THE UNITED STATES PARTICIPATES

Central Rhine Commission, Inter-Allied Reparation Agency, International Authority for the Ruhr, International Cotton Advisory Committee, International Seed Testing Association, International Tin Study Group, International Union of Official Travel Organizations, Rubber Study Group.

[1] These organizations are not permanent but were created to meet emergency situations arising out of World War II. The IRO, which is scheduled to terminate its operations on March 31, 1951, is a specialized agency and is therefore included here as such. The UNICEF has no termination date and is an agency of the United Nations.

Mr. SALTONSTALL. I call attention to a few organizations. Under the United Nations and specialized agencies there are the Food and Agricultural Organization; the International Civil Aviation Organization; the International Labor Organization; the International Telecommunication Union; and many others. Under the inter-American organizations there are the American International Institute for the Protection of Childhood; the Inter-American Indian Institute; the Inter-American Institute of Agricultural Sciences; the Inter-American Radio Office; the Inter-American Statistical Institute, and others. Under the heading "Other international organizations" there are the Bureau of the Interparliamentary Union for the Promotion of International Arbitration; the Caribbean Commission; the International Bureau for the Publication of Customs Tariffs, and others.

Then under the heading of "Temporary international organizations in which the United States participates," there are the International Cotton Advisory Committee, the International Seed Testing Association, the International Tin Study Group, and several others.

The junior Senator from Michigan [Mr. FERGUSON] had the foresight last August to ask the Director of the Budget to secure information for him concerning United States technical assistance and exchange programs for certain other foreign expenditures. I call attention at this time to the fact that it took the Director of the Budget more than 5 months to gather the material and to reply to the Senator from Michigan on February 8. This, I think, might well be traced to the fact that many different agencies of the Federal Government are involved in one way or another. I have been endeavoring to reconcile the figures the Senator from Michigan received and which he was good enough a few days ago to read into the record of the Subcommittee on Appropriations for State, Commerce, and Judiciary with other figures which have been furnished me. It is extremely difficult. The figures which I now quote are figures which were prepared by the State Department on March 27 and are for the fiscal year 1951:

First. Technical assistance in Connally amendment to S. 3304: $45,000,000. This includes $2,900,000 Smith-Mundt Act money and a cash appropriation for the Institute of American Affairs of

$6,500,000 but does not take into account contract authority requested in the amount of $14,000,000 for the Institute.

Second. In addition to this, there is $15,000,000 included in the ECA authorization for technical assistance and $2,779,000 in the Korea authorization.

Third. Other statutes authorize $501,489, or a total of $63,280,482.

Fourth. In addition to the total I have just given, we pay about $29,000,000 to the regular budgets of the international organizations, exclusive of contributions to IRO. Of this, about $2,000,000 goes for technical assistance.

Fifth. It also costs $1,600,000 to staff our missions to international organizations. This is not directly for technical assistance. There should further be considered the amount of money that is paid to the various people who supervise all of our international organizations in the State Department; that is, the people who stay in this country and back up the overseas force.

If we add these figures together, we get about $65,000,000 for technical assistance, $27,000,000 to regular budgets of international organizations, exclusive of technical assistance, and $1,600,000 for missions to international organizations, or approximately $94,000,000.

Then, Mr. President, I would call attention at this point to a memorandum from the State Department showing the service rendered by the Department of Commerce to business. I shall ask unanimous consent that the memorandum be printed at this point in the RECORD as a part of my remarks. I point out that the fifth paragraph of the memorandum states:

> The estimate of this Department of Commerce service to business program for fiscal year 1951 is $398,000.

So, Mr. President, if that amount is appropriated, it will be in addition to the totals I have given.

I now ask unanimous consent that the memorandum to which I have just referred be printed at this point in the RECORD, as a part of my remarks.

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

SERVICE OF COMMERCE DEPARTMENT TO BUSINESS

The service outlined here is to provide detailed information on investment opportunities and business problems in underdeveloped areas to the American business community, and to collaborate directly with business in stimulating foreign investment undertakings. Lack of this information constitutes one of the impediments to American foreign investment.

This general program is composed of the following elements:

(a) Census of United States private investments abroad: This will provide up-to-date information on the character of existing investment, annual earnings and the manner of payment. The latest census of American investment abroad covered holdings as of May 31, 1943 but used 1942 and 1943 values.

(b) Country industrial development: A thorough collection and analysis in Washington is needed of economic, financial, and industrial information on each country, in order to provide business with a more complete background for their investment activities. This work will involve interdepartmental cooperation and some field surveys. The Department of Commerce proposes to set up an industry advisory committee to insure the most practical approach to the whole problem of investment in connection with country industrial development, and will also expand its contacts with all segments of business and industry on more specialized foreign business problems related to underdeveloped areas.

The estimate of this Department of Commerce service to business program for fiscal year 1951 is $398,000.

Preparation of field data: Not included here is a proposal for strengthening the economic staff of the Foreign Service in some underdeveloped areas with investment analysts, in order to provide on a continuing basis from the field the additional current data and analyses relating to investment opportunities and business problems called for under this program of service to business. This permanent addition to the reporting requirements is presented elsewhere in connection with other expanded responsibilities of the Foreign Service.

Mr. SALTONSTALL. Mr. President, inasmuch as I think it would be of interest to the Members of the Senate, I ask unanimous consent to have printed in the RECORD at this point in my remarks a memorandum covering technical assistance. The memorandum has been handed to me by the State Department. It is a three-page memorandum, and substantiates the figures I have just tried to read under the five points. I shall not take the time of the Senate to repeat those statements, but I now ask to have the memorandum printed in the RECORD.

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

1. Your request is as follows:

How much "technical assistance" is included in ECA and other agencies excepted from section 417 (a) of aid bill (title III, H. R. 7797)?

Should this amount be added to the $45,000,000 in aid or is it part of it?

2. Technical assistance activities authorized by law and excluded from Aid Act are those carried on under:

(a) Public Law 402, Eightieth Congress, "not primarily related to economic development."

(b) International Aviation Facilities Act.

(c) Philippine Rehabilitation Act.

(d) Foreign Assistance Act of 1948, as amended.

(e) Korean Aid Act (not a part of ECA estimates).

3. Estimated expenditures for fiscal year 1951 under these statutes are as follows:

| | |
|---|---|
| (a) Public Law 402 (not in aid) | $358,101 |
| (b) International Aviation Facilities Act | None |
| (c) Philippine Rehabilitation Act | 143,381 |
| (d) Foreign Assistance Act of 1948, as amended | 15,000,000 |
| (e) Korean Aid Act | 2,779,000 |
| Total | 18,280,482 |

4. These amounts are being requested in appropriations other than the aid appropriation. They are not a part of the $45,000,000 for aid.

5. The total estimated expenditures for all technical assistance activities are as follows:

| | |
|---|---|
| (a) Under aid | $45,000,000 |
| (b) Not under aid | 18,280,482 |
| Total | 63,280,482 |

6. The total estimated expenditures for all technical-assistance activities are shown in terms of H. R. 7797, as follows:

| | |
|---|---|
| (a) Technical assistance authorization in H. R. 7797 | $62,779,000 |
| Aid (title III) | 45,000,000 |
| ECA (included in total ECA authorization of $2,100,000,000) | 15,000,000 |
| Korea (included in total Korea authorization of $100,000,000) | 2,779,000 |
| Total | 62,779,000 |
| (b) Technical assistance authorized in other statutes | 501,482 |
| Total | 62,280,482 |

7. The details on technical assistance activities and expenditures outside aid are as follows:

(a) Educational exchange activities under Public Law 402 outside the Aid Act:

The 1951 State Department appropriation request includes the following items for technical cooperation—advice to foreign governments and training of their nationals—in cultural fields:

| | |
|---|---|
| Archival science | $21,352 |
| Historical resources | 55,691 |
| Library sciences | 84,438 |
| Social anthropology | 105,840 |
| Wildlife resources | 90,780 |
| Total | 358,101 |

(b) Technical assistance under International Aviation Facilities Act:

No funds are being requested for 1951.

(c) Technical-assistance activities under Philippine Rehabilitation Act:

Most Philippine rehabilitation activities are ending in 1950; $3,013,062 was made available for fiscal 1950 activities in the following fields:

| | |
|---|---|
| Public-road maintenance | $16,184 |
| River and harbor engineering | 200 |
| Public-health facilities | 1,122,841 |
| Seamanship | 246,201 |
| Civil aviation | 175,315 |
| Meteorology | 124,268 |
| Fisheries | 976,385 |
| Geodetic and hydrographic work | 351,663 |
| Total | 3,013,062 |

The only item being requested for 1951 is for seamanship, a sum of $143,381.

(d) ECA technical assistance. In fiscal year 1950, ECA set aside $15,000,000 for technical-assistance activities. Of this amount, $2,589,300 has actually been spent as of December 31, 1949. The amount estimated to be spent from January 1 to June 30, 1950, is $6,250,900, making a total for the year of $8,840,200. The remainder—$6,159,800—has been transferred to country-aid funds.

For fiscal year 1951, ECA estimates its project needs for technical assistance in the amount of $16,359,900. However, since there may be lapses in the program and some programs that will run over the fiscal-year period, ECA has reduced its request to the round figure of $15,000,000. It intends to use the full amount in fiscal 1951 if the funds are made available.

The fields of activity represented in the ECA technical-assistance program are:

| | |
|---|---|
| Industrial productivity | $3,120,500 |
| Overseas territories | 2,495,700 |
| Agricultural productivity | 2,344,000 |
| Marketing | 1,447,300 |
| Manpower utilization | 1,421,800 |
| Public administration | 1,204,300 |
| Communications and transportation | 864,400 |
| Tourism | 162,000 |
| Miscellaneous and program costs | 300,000 |
| Total | 16,359,900 |

(e) Korean Aid Act:

Activities under this act are in the same fields as point 4, but the funds are part of the request of $100,000,000 for Korean aid. The amounts requested for 1951 are as follows:

| | |
|---|---|
| Management and training | $1,650,000 |
| Technical training institute in Korea | 430,000 |
| Training Koreans in United States | 129,000 |
| Special training and assistance projects | 170,000 |
| Training supplies and equipment | 400,000 |
| Total | 2,779,000 |

Mr. SALTONSTALL. Mr. President, I cite these figures to give some indication of the growing expense to our Government that is involved in technical assistance and participation in international organizations. In considering this expense I want to make it clear that I am not criticizing it nor am I criticizing any international organization at the present time. By and large, I am for international organizations to which we now belong, because I believe that when they are properly administered they can be a tremendous force toward achieving a closer understanding among the peace-loving nations of the world. It is my hope that this understanding will help lead us to a true peace among all nations.

With these figures in mind, let me repeat: The House authorization for its title III calls for only $25,000,000 for technical assistance. The amendment of the Senator from Texas [Mr. CONNALLY] provides for $45,000,000, but the true questions are: Where does it lead us? How far should we go? What percent should be private investment? How many of the taxpayer's dollars should we send out of the country in order to try to realize our objective of developing underdeveloped areas in order to give our citizens more business and to give us greater security and to provide more peace in the world? Certainly, our objective cannot be fully realized merely by the spending of dollars. It must be carefully planned on a basis that is recognized by our citizens and by our Government officials, both in the executive and legislative branches, as being in the best interests of our country, our security, and world peace.

I have tried in this brief manner to give some indication of the scope of our technical assistance organizations already under way and of the need for a careful study before we are committed, perhaps too far, along the lines of technical assistance before we have consolidated what we are now doing. Although the appropriation now requested is, in terms of present-day figures, not very substantial, even if it is made what we want to know is where we are heading, how much the cost is, and how much can be done through private agencies if the Government is willing to work to create a proper atmosphere to encourage these private agencies and private investment. As I see it, this is a long-term pull, except where such assistance may be needed to bolster our immediate policy against the spread of communism. Certainly I have always tried by my votes to stop the spread of communism, and I shall continue to do so, and to vote for assistance in that connection, be it military, economic or technical assistance.

To encourage and help private investment, we already have in existence the International Bank and the Export-Import Bank. The first-mentioned intergovernmental agency has met with general approval. This International Bank is designed to encourage and guarantee international government loans. It may be expected to play a fuller role as the years go by; but this institution, like the Export-Import Bank, is designed to supplement, not to supplant, normal investment channels.

Mr. President, this morning I saw a letter, addressed to the chairman of the Banking and Currency Committee, the Senator from South Carolina [Mr. MAYBANK], in which the head of the Export-Import Bank stated that that bank had $2,000,000,000 in loans in 40 different countries.

One of the difficulties of normal investment channels which we must overcome is the question of exchange convertibility. The international monetary fund was set up to overcome this difficulty; but, as all of us well know, in many cases it faces almost insoluble difficulties at the present time. In the end, these difficulties must be resolved if we are to have trade between nations. Today we know that the old-fashioned barter method of trade is being more widely used than before.

The more I have studied the question of technical missions and the question of creating a satisfactory investment climate, the more difficult I find the whole problem which is involved. It is one which I believe has tremendous potentialities, but it is also one which leads to tremendous responsibilities. The Senate has before it now for ratification a Treaty of Friendship and Commerce with the Republic of Uruguay. I call attention to this treaty because I think it might have been very beneficial if we had been able to debate its terms and its ratification prior to the discussion now under way. It is, as I understand it, an over-all attempt to secure an understanding between Uruguay and our country in the interest of better trade relations, better friendship, and encouragement of the movement of capital. I do not say it is a completely model treaty, because, frankly, I am not sufficiently familiar with its terms; but I do say it is the type of treaty that I have in mind when I think of the implementation of point 4—not by the taxpayers, but by the movement of private capital.

A proper investment atmosphere, if it can be obtained, is, in my opinion, a slow and difficult process, but it is something that we must seek to obtain in the interest of peace and in the interest of friendship among nations as well as in the interest of the United States in having trade for its citizens, so as to have more jobs.

Let me cite a few of the questions involved: What does a favorable atmosphere for an investor mean? It may mean many things. Of course, the chief one is confidence that the country in which the investment is made will have a stable government that will live up to its obligations. No one can guarantee this, but a willingness on the part of the country to help attract American investment and a willingness on our part to work with that country and to assure it that we want to help and welcome its friendship will go a long way. There may be some need for some kind of government guaranty; but if a Government guaranty is used, it should be used carefully and sparingly, because in the long run it will only lead to confusion and to an endless list of Government guaranties in business. The clearest guaranty by our Government is that of convertibility and against expropriation. These are powers which the Export-Import Bank now has, but they are more clearly set forth in a bill now pending before the Senate. Mr. President, I call attention to the fact that the Export-Import Bank now has those powers, even though we have before us a bill which will clarify them. However, one of the great questions involved is, from a practical point of view, to write out such guaranties of convertibility and against expropriation on a contract basis and to carry them out.

Here are a few more thoughts in regard to creating such an atmosphere: The individual should, through treaty agreements, be sure that his American employees are not interfered with as to their persons, their personal belongings, their ability to enter and leave the country, their ability to receive food from home, and their own clothes and furniture for their own use, and that they are not discriminated against in regard to taxation or otherwise. There should be a definite understanding as to conversion of currencies. Very few nations today do not have exchange control. It must be understood just what priority American investment capital and the service of capital will have. All phases of capital should be covered—interest, amortization on loans, dividends on stocks, profits from branch establishments, fees for industrial techniques, royalties, copyrights, and many others. This, of course, should be tied in with the International Fund and should be consistent with its practices. There also must be some kind of agreement that the foreign country will not expropriate the American investors' property. There must be proper guaranty as regards taxation, a proper method of arbitration of disputes between the company and the government, what court will have jurisdiction, and whether the matter can be taken to an international court. These are some of the questions which readily come to everyone's mind, but there are many more that cannot be worked out overnight.

I have already pointed out that we have before us for ratification a Treaty of Friendship and Economic Development with the Republic of Uruguay. We also have before us a treaty for a convention with Ireland to avoid double taxation, and a claims convention with the Republic of Panama. An Italian treaty of friendship was ratified in June 1948, and a treaty with Ireland was submitted to the Senate on February 28, 1950. That is another treaty which is pending before the Senate. It takes

time to draft those treaties. We also must consider various kinds of political considerations in the country with which we are dealing. I mention these matters briefly, as they are just some of the problems involved in creating an atmosphere to encourage our citizens to invest in other countries of the world. They point to the complexities of the whole problem, and lead to the necessity, in my opinion, for a further bipartisan study.

I have already discussed the expense to our Government of the technical assistance through the United Nations organizations and bilateral understandings that we are now conducting. The more I go into the problem, the more I believe that a bipartisan commission to study it and to make a report to the next session of Congress will be of very great value and will not delay to any degree the technical assistance in which we are now participating. I cite the fact that such a commission will not in any way stop the work on our inter-American activities, nor will it stop the assistance that we may be rendering of a technical and educational nature in southeast Asia, for the President has remaining, I understand, from a $75,000,000 appropriation for this purpose, around $45,000,000. The authorization act is sufficiently broad in scope, in my opinion, to permit the President to furnish in that area what we have been discussing, in the form of technical assistance. In addition, there may be other unallocated balances from previous appropriations. This makes a very substantial amount of money available for this purpose in southeast Asia. Let me make it clear that appointment of such a bipartisan commission for careful study of this problem in no way weakens or runs contrary to the objectives of the proposed point 4 program. Rather, it will go far toward assuring a sound, sensible, and productive implementation of point 4 in all its aspects, especially at that critical time when ECA comes to an end.

Therefore, Mr. President, I hope that we may adopt the amendment that will permit a bipartisan commission, a joint cooperative effort joined in by the President, the Congress, and the public, to study this problem and make a report to us next March. We can then be guided by circumstances as to how to proceed, with a much better background than we now have, which will lead to greater security for ourselves and a more secure peace in the world.

Mr. BREWSTER. Mr. President, I am sure that those Members of the Senate who have been privileged to listen to the Senator from Massachusetts will realize the importance of the problem which he has discussed, and which deals with the whole future of our relationships with the other countries of the world. I believe that the careful study which he proposes is well warranted in the interest of being sure that we shall make no false step. I particularly approve his emphasis upon the development of an atmosphere congenial to private enterprise.

We realize, I think, that whether the system of private enterprise under which America has made its amazing development is to continue to flourish in the world or is to be followed by a more and more completely socialized state, is one of the great issues in the world mind at the present time. The government-to-government dealings, which have perhaps necessarily been an aspect of relationships during the war and immediately thereafter, must not continue indefinitely, because they are so nicely calculated to force all private enterprise into the control of the Government, whether or not that be the intent. That is why I think we should be profoundly grateful for the careful documentation which the Senator from Massachusetts has given to his amendment and the reasons he has set forth why its adoption should at least be considered seriously.

The discussion in which I now desire to engage leads, or at any rate relates very closely, to the same problem, the problem of our trade relationships. Some 10 days ago the President invited to the White House the Senator from New Hampshire [Mr. BRIDGES] to discuss the reimplementation—if the word is correct—of the so-called bipartisan policy. The word "bipartisan" seems to be in some aspects a red rag to some bulls; so I should prefer to say "the matter of cooperation," in order that we may avoid any implications of language which is provocative. But certainly in the Republican platform and in the Republican statement of aims and policies issued recently there was a very clear indication that the members of the Republican Party associated in the drafting of those declarations recognized the very great responsibility upon every party to do everything in its power to arrive, so far as humanly feasible, at some common concert of action in our relationships with the other countries of the world.

In the progress which we have made in recent years in that direction—and the United Nations stands as one of the great monuments to that achievement—beginning back during the bitter years of the war, under the leadership of the Senator from Texas [Mr. CONNALLY] as Chairman of the Committee on Foreign Relations, an entirely bipartisan committee was constituted for the first time, so far as I know, in the history of movements of this character, with equal representation accorded to each side of this political aisle, four members of one party, and four of the other, in order that they might work with the Secretary of State, Cordell Hull, in undertaking to lay broad and deep the foundations of a world structure which should be, it was hoped, equal to the great task of implementing peace throughout the world. That committee went forward in cooperation with the Secretary of State and achieved the success which was crowned at San Francisco. There was, so far as I know, no recognition of party lines in the considerations of that committee. We were equally represented on each side, and apparently the conclusions of the committee, if not always unanimous, at any rate had no trace, so far as the record shows, of partisan division.

Following that, we moved forward in order to carry on this world understanding. The Republican Party took over control for 2 years, and the chairmanship of the Committee on Foreign Relations passed to this side of the aisle, to the distinguished Senator from Michigan [Mr. VANDENBERG]. The same policy was continued in an attempt to eliminate, so far as humanly possible, all primarily partisan considerations in the conduct of our relations with the other countries of the world.

The control has now passed back across the aisle. We again have the Senator from Texas, with his long experience, in the position of Chairman of the Committee on Foreign Relations. When the suggestion was made that we should seek once again so far as practicable to arrive at an accommodation of viewpoints between the two sides of the aisle in the evolution of our foreign policy in these very critical days, I think all the country was interested and hopeful that this might perhaps be brought to pass; not that it would ever be completely realized, but that in substantial measure there might be accord.

I shall not look back to the controversies of recent years to determine the responsibility for any change in policy which has ensued, but shall look forward simply into the future, as one who, 30 years ago, first associated himself as a young man out of World War I with the so-called League to Enforce Peace, which was organized under entirely bipartisan auspices to achieve if possible a union of peoples of the world at that time. It was to me a matter of profound regret that the atmosphere in this country at that time did not seem to be congenial to its achievement. Whether the cause of world understanding would have been advanced, had we entered the League of Nations at that time, may always be a matter of debate. Unless the American people, by a very substantial majority, were in favor of that course, it would, in any event, have been abortive. However, the recent suggestion from the President brought the hope to all those who have realized the significance of current events that, so far as practicable, we would seek that course.

So to me it was a matter of profound regret that on the day following the appeal by the President there should have been urged upon the Congress by the Secretary of State one of the controversial aspects of our foreign relations, a subject upon which there have been always, historically, the sharpest divisions between the two sides of the aisle.

As late as last year there was an issue presented in that very connection on which there was an absolutely partisan division, the only one I know of in the whole session of the last Congress, except for various minor matters.

It was to me a matter of profound regret that the administration felt impelled to urge upon the consideration of the Congress, in the closing months of the session, when there was an enormous amount of work ahead, the implementation of the so-called International Trade Organization. This subject has been under discussion for a long time. Two years ago, in fact, when this body was under Republican control, the matter was referred, I believe, by the Committee

on Foreign Relations, to whom it was sent, to the Committee on Finance. The Senator from Colorado [Mr. MILLIKIN] held hearings upon the then draft of the charter of the International Trade Organization for, I think, a period of at least 20 weeks, going with meticulous detail into the question. The Senator from Colorado, I think it is safe to say, is probably more completely informed regarding this matter than is any other Member of the Congress, as a result of the application of his very great talent to a study of the situation. The Senator from Colorado feels it would be most unwise to proceed with this matter at this time, considering all the controversial problems involved.

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

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

Mr. BREWSTER. I yield.

Mr. DONNELL. I should like to ask the Senator whether the International Trade Organization would be the subject of a treaty, and that if this country should become involved in that organization it would do so by means of the ratification of a treaty?

Mr. BREWSTER. That is a very interesting question and one which has been under debate for a very long time. As the Senator from Missouri knows, the question of what is a treaty and what is an agreement is still a difficult one. There is a twilight zone involved. I have seen it in the various questions we have considered, and I think I am correct in saying that the State Department itself has considered this question a very long time, and—the Senator from Texas will correct me if I misstate it—I think it finally concluded it would submit ITO to the Congress as an executive agreement, so that the House and the Senate could concur in implementing legislation, rather than submitting it as a treaty, although it was referred to the Committee on Foreign Relations in the Senate and to the Committee on Foreign Affairs in the House. The Senator from Michigan [Mr. VANDENBERG], who was at that time, 2 years ago, chairman of the Foreign Relations Committee, asked the Senator from Colorado [Mr. MILLIKIN] as chairman of the Committee on Finance to hold hearings on the matter, saying they would like to have it considered by the Committee on Finance because probably 80 percent of the provisions were concerned with trade and tariff regulations.

So I am unable to answer the Senator from Missouri categorically, yes or no, except to say that the State Department at present treats it as an agreement, while I think the Senator from Colorado believes it should have the dignity of a treaty, because I recently heard him say it imposes far greater restrictions upon our sovereignty and freedom of action than do many matters which we have considered as treaties.

Mr. DONNELL. I thank the Senator for his response.

Mr. BREWSTER. So it is my very earnest hope that the distinguished chairman of the Committee on Foreign Relations, and those associated with him in that committee, in considering the questions which should appropriately receive our attention at this time, will give very careful consideration as to whether in the interest of the accord which we desire in many fundamental matters, it would be well to postpone until next year, at least, a study of the charter of the International Trade Organization, with all the matters which the Senator from Massachusetts [Mr. SALTONSTALL] has urged, which are most pertinent. It should also be realized that only 2 countries up to the present time, out of 30 or 40, have acted in the matter, and that the reciprocal-trade agreements are still in full force and effect, with the power of the Administration to move further in that direction.

It is my hope that the Senator from Texas will at least give his usual careful consideration to a possible delay in this matter, with the idea that other very much more pressing questions, which, perhaps, are of greater immediate importance, may be considered, and it may be possible to find an accommodation of viewpoints rather than to precipitate an issue which will inevitably involve a very heated discussion for a very considerable period, with the danger of a rather sharp partisan division upon the question, which might do very great injury to the attempt to bring about some understanding in other matters.

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

Mr. BREWSTER. I yield to the Senator from Missouri.

Mr. DONNELL. I ask the Senator whether it has been his observation that in recent years there has been a strong tendency on the part of the State Department to treat a subject matter which previously would have been considered as a treaty, because of its nature, as an executive agreement, rather than as a treaty?

Mr. BREWSTER. That is unquestionably of considerable concern.

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

Mr. BREWSTER. I yield.

Mr. CONNALLY. It seems to me there are factors which differentiate the ITO matter from the ordinary treaty. It deals principally with tariffs and international trade, of which the House of Representatives has primary jurisdiction because of its originating revenue bills. So some of the trend which the Senator suggests is caused by pressure of Members of the House and other persons who feel the Senate is taking over, instead of giving the House an opportunity. We remember the old Jay treaty in which a similar question was vigorously raised. So I do not regard it as any effort to evade the issue as to a treaty, because the House of Representatives is at this time holding hearings.

Mr. BREWSTER. The only answer to the Senator from Texas is that it was referred to the House Foreign Affairs Committee, and the Ways and Means Committee considered a resolution asking for its transfer to that committee for the very reason which the Senator from Texas so properly points out. But the Committee on Ways and Means, for some mysterious reason, was not prepared this morning to support it.

Mr. CONNALLY. I am not familiar with the details, but I know the House is giving attention to this very question, which we have not yet considered. I think the reason I have suggested is the primary one in this particular instance, and it is not the result of a desire to evade the constitutional provisions whereby the Senate alone ratifies treaties.

Mr. DONNELL. If the Senator from Maine will permit me, I want to thank the Senator from Texas for his statement.

Mr. BREWSTER. I do not know whether the Senator from Texas has considered the matter of agreement, in the light of what he says. Has there been any conclusion reached on that matter?

Mr. CONNALLY. I would say there has not been. Of course, agreements are ratified, in a sense, by both bodies, by a joint resolution of the Congress, so that both bodies are having a voice in the matter as we now look forward to it.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. I should like to ask either the Senator from Maine or the Senator from Texas whether there is any provision in the Constitution of the United States for ratification of a trade agreement? The point I have in mind is this: If a particular document is a treaty, it must be ratified by the Senate. If it is a trade agreement, is there any provision which requires any action by Congress, or does not the Executive have authority, under the law, to make such trade agreement? Am I correct in my understanding?

Mr. CONNALLY. I think the Senator has gone a little too far in the last part of his statement. A trade agreement may be made effective without any action by Congress.

Mr. BREWSTER. That is what the Senator from Missouri said, I believe. In other words, if it is an executive agreement, by its very terms it means that the Executive can make it. Of course, he may have to come to Congress to get an appropriation to implement it. I think I used the word "implement" before. It may be that the agreement can be implemented only by action of Congress. However, so far as an agreement itself is concerned, it is binding by action of the Executive.

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

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

Mr. BREWSTER. I yield.

Mr. DONNELL. That is precisely the thought I had in mind. Perhaps I did not state it clearly. It would appear to me that if a particular document is in fact a treaty, the proper body to ratify it is the Senate. If, on the other hand, it is an executive agreement, there is no provision of law which requires ratification by Congress of such agreement.

Am I correct in saying that an executive agreement can be made by the executive department? On the other hand, a document which is a treaty cannot be made by the executive department, save only subject to ratification by the Senate. Am I correct in my understanding?

Mr. BREWSTER. I think the Senator is correct in his understanding. I see not only the Senator from Texas [Mr. CONNALLY] but the Senator from Georgia [Mr. GEORGE] in the Chamber. Certainly they would be a better authority on that point than I would presume to be.

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

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Texas?

Mr. BREWSTER. I yield.

Mr. CONNALLY. An executive agreement, in order to be valid without ratification, must be on some subject on which the President has authority to act. He cannot merely make any sort of agreement and call it an executive agreement. For instance, the matter of international mail has for many years been regarded as one on which the President can make agreements with other nations. I refer to arrangements with respect to foreign postal matters, and things of that nature. However, we are not in a field where the signposts are very clearly marked.

Mr. GEORGE. Mr. President, if the Senator will permit me to say so, the Senate has the power to ratify or reject a treaty. The practical question is whether it be a treaty or an executive agreement. There are many matters that lie within the jurisdiction of the Chief Executive. With reference to matters which clearly fall within the Executive power, agreements may be made by the Executive, and they do not require ratification by the Senate. If the matter rises to the dignity of a treaty, whatever may be the subject matter of the agreement, under the Constitution, it must of course be ratified by the Senate alone, because while the House might act with respect to a treaty insofar as appropriating money for the purpose of carrying it out or implementing it is concerned, nevertheless the validity of a treaty itself is a matter entirely within the jurisdiction of the Senate.

It often has been a question of debate whether an agreement was a treaty or merely an executive agreement. That question arose—and not for the first time—in 1934 when Congress passed the Reciprocal Trade Agreements Act. It was contended by very eminent members of this body, among them the then Chairman of the Foreign Relations Committee, the Hon. Key Pittman, from the State of Nevada, that a trade agreement negotiated by the executive department could not become effective until ratified by the Senate, because, it was his contention, any such agreement was in fact a treaty. The contrary view prevailed. There was a very sharp division in this body on the question at that time. I may say that there is always a dispute as to whether an agreement assumes the proportions or dignity of a treaty or remains an executive matter, which the Executive himself may dispose of.

I was not in the Chamber to hear the first part of the remarks of the distinguished Senator from Maine, but I presume he has been directing his remarks to the International Trade Organization. My examination of that instrument convinces me that it does partake of the nature and dignity of a treaty. I think it is a treaty which must be finally ratified by the Senate. That would be my view. There is a contrary view which is held by eminent men in the executive branch of the Government, and, no doubt, in the legislative branch as well. Since first I have had an opportunity to study it, I have regarded it as a treaty. It will be recalled that the Committee on Finance several months ago gave very careful consideration to the ITO before it was drawn up in its present form. Indeed, for many weeks while it was being considered at Havana, or about to be considered, we launched into a study and detailed analysis of the instrument itself. We were not then concerned with whether it was a treaty. It dealt with many things, but it dealt primarily with trade, and the Senate Committee on Finance is interested in trade and tariffs, particularly as trade is affected by our tariff policies, and for that reason we were trying to make an analysis of it. In my opinion, as I said, in its present form it is a treaty.

Mr. BREWSTER. I should like to ask the Senator about the nature of the action which the executive department is asking of Congress.

Mr. GEORGE. I do not know what is being asked. I understood in a general way that a resolution or an enabling act had been introduced in both Houses of Congress. If so, it would be a matter over which the House, concurrently with the Senate, would have jurisdiction under this instrument, whether it be a treaty or an agreement. However, in my own view it is a treaty and should be regarded as a treaty.

Mr. BREWSTER. It is my understanding from one who has been advising me in the matter that the executive deparent apparently has recognized that it is beyond the scope of authority contained in the so-called Reciprocal Trade Agreements Act, and therefore some further authorization is necessary. To what extent Congress may authorize the Executive to enter into an agreement which would be beyond the scope of the executive power, without congressional action, opens another field, of course.

Mr. GEORGE. Yes.

Mr. BREWSTER. I think it is true also that the International Trade Organization does contain one section which is strongly suggestive of the so-called point-4 program which the Senator from Massachusetts has discussed, and it does go to considerable length into rights, obligations, hopes, and aspirations of countries in developing their international trade relations.

Mr. GEORGE. I believe that is referred to as the investment section of ITO.

Mr. BREWSTER. Yes.

Mr. GEORGE. I believe that is what is referred to, although I am not quite sure about it. It has been several months since I studied it.

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

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

Mr. BREWSTER. I yield.

Mr. DONNELL. I should like to ask the distinguished Senator from Georgia whether or not there has been submitted to the Senate at any time the Habana Charter for the International Trade Organization as a treaty for ratification by the Senate.

Mr. GEORGE. I do not know. The distinguished chairman of the Committee on Foreign Relations may be able to advise the Senator on that point.

Mr. CONNALLY. I will say to the Senator from Missouri that the Senate has not taken any action. No bill has been introduced. We have in our files in the committee a proposed bill which was forwarded to us, but it has not been introduced. It is a bill treating the instrument as a joint resolution, and not as a treaty.

Mr. DONNELL. Would the Senator from Maine object if, for the purpose of ready reference, I should offer for the RECORD, at this point, the numbers of certain joint resolutions which have been handed me within the last few minutes, coming from the House, which pertain to this matter?

Mr. BREWSTER. I think the information would be very helpful.

Mr. DONNELL. I should like to call attention to House Joint Resolution 14, introduced in the House of Representatives on January 3, 1949. I also call attention to House Joint Resolution 71, introduced on January 6, 1949, in the House of Representatives, and, finally, House Joint Resolution 236, introduced in the House on May 3, 1949.

I cite these measures not with a view of establishing whether or not the instrument is in fact a treaty or a trade agreement, but for the purpose of ready reference, so that we may have these numbers before us during the address of the Senator from Maine, and in reading the address subsequently.

Mr. CONNALLY. Mr. President, if the Senator from Maine will yield, I should like to say just one more word.

What the Senator from Texas had in mind a while ago, when he said what the prevailing route should be where there were no clearly marked signposts, was that there always arises the question whether one of these instruments is in fact a treaty or an executive agreement, and the distinction is not clear. There is a field there which is not clear, and each case has to depend upon its own circumstances and the particular facts.

Mr. BREWSTER. Mr. President, it is interesting to note that the joint resolution bearing on this point, which is apparently what the House is considering, authorizes the President to accept membership for the United States in the International Trade Organization, I assume under the theory that he does not have the authority at the present time. That is evidently the form in which the question is approached, and I apprehend that subsequently there will be due consideration of whether or not

the instrument should be considered as a treaty, in which event it would require a two-thirds majority of the Senate for ratification.

Bearing on this question, it seems to me it is most desirable that we should not proceed with the consideration of the International Trade Organization at this session, because the trade situation at this time is of a very transitory character, with the rapid changes which are occurring as a result of devaluation abroad, and as a consequence of the recovery which is going on in other countries, with the result that a very radical change is taking place at the present time. Accordingly, it seems to me most unfortunate to precipitate not only this highly controversial matter into what we hope will be a very calm and collected atmosphere in the next few months, because it will be impossible to consider wisely the course we should take until we shall see a little more clearly the implications of the current trend.

The changes which have occurred in the past 5 months are so radical, following devaluation last September, that it is impossible for anyone at this time to forecast what the situation may be a few months from today. Before we freeze the situation, as we would in large measure do by the ratification of the International Trade Organization, it seems to me it would be well to stop, look, and listen, to pause and consider and see a little more clearly the developing patterns of world trade, before we freeze arbitrarily the condition as it now exists.

ECA AND THE DOLLAR GAP

So I desire to address myself—and it has a very definite relationship to the pending legislation—to the ECA and the dollar gap.

Mr. President, for some years now the air has been filled with talk of the terrible dollar gap, and with agonized pleas for doing something about it.

We are told that ECA must continue indefinitely unless we take steps to supply a good many foreign nations with other means of support. I think Mr. Hoffman said some time ago that he thought it would be necessary for us to appropriate one billion or two billion dollars a year following the ECA in order to stabilize world trade.

Without in the least underestimating the desirability of bringing into reasonable relationship our outgo of dollars and our income, I must take serious issue with the desperate measures advocated by some of the administration's free-trade economists.

Try as I will, I cannot visualize the cataclysm that we are told will soon come if our exports of goods and our imports are not equalized.

The constant use of enormous figures, hundreds of millions, billions, even trillions of dollars, has so numbed and inured some who hold positions of importance in our Government that a simple and not unusual gap in our foreign trade seemingly frightens them.

Like the horse that has inadvertently eaten of the loco weed, the twig becomes magnified into a tree and the meandering brook becomes a mighty torrent.

As the drug addict must continually increase his shot, so administration leaders seem to needle the public with larger and larger doses of the dire results of buying at home rather than abroad.

We are told that we must import to the tune of $15,000,000,000 or more annually—or continue ECA indefinitely—if we are to keep the "bear" from the European door, or our own economy from complete collapse.

It seems an appropriate time to clear the air, so far as practicable, of certain widely held misconceptions of our foreign-trade situation and its relation to our domestic economy and the peace of the world.

In this connection, two important questions may appropriately be asked.

Is the dollar gap as serious as administration leaders have painted it? And are more trade agreements the answer? Is ITO necessary in order to insure our future progress and our trade relations with the world?

The pending proposal to appropriate three billion more dollars for European recovery seems to require careful consideration of these questions and of our foreign trade situation in general.

This discussion will include a short analysis of our over-all trade and will show that a greater volume of exports than imports is normal and desirable for the United States.

It will show that we are, in the first months of 1950, very near to the long-term average ratio of our exports and imports.

That, to me, is a most astounding and dramatic fact, and certainly one very far removed from that suggested by the current agitation that we must immediately go much further in the reduction of our domestic tariffs in the interest of world trade.

The discussion will show that the situation is being deliberately overemphasized and will question the use of the term "reciprocal" in our trade agreements.

It will show that our trade with Europe, which includes most of the ECA countries, has not approached a balance for many years and will explain that this is natural and normal and not the extreme crisis some would have us believe.

It will offer evidence that agriculture is taking a literal beating at the hands of our trade-agreement negotiators—and will serve as a warning to the agriculturalists and fishermen of the entire country.

It will show that 60 percent of our imports come in free of any duty and that hundreds of other rates are so ridiculously low that they have no protective value whatsoever; on the contrary, some rates are so low that the cost of collection often exceeds the amount collected in duty.

It will show that truly reciprocal agreements cannot possibly be the means of closing the trade gap.

THE DOLLAR GAP

The economists tell us that every dollar sent abroad eventually returns to us and therefore we cannot, over a long period, sell more than we buy. If a nation has dollars, but does not want United States goods, that nation will trade the dollars to some other country which does have a need for our products.

For many, many years the United States has exported much more in the form of commodities than it has imported. The figures given on this score are amazing.

Under the free-enterprise system and the doctrine of fair protection to American agriculture and industry, a large number of our citizens are financially able to travel abroad. These tourists spend many millions of dollars in foreign countries. Furthermore, millions are sent home by the Chinese laundryman, the Danish dairyman, the Italian delicatessen owner, and the hundreds of thousands of others who have come to this fabulous land to make their living. Also, many millions are sent to needy foreign areas each year by charitable individuals and churches and other institutions. I have spoken of the Rockefeller Foundation.

Transportation between the United States and foreign countries has greatly improved since the First World War and the amounts being spent abroad by tourists are increasing month by month. In the year 1949, according to the Department of Commerce, American tourists spent about $700,000,000 in foreign countries, individuals sent money home or to relatives in the amount of almost $350,000,000, and various foundations and institutions expended about $250,000,000 in foreign countries.

This totals well over a billion and a quarter dollars that went to foreign countries last year, and for which there was no direct return. Those dollars, in other words, were in the hands of foreign countries to spend for anything they desired in this country. They did not involve any reciprocal trade. This does not include any ECA or other free dollars from the United States Government.

The average monthly exportation of the above-mentioned dollars is approximately $108,000,000. Subtract that from the total excess of exports over imports in the month of January of this year—$113,000,000—and we find the dollar gap narrowed to the insignificant amount of $5,000,000—believe it or not. In other words, in January of this year, on the basis of these figures, the foreign trade gap was approximately $5,000,000, not the billions of dollars of which we have heard so much.

The trade gap in February jumped to $162,000,000, and the dollar gap would then be $54,000,000. Averaging the 2 months we can forecast, taking that as a basis, a total dollar gap in 1950 of something less than $400,000,000—not the billions of dollars of which we have heard—and this does not take into consideration any private capital invested in any foreign country. The Senator from Massachusetts has just shown to us how large those figures are. If the flow of dollars abroad in the form of investments in factories, machines, or similar productive equipment even approaches the hopes of the planners, the dollar gap will dwindle to insignificance.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. Does the Senator have any information as to how much in dollars is annually coming into this country from investments owned abroad by United States corporations or individuals?

Mr. BREWSTER. If the Senator refers to the question of investments by foreign interests in this country——

Mr. DONNELL. No, it was the converse of that to which I referred. May I amplify my question slightly?

Mr. BREWSTER. I think the correct answer to the Senator's question is $1,200,000,000.

Mr. DONNELL. One billion two hundred million dollars?

Mr. BREWSTER. Yes.

Mr. DONNELL. That is to say there is income in dollars coming into this country of $1,200,000,000 a year, by reason of investments which this country has made in foreign countries?

Mr. BREWSTER. Yes.

Mr. DONNELL. That is income coming in from those investments? Is that correct?

Mr. BREWSTER. Yes.

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

Mr. BREWSTER. Yes.

Mr. DONNELL. What would be the effect of our making further foreign investments? Would not the effect be to increase the number of dollars which would come into this country, thereby increasing the dollar gap instead of decreasing it? It not that correct?

Mr. BREWSTER. That is unquestionably one of the factors to which the Senator from Massachusetts alludes in connection with this whole matter of private investment abroad, because the ultimate effect must be, if we are ever going to get any earnings into this country or get the principal repaid, that we will to that extent have to call on foreign American dollars to be paid to this country.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. BREWSTER. Yes.

Mr. DONNELL. Am I correct in understanding that the view which the Senator takes is that if the United States does make extensive investments abroad, and does derive income from those investments, that will bring more dollars into this country, thereby increasing the gap between the dollars coming into this country and the dollars which we send out annually to the other countries? Am I correct?

Mr. BREWSTER. The Senator is correct, although I must say that I am in rather cordial sympathy with the idea that we should look forward to the increasing investment of American dollars abroad even though that is the consequence. In other words, I am in general sympathy with the so-called point 4 to the extent that it is related to private investment in productive enterprises under free enterprise in foreign countries with a congenial atmosphere.

Mr. DONNELL. I am not disagreeing with the Senator's view along that line, at least for the present, but I wanted to bring out clearly in my own mind just what the Senator's view is as to the effect on the dollar gap which, absent other factors, would result from increased investment of our money abroad.

Mr. BREWSTER. That is absolutely correct.

Mr. DONNELL. I have stated it correctly, have I?

Mr. BREWSTER. That is correct. It is my hope that in the long-range view we shall gradually be able to absorb the differences that would result. That is my hope as the other countries build up their economies. But this again is the point the Senator from Massachusetts makes, that we must take a long-range view, and not get into terms of billions of which we now speak so glibly, but, rather, in far more modest terms. A little later I shall point out another curious item, which is an investment of apparently some $700,000,000 by foreigners in this country in recent years. That is the reverse, and that is a very curious and very interesting item to which I shall come shortly.

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

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Maine further yield to the Senator from Missouri?

Mr. BREWSTER. I yield.

Mr. DONNELL. If I am disturbing the continuity of the Senator's address please do not hesitate to say so. Has the State Department given out any information, so far as the Senator knows, in recent months as to how much foreign money is invested in the United States?

Mr. BREWSTER. That is a very interesting question, and it is one which the State Department for some years now has declined to answer, partly on the ground, as they state, that they do not have complete information. That is, to my mind, something the American people are entitled to know. Certainly, when we discuss the question of how poverty stricken other countries of the world are, if it is true that billions of dollars are invested in this country by foreign citizens I think it is a fact that may well be taken into account in the development of our plans.

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

Mr. BREWSTER. Yes.

Mr. DONNELL. Is it not true that in order to know what is the dollar gap to which the Senator is addressing himself, we must not merely know how many dollars are coming into this country but we must know how much is going out by way of income derived by foreigners from investments within the boundaries of the United States?

Mr. BREWSTER. That is quite correct.

Mr. DONNELL. So, in order to have the complete picture we must know not only what is coming into the United States by way of dollars, but we must know what is going out from income on investments of foreigners within our borders. Is that correct?

Mr. BREWSTER. The Senator from Missouri almost takes my words out of my mouth. My next paragraph is this: In fact, if we consider all the factors, it has already dwindled to that point—that is, the point of insignificance.

I call attention, Mr. President, to some additional statistics which may surprise a great many of my colleagues and point up this whole problem. It is not so much the gap between imports and exports that is worrying our country's financial experts, as the gap—and I call this to the attention of the Senator from Missouri—between the dollars going out of the country and the dollars coming in—the very words the Senator from Missouri used.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. Has the State Department given any further reason as to its declination to give us information as to the amount of foreign investments in this country?

Mr. BREWSTER. No. I think they have simply said that they did not have adequate information. I am sure they must have a great deal of information, but they have declined to disclose it.

Mr. DONNELL. Does not the State Department have a Foreign Trade Division which we could question in connection with the International Trade Organization, and do they not have adequate facilities to discover how much foreign money is invested in this country?

Mr. BREWSTER. It is my hope that we are going to learn that in the course of time as America becomes conscious of the importance and significance of these figures, and I hope that we shall continue to press for them.

Mr. DONNELL. I thank the Senator.

Mr. BREWSTER. I think we should have that information before we go ahead with the International Trade Organization.

Mr. DONNELL. Mr. President, will the Senator indulge me for one further question?

Mr. BREWSTER. Yes.

Mr. DONNELL. If it be correct that the International Trade Organization agreement or charter is a treaty, as the distinguished Senator from Georgia [Mr. GEORGE] is inclined to think, and as he has expressed himself today, it would be one of those documents, would it not, which are referred to in article VI of the Constitution, as follows:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

I am correct in that statement, am I not?

Mr. BREWSTER. The Senator is correct.

Mr. DONNELL. So does it not become of very great importance for us to ascertain whether the International Trade Organization Charter is a treaty which has the dignity and effect cited in that article of the Constiution?

Mr. BREWSTER. It does; that is correct.

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

Mr. BREWSTER. I yield.

Mr. MILLIKIN. On the question of whether the proposed International Trade Organization Charter is a treaty, I should simply like to say that it surrenders many times over more sovereignty than the United Nations Charter did. Yet, we found it necessary to consider the United Nations Charter as a treaty. If the United Nations Charter is a treaty—and it is—then, by the same reasoning, compounded by the seriousness of what would be done under the International Trade Organization, should not the International Trade Organization Charter be considered as a treaty?

I wish to say that in my opinion it undoubtedly should be considered as a treaty.

Mr. BREWSTER. Mr. President, I am sure that the Senator from Colorado will be interested to know that the Senator from Georgia, the chairman of the Finance Committee, a little earlier today stated that that is his considered conclusion as well.

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

Mr. BREWSTER. I yield.

Mr. MILLIKIN. I may add that, from the standpoint of the proponents of the International Trade Organization, a permanent trade relation system which is set up on the basis of the International Trade Organization cannot be founded or established by means of ephemeral legislation which may be changed every 2 years. From their standpoint—if they are serious—in order to have a new and revolutionary trade relationship with the rest of the world, such a measure should be considered as a treaty. Therefore, as a treaty, it will have precisely the effect of which the Senator is speaking.

Mr. BREWSTER. Mr. President, doubtless the Senator from Colorado is familiar with the words used by the President of the United States in submitting this matter to the Congress on April 28, 1949, almost a year ago at this time, since when the proposal has safely reposed in the Senate Committee on Foreign Relations. I read the two opening paragraphs of the President's message:

*To the Congress of the United States:*

I submit herewith, for the consideration of the Congress, the charter for an International Trade Organization, prepared by a conference of the United Nations which met in Habana in 1948, together with a memorandum from the Secretary of State.

Please note the next paragraph, Mr. President:

The charter is designed to do two things: to establish a code of international conduct to guide nations in dealing with the fundamental problems of world trade—

There could scarcely be any more conclusive demonstration that, as the Senator from Colorado has pointed out, it is supposed to govern us, not for a year or two, as an ephemeral document which could be changed at any time, but as a very fundamental agreement affecting the life and the livelihood of every citizen of the United States, in some respects doing so far more fundamentally than will the United Nations. Although the long-range impact of the United Nations may be of greater import or more valuable, yet the effect of the proposed International Trade Organization program upon our agriculture and industry will be most profound. Now I read the next portion of the President's message to Congress on this subject—

and to create an agency, within the framework of the United Nations, to help implement this code.

In other words, in that connection we intend to enter into a code which will bind us, but also to enter into a means of binding ourselves to it.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. The Charter of the United Nations was a treaty, was it not, and was so considered by the Senate?

Mr. BREWSTER. Yes.

Mr. DONNELL. Is the Senator from Maine familiar with the fact that on Monday of this week there was rendered by a California court a decision—which I shall later this afternoon submit for the record, with some comments, if I am able to obtain an opportunity to do so—to the effect that the Charter of the United Nations invalidates the California alien land law. In that decision the court, in referring to the Charter of the United Nations, made the following statement:

Clearly such a discrimination against a people of one race is contrary both to the letter and to the spirit of the Charter, which—

I call especial attention to this portion of the decision—

as a treaty, is paramount to every law of every State in conflict with it.

Does not the Senator from Maine regard that language as very significant and as making it of the highest importance that we ascertain whether the International Trade Organization charter is a treaty, and that we bear in mind the fine words of wisdom stated this afternoon, with respect to that instrument, by the distinguished Senator from Colorado and by the distinguished Senator from Georgia?

Mr. BREWSTER. It is my earnest hope that in the development of the coordination of policy, for which the President has appealed, he will at least ask his agencies—in this case, particularly the State Department—to consult with Members of the Senate on both sides of the aisle as to the nature of the agreement and as to whether it seems wise and practicable to undertake to implement it at this time.

Mr. DONNELL. I thank the Senator.

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

Mr. BREWSTER. I am happy to yield.

Mr. MILLIKIN. I should like to say that at the time when the United Nations Charter was being considered, I asked quite a few questions in regard to the impact of its provisions upon our domestic procedures and laws. The members of the committee at that time stated rather positively that in the Charter of the United Nations there is a saving provision expressly stating that nothing contained in the Charter shall interfere with the domestic business of a country.

If that is true, the decision the Senator from Missouri has mentioned may be off base.

If that is not true, it illustrates the point I was emphasizing a while ago, namely, that when we went into the United Nations Charter, we went into it as a treaty. However, the International Trade Organization charter contains numerous serious interferences with our domestic procedures and wtih many of our domestic laws. If the United Nations Charter had to be considered as a treaty—and it was so considered—surely the ITO instrument will have to be considered as a treaty.

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

Mr. BREWSTER. I am happy to yield.

Mr. MALONE. I should like to ask the distinguished Senator from Maine whether he understands that the International Trade Organization charter, as now written—and it comprises approximately 125 pages of written material in respect to conditions, and also presents a good many ambiguities—in the main means that we transfer from the executive branch of our Government to an International Trade Organization, which presumably would have in it at least as many nations as the United Nations itself has—let us say 58—and in which we would have only one vote, the right to suggest the tariffs and import fees and quotas of production for its member nations.

Mr. BREWSTER. Oh, yes; that is a part of the whole idea of the International Trade Organization. I assume that we are not bound beyond our present commitments as to that proposal; but if we were to act in accordance with the spirit of that instrument we would have to proceed very much further than we might well be advised to go.

Mr. MALONE. I should like to ask the distinguished Senator a further question. If that be true, then let us recall that by means of the 1934 Trade Agreements Act the Congress transferred its constitutional authority to regulate the national economy, through the regulation of imports, to the executive branch of the Government—in that case meaning, of course, the Secretary of State.

This ITO proposal would be the second move toward the control of the national economy. Under the 1934 Trade Agreements Act, control passed from the Congress, to the Executive, including the State Department; and then, by the adoption of the International Trade Organization, that authority would be transferred to an international trade organization, made up, as I have previously stated, of at least 58 nations, and perhaps more, each with one vote. Then that organization would suggest regulations aimed toward one economic world.

Mr. BREWSTER. I read from the memorandum of the Secretary of State which was transmitted with the President's message. Under the heading, "Structure and functions of the organization," the memorandum, in part, says:

The Organization will be empowered to make studies in various fields, for example,

standardization, uniformity, and simplification of customs regulations. It can be a means of the collection and dissemination of technological information.

I think with our experience we know what that means. In other words, we shall be told increasingly that this is a wise thing, and that if we do not do it we shall be obstructing. We are creating a very considerable power and authority.

Mr. MALONE. Then what we are doing, in the judgment of the senior Senator from Maine, is to establish an organization, and, when we do not follow its suggestions about dividing the markets of our country through this free-trade set-up, which they call reciprocal trade, we would then be accused of bad faith. Is that correct?

Mr. BREWSTER. The question is not simple. There will be undoubtedly much argument, but I think the statement of the Senator from Colorado, who I think everyone will agree knows more about the details of this thing than any other Member of the Congress, because of the exhaustive study he has given to it, is that it does involve more restrictions of our sovereignty than any other action we have considered. While there are all kinds of escape clauses, it was my impression, from the time I sat in while it was being considered, that the escape clauses were chiefly for the benefit of the other countries, that practically all the other countries had escape clauses by which they could get out, but we were a sort of rich uncle who would have to be the final goat. That is the way it looked in the original drafting.

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

Mr. BREWSTER. I yield, unless the Senator from Colorado desires to comment at this point.

Mr. MALONE. I have just one more question.

Mr. BREWSTER. I yield.

Mr. MALONE. Since we are the ones who have the rich markets of the world because of our higher standard of living, which during the past 70 years has been due, in the judgment of most of us, at least, to our protective tariff and import fees, making up that differential, if it is the purpose to divide the markets of this country with the nations of the world, with the direct objective of raising the standards of other countries and lowering ours, thus averaging the standards, would we not, if we failed to go along with this great one-economic-world idea, be accused of bad faith from the beginning?

Mr. BREWSTER. I think we would be very much embarrassed. Undoubtedly it would be said that we entered into this thing and were not playing ball.

Mr. MILLIKIN. Mr. President, I believe we should emphasize what has just been said by the distinguished Senator from Nevada, that since we originated the plan, since we are its chief promoters, if we decided to get out from under it, we certainly would be accused of bad faith and of breaking the heart of the world. On these various escapes which we might take, the other fellow is entitled to take retaliatory measures and many of the escapes, I bring to the mind of the distinguished Senator from Maine, can only be taken when authorized to be taken by the whole group of nations, in which we have one vote.

Mr. BREWSTER. Another statement in the analysis by the Department of State was:

> This charter establishes a code of principles to be accepted in the conduct of international trade and an organization to help make them work.

That is certainly a clear and simple statement that this is supposed to settle things for some time to come. The figures I am about to give will answer in part a question the Senator from Missouri asked awhile ago. I am advised that the ECA countries whom we are assisting, according to a report by Mr. Hoffman, have a long-term investment in this country of their assets, by participants from those countries, of approximately $5,000,000,000—$4,800,000,000, to be exact. That is one figure which we have.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. Does the Senator have any information from Mr. Hoffman or from any other source as to the amount in dollars of yearly earnings on the $4,800,000,000?

Mr. BREWSTER. I do not think that is shown. It would vary each year, I presume.

Mr. DONNELL. I thank the Senator.

Mr. BREWSTER. I had been saying that what we were interested in was the gap between the dollars going out of the country and the dollars coming in.

In 1948 this country sent $1,900,000,000 to foreign countries as the net amount—that is excess of outgo to income—of new investments. Of this amount $900,000,000 were Government and $1,000,000,000 were private. In 1949 the net amount of investment added was $1,200,000,000; $700,000,000 Government and $500,000,000 private. These additions brought up to thirty-one and one-half billion dollars of United States money invested in foreign countries—a sum that should be remembered when we take drastic Government action to promote and insure new foreign investments. That is, we must realize the investment we already have.

So, we must add another category of dollar outflow as we try to estimate the 1950 picture. There was a decline in foreign investment dollars going abroad in 1949 from 1948, but, with all the encouragement being offered we can expect an increase in 1950. The average of the last 2 years was $1,500,000,000—probably as good an estimate as can be made for 1950.

Again, according to a very recent newspaper article, which is verified by official Federal Reserve Board figures, in 1948, foreigners obtained $1,200,000,000 that we, somehow, are unable to account for, and in 1949, $700,000,000 went abroad for which there is no definite or detailed record.

Because of the timeliness and startling nature of this article, I think I shall read it, because it seems to have such a bearing on this problem. It reads as follows:

> "LEAK" OF $700,000,000 FOUND IN UNITED STATES OUTGO ABROAD LAST YEAR—FOREIGNERS' SCRAMBLE TO INVEST IN THIS COUNTRY COST UNCLE SAM A FOREIGN-AID SAVING
>
> WASHINGTON.—Uncle Sam could have saved several hundreds of millions of foreign-aid dollars last year, but for a secret scramble on the part of foreigners to get good United States investments.
>
> The Federal Reserve Board yesterday as much as acknowledged that foreigners had $700,000,000 more United States dollars last year than policy-makers here realized. That was at a time when the United States was pouring out billions to help "needy" governments in Europe and Asia.
>
> The elusive $700,000,000 was mentioned in the Board's latest monthly bulletin in an article called The Balance of Payments Position of the United States.
>
> Government figures indicate United States income from abroad last year was $15,900,000,000. Since outgo was $9,800,000,000, net income was $6,100,000,000. If nothing else had happened, the foreigners would have drawn down their holdings by $6,100,000,000.
>
> But Uncle Sam loaned and gave away $5,700,000,000, private United States citizens made investments and donations of $1,000,000,000 abroad, and the International Bank for Reconstruction and Development and the Monetary Fund had net outlays of $100,000,000. That meant foreigners got $6,800,000,000 to cover a $6,100,000,000 deficit. They should have been $700,000,000 to the good, and this $700,000,000 should have shown up in their private or government assets. But it didn't.
>
> This isn't the first time this has happened. Back in 1948, the Board noted, foreigners apparently had $1,200,000,000 that somehow went uncounted in statistics here.
>
> What happens to these "lost" dollars? The Board—

That is, the Federal Reserve Board—

> figures a lot of this money is salted away in "unrecorded" investments foreigners made in the United States. Sometimes these deals are "unrecorded" simply because there are gaps in the statistics Uncle Sam collects—some of those bothersome questionnaires the bankers and securities dealer get from Federal agencies aren't quite complete enough.
>
> Sometimes the investments are just plain evasions of rules laid down by other governments. Foreigners decide United States securities, commodities, real estate, or bank accounts are sounder than similar holdings at home. But regulations—in Britain, for instance—say they can't use their dollars this way—

That is, a citizen of England is not supposed to invest in the United States—

> so they invest under cover. They get a friend or business associate who is a United States citizen to make and hold the investment or bank account for them.

With all this added, what is the true dollar picture? Will the year 1950 find us putting out more dollars than we are taking in or will we be near the greatly hoped for balance that we hear so much about?

> THE DOLLAR GAP IN 1950
>
> If the January and February average of imports and exports is indicative of the full year's foreign trade, we will export goods valued at about $9,000,000,000 and we will import goods valued at about $7,300,000,000. That will leave an excess of exports over imports of $1,700,000,000.
>
> Not the $7,000,000,000 about which we have been hearing so much, but it is less than $2,000,000,000.

Tourist trade is increasing, but if we estimate 1950 to approximate 1949 and if individuals and institutions send the same amount abroad as in 1949, there will go out of this country to foreign nations about $1,300,000,000. That will leave a dollar gap of $400,000,000.

If foreign investments are made in 1950 to the amount of $1,500,000,000 as estimated above, we will then be $1,100,000,000 on the wrong side of the ledger, and if as many dollars go abroad in 1950 for which we cannot account as there were in 1949, another $700,000,000 can be added, and we will be $1,800,000,000 on the wrong side of the ledger.

Those figures are extremely interesting and, in the light of much of the current propaganda, somewhat astounding.

Our ECA commitments for 1950 have not been considered here. Neither has the amount of dollars presumably paid our experts who have gone abroad to aid other countries to increase production, help build roads, dams, and such services. A large number of foreign industrial and laboring men have come to this country to learn our ways, and that has, to a considerable extent, offset the dollars that might have been paid our own experts who went abroad.

The Senator from Massachusetts [Mr. SALTONSTALL] has indicated the amount we may pay for those technical assistants in the coming year.

I have discussed this matter of the dollar gap for the chief purpose of showing that the hue and cry about greater imports, greater foreign investments, greater amounts for ECA, for this, that, and the other foreign-aid program, is mostly in the nature of propaganda, free-trade propaganda, among other things.

The principal worry now should not be how to accelerate the closing of the trade gap, but how to control it so that injury to domestic industries may be minimized and our exports maintained sufficiently to balance our imports.

The following table compares imports and exports since 1920 and shows the excess of exports and the percentage of imports. It will be noted that the percentage figures for January and February of this year, 1950, approximate those of the peak 10-year period, 1926–36.

I shall read excepts from it and then ask that the complete table be inserted in my remarks.

It is a very interesting table, showing the relation of our exports to imports over a period of years. The first period is 1921 to 1925. Our exports were a little more than $4,000,000,000; our imports a little more than $3,000,000,000, a difference of approximately $1,000,000,000. Our imports were 78 percent of our exports.

In 1920 to 1930 we were close to $5,000,000,000 in our exports, $4,000,000,000 in our imports, and the balance, the excess, was $750,000,000. Our imports were 84 percent of our exports. Note how close the figures are.

Coming on down, we find that in 1938 the imports were 63 percent; in 1939, 73 percent.

We now come to the current situation. In 1949 we were down to what was almost the lowest figure. The lowest figure was in 1947.

On the projected average, if, during the coming year, we continue at the same ratio between exports and imports which prevailed in the first 2 months of this year, January and February, then for the current calendar year we will have exports of approximately $9,000,000,000, imports of $7,326,000,000, and an excess of exports over imports of $1,650,000,000. Our imports would be 82 percent of our exports.

In other words, the only trade gap we have to absorb is less than $2,000,000,000.

Mr. President, I ask unanimous consent that the entire table be printed in the RECORD at this point in my remarks.

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

*Comparison of United States exports and imports for specified years and periods*

[In millions of dollars]

| Year or average of period | Exports | Imports | Balance, excess of exports | Percent imports are of exports |
|---|---|---|---|---|
| 1921–25 | 4,397 | 3,450 | 947 | 78 |
| 1926–30 | 4,777 | 4,033 | 744 | 84 |
| 1931–35 | 2,025 | 1,713 | 312 | 84 |
| 1938 | 3,094 | 1,960 | 1,134 | 63 |
| 1939 | 3,123 | 2,276 | 847 | 73 |
| 1940 | 3,934 | 2,541 | 1,393 | 65 |
| 1941 | 5,020 | 3,222 | 1,798 | 64 |
| War period. | | | | |
| 1946 | 9,503 | 4,792 | 4,711 | 50 |
| 1947 | 14,252 | 5,643 | 8,609 | 40 |
| 1948 | 12,532 | 7,092 | 5,440 | 57 |
| 1949 | 11,885 | 6,598 | 5,287 | 56 |
| 1950 [1] | 8,976 | 7,326 | 1,650 | *82* |
| January | 735 | 622 | 113 | *85* |
| February | 761 | 599 | 162 | *79* |

[1] Projected average of January and February for 12 months of 1950.

Mr. BREWSTER. Mr. President, I think it is high time that the American people should be treated to a little taste of the realities of our existing trade relations and realize that instead of five, six, or seven billion dollars, about which we hear so much, our trade gap is down to less than $2,000,000,000. If the trend of the past 5 months since devaluation continues, it is impossible to predict how much further it may decline. That is one reason why it seems to me tragic that we should be asked, in the closing months of this session, to take action of so comprehensive a character, freezing to a considerable degree our existing trade relationships, when one cannot possibly forecast what the situation may be 9 months from today. It is on that basis that I continue to hope and to urge that the Committee on Foreign Relations may go very slowly in the consideration of the international trade organization charter at this time.

A brief bit of tariff history seems in order at this point.

The tariff rates on dutiable goods under the Tariff Act of 1930 and prior to any modifications under important trade agreements, averaged about 45 percent.

Under the Fordney-McCumber Act, in effect from 1922 to 1930, tariff rates averaged approximately 38.5 percent.

While the Underwood Act, generally considered as a Free Trade Act, was in effect, from 1913 to 1922, tariff rates averaged about 27 percent.

I point out that 3 years after the First World War, as indicated by the action of the Congress, it was necessary very greatly to revise the Underwood Act in order to preserve the economy of the United States. Today tariff rates, under the existing so-called Reciprocal Trade Agreements Act, approximate 13 percent, which is less than a third of the rates under the Fordney-McCumber Act, which was considered a protective tariff, and further important reductions are in immediate prospect as a result of discussions planned this fall at Torquay, England.

I call attention again to the fact that these rates refer only to dutiable goods and not to the very important 60 percent of our total imports which come into the country free of any duty.

The average rate of duty on United States imports, applied to dutiable products only, has declined as follows:

| | *Percent* |
|---|---|
| 1944 | 32.7 |
| 1945 | 29.0 |
| 1946 | 26.3 |
| 1947 | 20.1 |
| 1948 | 14.3 |
| 1949 | 13.8 |

The average rate of duty on all imports, free and dutiable, was only 7.6 percent in 1947 and 5.7 percent in 1949.

Therefore, the suggestion that we must go forward with further import cuts in our tariff duties seems fantastic, in the light of the almost utter lack of protection which the American workingman and American farmer enjoy at the present time, and when we realize that European production is now from 35 to 40 percent greater than it was before the war, that these countries are recovering with assistance we have rendered to them, and that already many of their products are beginning to penetrate our own markets at home. They are not being used for the benefit of the so-called poverty-stricken lands, but are penetrating the markets of the United States.

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

Mr. BREWSTER. I yield.

Mr. MILLIKIN. Is not the fantastic quality of the tariff cuts accentuated by the devaluation of the pound which has occurred, and the devaluation of other moneys which are inevitable?

Mr. BREWSTER. If I understand international trade relations, it was equivalent to a cut of 40 percent in our tariff.

Mr. MILLIKIN. There is some difference of opinion as to the amount. In some cases it would be 35 or 40 percent, and in some cases it would be nothing. However, on a conservative basis it is estimated that the average would be between 10 and 15 percent.

Mr. BREWSTER. The Scandinavian countries made a devaluation of almost 50 percent, I believe. That certainly went to great length.

Mr. MILLIKIN. When a foreign country had a product which it sold without competition with the products of this country, it did not give any reduction at all.

Mr. BREWSTER. No.

Mr. MILLIKIN. I think Scotch whisky and a few other things might be cited as examples of cases in which no reduction or very small reductions were

made. In some cases I think the reductions were in an amount equivalent to the full value of the reduction of the pound. In other cases they adjusted themselves to competition and other factors. Therefore I have heard it said that probably reduction runs on an average of 10 to 15 percent, which is an enormous cut.

Mr. BREWSTER. It enables them to go as far as they need to meet competition in this country with our high-cost production. I think that the more profound impact of it has been on our foreign trade, because of the effect it has had on our export market. I know that in my own State of Maine the paper industry, which developed quite a business in South America and South Africa, suddenly found itself completely pushed out of those markets by Scandinavian and other countries of the world who were able completely to undersell them as a result of that type of devaluation. While we had thought chiefly of imports into our country, I believe the tragic collapse has been in our exports. That explains much of the decline in the trade gap. I believe, too, that the consequences of the administration's proposal looking to $15,000,000,000 in imports are being little appraised. I believe that is the approximate figure the administration has used. We cannot very well increase our free imports, because they are copper, rubber, tin, and other commodities which are not susceptible of very great expansion. Therefore, an increase from the current $7,000,000,000 or $6,000,000,000 of imports to the projected $15,000,000,000 would have to be made almost entirely in dutiable goods, which are competitive with American agriculture and industry. It would mean that from the current two to three billion dollars we would go up to around eight to ten billion dollars of dutiable, competitive imports. In other words, we would multiply our dutiable imports by four or five times, not merely doubling them, as one might at first infer, unless we look at items which are free of duty. So the impact on industry and agriculture, which are competitive, would be profound.

We have reciprocal trade agreements with most countries which are important in world trade. We have not fared too well in the reciprocity. Mexico canceled all her concessions to us 2 years ago, but we still give that country and the rest of the world the full benefit of all the concessions we originally granted to that country.

The former foreign markets of the United States are now encircled with greater restrictions than ever before. On the other hand, the tariffs of our own country are lower than for a hundred years. The continual plea for greater and greater imports will carry us directly into free trade unless checked. The closing-of-the-gap obsession is resulting in the irreparable injury of some of our oldest and most independent small enterprises. However, the real impact of competitive foreign goods is just beginning to be felt, and 1950 and 1951 will be crucial years for millions of workers and many industries. To what extent it is related to the four or more million unemployed is a subject for very careful scrutiny.

It should be noted here that whenever this country makes a concession in a trade agreement, that tariff reduction is applied to every similar article imported from any country which is the beneficiary of the most-favored-nation clause, including, for instance, Germany and Japan at the present time.

All the world benefits when we make a concession, regardless of which country is negotiating with us. It would almost seem to be a Christmas tree, decorated for every trading nation of the world.

Almost every country with which we have made agreements has taken subsequent steps to render ineffective a large proportion of the concessions they have granted to the United States. In not one instance has our State Department "reciprocated." It should not be interpreted that these nations have been dishonest. Each one felt it necessary to their national interest to raise barriers to American goods. The dishonesty is found in the continual use of the term "reciprocal" by the free-trade group, which continually harps on that word as the basis of all our agreements.

In that connection, Canada found it necessary to rigidly restrict, and in many cases to completely prohibit imports of various items grown and produced in the United States, particularly potatoes. Included were many kinds of fruits, vegetables, and other products normally shipped to Canada in large quantities. The effect of these restrictions, even while mutual trade agreements were in force, was very severe on the farmers and fruit growers of California and other areas, yet our concessions to Canada remained unchanged and "unreciprocal." As a matter of fact, we imported millions of dollars' worth of potatoes and other farm items that were in great surplus in the United States at reduced rates of duty, and under support programs.

Again, criticism should not be directed to the countries which found it necessary to negate their concessions to us. We should look askance, however, at any attempt to classify existing or future agreements as "reciprocal."

Administrator Hoffman of the ECA, with the blessing of the Secretary of Agriculture Brannan, recently granted the United Kingdom permission to use an extra $175,000,000 of ECA funds to purchase Canadian wheat. The United States has an enormous surplus of wheat, and under the agreement could have required it to be purchased here. Canada which also had a surplus appeared grateful for this windfall, for the following paragraph is taken from a statement by Secretary Brannan made last September 15:

> Finally (in return for the wheat deal), Canada will reexamine restrictions on imports of fruits and vegetables with the view of giving relief, where possible, from restrictions that are especially burdensome to the United States producers.

This "keeping in review" is typical of the kind of reciprocity our State Department apparently believes in. A release by the Department of Commerce, dated April 10, 1950, reports that exports from the United States to Latin American countries decreased by 14 percent in 1949. The export decline, according to the Department release, reflected the "tightening of trade and currency controls in nearly every South American country." As a result, our trade was restricted. Likewise, Canada shipped into our country 15,000,000 bushels of potatoes at a time when the State of Maine already had a surplus of 15,000,000 bushels. This means that it will cost the Government from fifteen or twenty million dollars to absorb the resulting surplus. Under the trade agreement, those commodities could perfectly well have been excluded, exactly as Canada excluded many of our fruits and vegetables when it served the purpose of their own agricultural program.

Most Latin American countries have made solemn agreements with us about these trade and currency controls. How long will the people of the United States be fooled by the glib use of the term "reciprocal" as used in these one-sided agreements? The general level of world trade barriers is far higher than ever before and makes the so-called "retaliatory" barriers of the period following the Smoot-Hawley tariff act of 1930 seem insignificant.

The public pronouncements and claims of glorious success broadcast by our diplomats after each trade agreement has been negotiated, are entirely misleading and will not stand up under even a cursory examination. Not one of our agreements can justify the use of the term "reciprocal."

Secretary Acheson and Administrator Hoffman are doing their best to put over the Administration's free trade theories. Bamboozling the public seems to be a part of the scheme.

A campaign, almost a door-to-door proposition, is being conducted at no little expense to the taxpayer, to convince everyone that we should purchase goods made in Europe in preference to those produced at home. They even seem to question the patriotism of those who prefer home-made articles.

The propaganda is that the recovery of Europe depends on our purchases of more of their goods, and continualy hints that we must increase purchases from Europe by $3,000,000,000. The irresponsible use of such exaggerated figures only serves to alarm the American worker and owner of small enterprises.

HISTORY OF EUROPEAN TRADE

Now I should like to give a brief history of European trade in order that we may understand the situation with ECA countries. Let us see what the history is.

Imports from central and northwestern Europe, mostly ECA countries, seldom exceed one-half of the amount we export to that area. Furthermore, up to 1949 we had not yet reached the normal status of trade with Europe and some further adjustments were advisable. Those adjustments are rapidly taking place in the form of greatly increased imports and decreased exports in the first 2 months of 1950.

The temporary appointment of a stout whipping boy to take the pressure off the Secretary of State and the ECA Administrator is an evidence of the tightening up of the whole situation. The position of an international trade balancer is not likely to be an enviable one during the current year. Business declines, a rise in unemployment, and a general increase in apathy toward the whole free-trade program, make Mr. Gordon Gray's recent appointment a delicate one.

Mr. President, I wish to give certain figures appearing in a table I have had prepared, and I ask that the complete table be inserted at this point in the RECORD. The table is headed "United States trade with northwestern and central Europe." There are some 15 countries included.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection?

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

*United States trade with northwestern and central Europe, 1910–40*

[In millions of dollars]

| Yearly average | Exports | Imports | Percent imports of exports |
|---|---|---|---|
| 1910–14 | $1,222.9 | $725.8 | 60 |
| 1915–19 | 2,900.0 | 427.0 | 15 |
| 1921–25 | 1,960.6 | 885.0 | 45 |
| 1926–30 | 1,878.2 | 1,005.4 | 53 |
| 1931–35 | 795.4 | 412.5 | 52 |
| 1936–40 | 1,130.7 | 468.8 | 43 |
| 1947 | 4,025.1 | 581.5 | 14 |
| 1948 | 3,370.5 | 795.5 | 23 |
| 1949 | 3,264.0 | 708.9 | 21½ |

Countries included: Sweden, Norway, Denmark, Iceland, United Kingdom, Ireland, Belgium and Luxemburg, France, Netherlands, Austria, Czechoslovakia, Hungary, Germany, and Switzerland.

Mr. BREWSTER. In the period 1921 to 1925 the exports amounted to $1,960,600,000, approximately $2,000,000,000, while the imports amounted to $885,000,000. So the imports amounted to 45 percent of the exports.

In the period 1936 to 1940 the exports were $1,130,700,000, the imports to $468,800,000, or 43 percent.

Coming down to the current year, the imports are at a low of 21½ percent of the exports.

Now let us see where this will lead us if we go on. According to this table, from 1910 to 1925, the ratio of imports to exports was substantially under 50 percent. According to the table normal imports were about 50 percent of exports from 1926 to 1936.

Imports from that area of Europe averaged 45 percent of exports in the 1921–25 period and increased to 53 percent in the 1926–30 period. However, in most years since 1915, the ratio of imports to exports has been substantially under 50 percent.

According to the above table normal imports from Europe seem to be just above 50 percent of our exports to that area. After the war that percentage was not reached until recent months, and it is obvious that some further rearrangements in trade will take place. However, it is not the impossible and frightening problem presented by propagandists who seek completely to break down the tariff structure of the United States before easing up in their campaign. There is concrete evidence that even before the end of 1950 a very large part of the larger-than-normal dollar gap will be closed.

If American capital continues to flow abroad and imports and exports become more similar in volume, we will be shipping out more dollars than we are getting back long before the end of ECA. That is a statement which may be interesting to those who are so vitally concerned in the problem we are to face at the end of ECA.

Furthermore, if we should purchase as much in the form of raw materials and finished goods as we ship to Europe, the total trade of the United States would show a large surplus of imports as compared with exports. This can be explained by an illustration.

This country imports upwards of $300,000,000 worth of rubber per year. The normal sources are British Malaya and the Dutch East Indies. It is common knowledge that most of the rubber plantations are owned by firms, individuals, or corporations located in England, Holland or other European countries. It is also known that comparatively small percentages of the dollars spent for rubber go to the producing area. The laborers in that area get 10 cents a day. Similarly diamonds, tin, spices, and various other items contribute large sums to Europe rather than to areas in which they are produced.

This accounts for the normal wide discrepancy between imports from Europe into the United States and our exports to European countries. If we actually balanced our trade with the ECA countries, and continued to import the hundreds of millions of dollars worth of raw materials from other sources, our exports would be far below our total imports.

So we can take with a very large grain of salt the pleas to import from Europe as much as we export to that area.

Speaking, now, strictly of ERP countries—those receiving billions of dollars from the United States for rehabilitation and aid—and those from whom our diplomats say we must import billions more in order to balance our trade—may I present some very interesting figures?

In 1948 the so-called ERP countries sent goods to the United States valued at $977,000,000; in 1949, although United States tariffs had dropped from an average ad valorem equivalent of 7.6 percent in 1947 to 5.7 percent in 1949—I repeat, despite that drop, 1949 imports from ERP countries decreased to $846,000,000, a decline of $131,000,000. At least we cannot blame our tariffs for that.

They had lower tariffs in the later years, but sent a smaller quantity of goods. It would be interesting to see where their goods did go, since England had balanced its foreign trade in that year.

On the other hand, receipts by ERP countries of United States dollars from travel expenditures of tourists and businessmen visiting those countries increased from $186,500,000 in 1948 to $272,000,000 in 1949. This means that 19 percent of all the dollars received by ERP countries, other than outright gifts, grants, or loans, were supplied by Americans traveling abroad in 1948. In 1949 the percentage of such dollars sent abroad had increased to 24.5 percent of all the dollars earned.

In other words, one-quarter of all the United States dollars received by ERP countries came from American tourists. I shall at another time undertake to show that those are the dollars susceptible of the greatest increase because air travel has now made it possible for a very much greater number of Americans to go abroad, and they are interested to go. Eighty percent of Americans have 2 weeks' vacation, but formerly they could not go abroad in that period. Now they can. The result is going to be a constantly increasing host of Americans from our vast population who will visit Europe. They include those with interests abroad, those concerned with the traditions of the war and war memories, and those who in recent decades have come to this country and have relatives abroad. In my judgment, the increase of travel by Americans in foreign countries may well be calculated to close the narrow dollar gap, which is now so rapidly narrowing. If we should spend in travel abroad the same percentage of our national income that we spent in the decade of 1920–30, we would close the dollar gap today. That is a development not at all impossible to contemplate under current conditions. That is why I am not so seriously concerned about the closing of the trade gap.

If we further implement the point 4 program by practical proposals in the coming year, such as made by the Senator from Massachusetts, I believe those two factors alone, the point 4 program as finally implemented and the increased travel, will more than close any gap that can be reasonably anticipated.

These figures, supplied me by the Department of Commerce, graphically refute the claim of a few frenzied agitators for greater imports of pottery and chinaware, fish products, lumber and wood pulp, perfumes, liquors, toys, shoes, cotton textiles, petroleum, and oil products, which is a matter of interest to my good friend from Texas, the chairman of the Foreign Relations Committee, watches—remember Waltham—and other highly competitive items in order to buy as much as we sell. Actually, 1949 tourist travel was considerably greater than in 1948, and 1950 will, on account of Holy Year and other factors, far exceed 1949, when one-fourth of all the earned dollars that went to ERP countries were taken and left there by travelers from the United States.

It simply means that, leaving out the hundreds of millions that flow to ERP countries in the form of private, public, and institutional dollars for which there is no recompense, we can still ship to those areas 25 percent more goods than we buy from them. If the millions sent to those areas as private returns and gifts are counted, we could probably send to ERP countries twice as much as we

buy from them—and they would still have the necessary dollars to pay for them.

There is additional proof of this in the fact that since 1915 the average imports from ERP countries have been only about one-third of our exports to those areas. In the most normal years, if we can identify any such years since 1915, imports have been 50 to 55 percent of exports, and the point I wish to establish here is that an approximate 50 percent ratio is safe, sane, and economically sound.

I hope the thousands of worried employers and the millions of workers who fear that unregulated imports will further seriously upset our economy will take cognizance of the true situation.

A really cooperative, bipartisan approach to our foreign trade problems and to our international policy would demand that full recognition be taken of all these facts. If one may presume to make a suggestion to those who are preaching free trade at any cost, the American citizen and taxpayer, the employee and the employer are all entitled to a full and complete statement of our trade situation. The constant cry that "our imports must be as large as our exports" if Europe is to be kept from communism is not likely much longer to fool the public.

It may be recalled that several weeks ago I made a public suggestion that the displomats who manipulate our foreign trade "come down out of the clouds and get practical about our imports and exports." The answer seems to have been a redoubling of the efforts to get European goods into our home markets and a reiteration of the "industry subsidy and unemployment dole" plan to take care of those driven to the wall by artificially increased imports of competitive products.

It will interest and make very dramatic reading for the 4,000,000 of our unemployed today—the figure may soon be five or six million—to spend their time reading the brochure published by our own Department of Commerce at a considerable expense in research and printing, to show foreigners how to penetrate our markets at the expense of domestic producers on our farms and in our factories.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. Did the Senator from Maine refer to a recent publication with regard to 2,500 items which, it is suggested, should be permitted to come into this country?

Mr. BREWSTER. No. I refer to a publication last summer by the Department of Commerce giving very constructive suggestions to European producers as to how they can market their products in the United States, showing them what are the tariff limitations, and so on, and distributed very generally among them. The item of which the Senator from Missouri speaks is in preparation for the agreement at Torquay in England, to which I shall refer in a moment. That book deals with the question of how foreign producers can meet domestic competition.

AGRICULTURAL IMPORTS

The farm situation is becoming more and more alarming. Price supports and other agricultural programs are literally threatened with destruction because of a combination of circumstances.

During and after the war it was the patriotic thing to expand production and raise every bushel of wheat, potatoes, apples, and other farm products possible. The world was starving, and the American farmer came through in noble style.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. I should like to refer for a moment to the manufacturing industry. The question, of course, is very elemental, and I almost ask the Senator's pardon for asking it, but it is perfectly obvious, is it not, that not only are management and capital interested in the dangerous competition which may result, but labor has a vital interest in not being put out of work by undue introduction of competitive industrial products into this country?

Mr. BREWSTER. The Senator will be interested in knowing that the Wage Earners Conference, formulated first under labor auspices, has brought to Washington, within recent weeks, 17 national labor unions vitally concerned with the problem, along with many others in industry who are interested, and that they are going forward to see that the people of the United States, and particularly the laboring people, understand the impact of this program and what it is going to mean to them. That is one of the most significant developments in connection with this entire program that I have seen, and one of the most encouraging developments.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. So it is not merely capital and management that are vitally concerned in this prospective importation of goods, but it is labor, which may find itself displaced and out on the streets, adding to the already considerable number of unemployed. Am I not correct?

Mr. BREWSTER. In my judgment, that is one of the most serious problems confronting our economy at this time.

Mr. DONNELL. I am correct in my statement, am I not?

Mr. BREWSTER. The Senator is absotlutely correct. I think labor is most vitally interested. A manufacturer interested in this matter said to me that he was not so much concerned over the fact that it was not possible to produce cheaply in this country, for he could import from abroad, but he said, "In recent months large manufacturers have told me that they were compelled to go abroad to examine the possibility of production there, because it was impossible for them to meet the competition here at home."

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

Mr. BREWSTER. I yield.

Mr. DONNELL. It is a fact, is it not, that there are already large interests of American capital in Paris and Cherbourg. For illustration, the Singer Sewing Machine Co. has established a very large plant in France.

Mr. BREWSTER. Yes.

Mr. DONNELL. And if capital should find itself injured by importations, it might very well be that capital, instead of remaining in the United States, might go abroad, and there be invested, whereas labor could not leave the United States, pick up its families, sell its homes, and go abroad in the search for further work. Am I not correct?

Mr. BREWSTER. That is entirely correct. I have seen such situations all over the world. Some American industry may go abroad to develop in other countries—I have seen that happen in several European countries this year—to supply the local requirements. That has been done by many of our largest industries. However, when they go beyond that, I begin to be concerned.

For instance, traveling through the State of Maine I have seen hundreds and thousands of agricultural implements which have been manufactured in foreign countries by an American concern, but manufactured abroad by that concern under cheap labor conditions. That concern has produced those implements abroad because under such circumstances the implements it produces may come into this country free of duty. Therefore I begin to be greatly concerned. I think at that point the United States and its working men, above all others, are gravely injured.

Of course the manufacturer is not particularly injured, for under those conditions in many cases he makes more money by manufacturing commodities abroad and shipping them into this country than he does by manufacturing them in this country. That is why certain of our manufacturers operate in that way. Under such circumstances, they get along all right. However, as I have pointed out, the American working men are the ones who are hurt. That problem is one about which I believe American labor will think more and more seriously in coming weeks and months.

To the extent that our ECA grants abroad have rehabilitated foreign industry, that is very good. In most cases those foreign countries are now producing from 38 to 40 percent more than they produced before the war, as a result of the use of the labor-saving machinery we have provided. However, when they turn around and begin to inundate our own markets, at the expense of American working men, that is something else again.

That is why I favor the proposal of the Senator from Colorado [Mr. MILLIKIN] and the Senator from Massachusetts [Mr. SALTONSTALL] that we very carefully consider the implementation of the so-called point 4. Along with our consideration of the ITO Charter, I hope we may defer the consideration of point 4 until a more careful study can be made of the situation under the rapidly changing conditions of the present time.

Mr. MARTIN. Mr. President, will the Senator yield for an inquiry?

Mr. BREWSTER. I am happy to yield to the Senator from Pennsylvania.

Mr. MARTIN. In addition to what the Senator from Maine has stated and to what has also been suggested by the distinguished Senator from Missouri, does not another factor enter into the situation? Not only is a deplorable unemployment situation brought about, but we lose a great many skills by reason of the closing of such plants? For example, let me refer to the closing of the Waltham Watch plant in Massachusetts. The precision instruments which we must use in wartime are largely produced by the skilled craftsmen of the watch industry. The closing of such plants will be very disabling to our national defense, will it not?

Mr. BREWSTER. Of course, I think it is estimated that during the last war approximately 80 percent of our watch industry was converted to the production of precision instruments which were vital to the prosecution of the war. We then had a great watch industry which was able to do that work. However, when we destroy that industry—and its destruction is exemplified by the case of the Waltham Co., and I have heard of others which are approaching that situation—what will we do? Then we shall find ourselves lacking in precision instruments, and confronted by an enemy equipped with ample precision instruments of a quality equal to or even better than the quality of the smaller number of precision instruments we then are able to produce.

Mr. MARTIN. We are now engaged in a cold war with Russia. If that war should be converted into a hot war, certainly it would not be expected that the workmen in the Swiss watch factories would be available to the United States.

Mr. BREWSTER. It would be most unlikely that they would be available to us. Certainly that possibility is not to be depended upon.

Mr. MARTIN. Then we would not have anyone to fall back upon for the production of precision instruments; and in that event it would be almost impossible for us to wage war under modern circumstances, which require the precision instruments not only for airplanes, but for so many other purposes and uses, vital in wartime.

Mr. BREWSTER. Yes; as our armed forces become more and more highly mechanized, and as we move into the realm of guided missiles and similar instruments, the production of precision instruments becomes absolutely indispenable.

Mr. MARTIN. Yes.

Does not the Senator from Maine agree that before we entered into the Reciprocal Trade Agreements Act, approximately 15 years ago, more than 80 percent of the jeweled watches used in the United States were produced by American craftsmen and mechanics, whereas today they produce only about 15 percent?

Mr. BREWSTER. Yes; we now produce only about 15 percent, whereas formerly we produced more than 75 percent.

Mr. MARTIN. Yes.

Mr. BREWSTER. That is the difference.

Mr. MARTIN. To my mind, that is an appalling situation, and it is something about which the American people should be informed, because, as I understand the matter—and I am sure the Senator from Maine has more information on the subject that I have—in connection with the meeting next fall of 17 countries, at which meeting it is proposed to begin to reduce American tariffs, it is anticipated that the tariffs on 2,500 items produced in the United States will be affected.

Mr. BREWSTER. That is correct.

Mr. MARTIN. As the Senator from Maine stated so well a moment ago, of course the owner of a factory can very well conduct his operations in a foreign country, and by doing so perhaps will make more money than if he produced the articles he manufactures in a factory in the United States. However, our workingmen are the ones who are injured by such a development.

If the Senator from Maine will permit an observation at this point, let me refer to the glass and china and pottery industries of western Pennsylvania, northern West Virginia, and eastern Ohio. Today goods similar to those made by those industries are being imported from countries in which the wage scale is from 10 cents to 30 cents an hour, whereas the wage scale in those industries in the United States is more than $1.40 an hour. That development produces a situation with which we cannot compete very long.

Mr. BREWSTER. Mr. President, there is no question about it. The Senator from Pennsylvania will be interested to know, I am sure, that a few years ago we had 20 watch manufacturers in this country, whereas today we have only two.

Mr. MARTIN. Yes.

Mr. BREWSTER. One of them is in the Senator's State, I think, and the other is in Illinois.

Mr. MARTIN. As to the one which is located in my State, if it were not for the fact that it has built up an enormous surplus and has developed a great sales organization, I do not know whether it could remain open today.

Mr. DONNELL. Mr. President, will the Senator yield for a question at this point?

Mr. BREWSTER. I yield.

Mr. DONNELL. While the Senator is discussing the effect on labor which is involved in the situation in those industries and on management and capital, and also the effect as regards the loss of skills, a situation to which the distinguished Senator from Pennsylvania has alluded, let me inquire whether it is appropriate that we also mention that the effects of the closing of industries as a result of undue competition from imports will be felt throughout society, in every section of the country where that situation develops.

By way of illustration, let me refer to a town in which a certain manufacturing plant is located. Suppose it closes. In that event not only is the plant closed, and not only are those who have been employed in it then out of work; but in that community the butcher, the baker, the candlestick maker, the farmer who has been producing the food that has been consumed by those who have been working in that manufacturing plant, and the clothing merchant who has been selling clothes to the workers in that plant, are also disastrously affected. All of them, every portion of society in that area, feels the impact of the excessive competition, in the manner indicated. Is not that correct?

Mr. BREWSTER. I can agree with the Senator from Missouri in a peculiarly personal way, inasmuch as I grew up and still live in a small town of about 4,000 inhabitants, a town which for more than 100 years has had four small woolen mills, each employing between 200 and 300 persons. Despite all vicissitudes those mills have carried on for more than 100 years under local ownership and local enterprise. However, this winter—for the first time—under the operation of the theories we have been discussing today, one of those mills was liquidated, closed; and 250 persons, having altogether probably 750 persons dependent upon them, in their families, were thrown out of work. Consider the consequences of that situation to that small town; and then consider the consequences to the entire country, if that development is applied in many other localities! Such a consideration brings us to a realization of the direction in which we are moving.

In that connection, let me say that the other mills in that town are just hanging on by their eyelids.

Recently I talked with one of the larger manufacturers in New England. He is greatly concerned with that situation. He said that, as a matter of fact, the small mills are doing better than the large ones, because the small mills are able to produce more economically; but he pointed out that the small mills are being forced to the wall, and many of the big ones, as well.

As the Senator from Missouri has stated, that impact reverberates through our entire economic structure, in a multitude of ways.

Mr. President, I have spoken of our industries, and now I am about to discuss our agriculture. I referred to the fact that our farmers were urged, during the war, to produce more agricultural commodities; and I said that at that time the world was starving. I pointed out that in response to those appeals, the American farmer came through in noble style. Now he must pay for his response to the pleas of ECA Administrators. He expanded his acreage and increased his yield per acre; he outproduced all prior agriculturists. Suddenly he found no market for his goods—except to the United States Government, and that only by the grace of the laws adopted by Congress.

Surpluses have been piled up until their volume staggers the imagination. Storing some of them may be insurance against famine or leanness within the next 2 or 3 years, but many products cannot be stored for any length of time. The taxpayer is being taught by an insidious form of propaganda that the farmer is robbing him, and all the time the very individuals and groups which prepare this propaganda are maneuvering and negotiating for greater and greater imports of the same farm products that are in such huge surplus.

We are actually importing millions of dollars worth of eggs, both dried and fresh. The same is true of potatoes and a large number of other price-support products. The old promises of President Roosevelt and others promulgating the trade-agreement program that agricultural and fishery products would not be affected by agreements with foreign nations have given way to a tariff-reduction project which affects those products more than any others. President Truman has assured us repeatedly that no tariff reduction would be permitted to injure any domestic producer or industry, yet we now see the impact of these increased imports upon the industries and the agriculture of our country.

I have included here certain statistics as to the import of many kinds of agricultural products, many of them on the price-support and surplus list.

We imported over 3,500,000 dozen of fresh eggs—valued at over $2,000,000.

We imported dried eggs—about 2,000,000 pounds valued at nearly a $1,500,000.

We imported $16,000,000 worth of wheat for grinding and reexport.

We imported over $3,000,000 worth for our own consumption.

We imported 17,000,000 bushels of oats valued at about $13,500,000.

We imported nearly 13,000,000 bushels of barley valued at $19,000,000.

We imported $1,500,000 worth of corn.

We imported well over one-half billion pounds of potatoes valued at $13,000,000. It is common knowledge that the whole support program has been attacked, with potatoes as the whipping boy.

These are only a few of the huge imports of surplus products. More careful regulation of such imports would not cure the surplus problem, but it would make a great contribution both to the relief of the American taxpayer and to the protection of the American farmer.

Here is an interesting item: Potatoes, which of course is a subject rather near to my heart, are actually on the list of items released by the State Department for possible further tariff reductions this year. In view of the fact that we are utterly unable to absorb our own production, in view of the fact that we have imported 15,000,000 bushels from abroad and the Government has had to buy that many more, still it is proposed to reduce the tariffs further.

Dozens of other agricultural products and a number of fish classifications are also included.

What kind of economics is this? To what ridiculous limits can this program be carried, in the light of what has now occurred?

It was thought that the climax of this attack on domestic farmers and fishermen came in the last batch of agreements negotiated at Annecy, France, in 1949. A study of the concessions made by the United States in those negotiations reveals the startling information that over 83 percent of the tariff cuts made by this country were on products of direct interest to the farmer and the fisherman. The percentage would be slightly less if fish products were eliminated, but those were included because of their close relationship. So far as Maine is concerned, as well as all New England, the subject of fish means a great deal.

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

Mr. BREWSTER. I yield.

Mr. DONNELL. In saying that 83 percent of the tariff cuts made by this country were on products of direct interest to the farmer and the fisherman, what does the Senator mean?

Mr. BREWSTER. I mean that by the volume of the imports, 83 percent of the tariff cuts affected the fisherman and the farmer.

Mr. DONNELL. That is to say, it affected them injuriously, or does the Senator mean beneficially?

Mr. BREWSTER. The assumption is that the domestic producer is normally injured by imports.

Mr. DONNELL. I may tell the Senator the thought I had in mind. Someone merely reading these few sentences by themselves might understand that the Senator was saying that the imports were of things that the persons affected were using, and therefore it was to their benefit. But I understand the Senator to mean—and I ask him whether I am correct—that the percentage to which he refers, estimated to be in excess of 83 percent, is injurious to the fisherman and to the agricultural interests.

Mr. BREWSTER. That is correct. Had I said, instead of "direct interest," "of direct and vital concern to the farmer and the fisherman," it would have conveyed my meaning better. In other words, they were matters that very seriously affected their own markets.

Mr. DONNELL. They seriously affected them to their injury, that is?

Mr. BREWSTER. That is correct.

This means that the farmer absorbed about four-fifths of the tariff cuts made at Annecy. This is something the farmers do not always realize, because we think of the tariff so much in terms of industry. It should be noted here that the largest volume of our imports of agricultural products consists of items that have long been on the free list—such things as coffee and bananas are free of duty—so the brunt of tariff reductions falls upon competitive goods and not upon those which do not compete directly with our own products.

The farmer in the dell will be on the dole before very long if Secretary Brannan keeps planning and the free-trade trend continues. Our own market is opened wider and wider to competitive goods grown in foreign countries, while our own foreign markets are being closed tighter and tighter against our exports.

Secretary of State Acheson and ECA Administrator Hoffman are advocating greater and greater imports, even though it results in injury to independent farms and industries in the United States. They have actually recommended doles and subsidies to salve the wounds of those that must be hurt in the forcing of imports. Here, again, agriculture takes it on the chin.

In the 2 months of January and February of 1949—just a year ago—our exports of agricultural products amounted to $662,000,000, and our imports were only $490,000,000—a balance of $172,000,000 in favor of exports. That was our agricultural export balance.

In the same 2 months of 1950 our exports had dropped to $471,000,000, a loss of $191,000,000 in 1 year, and our imports had increased to $587,000,000. In only 2 months of this present year we imported $116,000,000 worth of farm products more than we exported, and conservative estimates indicate the 1950 excess of imports over exports of agricultural products may reach $1,000,000,000.

I think that is a figure which will be of interest to every farmer in the United States, if we are going to have an import surplus of $1,000,000,000 of farm products this current year, under the current-trade program of this administration.

The full weight of the tariff cuts under trade argreements has fallen on agriculture and small, independent, free-enterprise industries, and the end is not yet. The 17 unions that have met here, many of them being engaged in the smaller industries, tell of the alarm of labor over this thing. Many more agricultural items are on the new list for the big tariff negotiations scheduled to begin next September in Torquay, England. The free traders will not be satisfied until they have cut every rate the full 75 percent allowed by existing law.

The list of items to be considered at the Torquay negotiations, released on April 14, contains some surprising information. Only 11 of all the 34 nations now belonging to the general agreement have consented to negotiate, although six new countries, Austria, Germany, Guatemala, Korea, Peru, and Turkey, contemplate joining the meeting.

The complete list of items to be considered is available at the State Department of the Superintendent of Public Documents. The list includes 345 paragraphs and about 2,500 items which are dutiable and which are slated for consideration of cuts, plus about 50 paragraphs of free items which may be bound against any future imposition of duty by the Congress.

As stated earlier our tariff rates are the lowest in modern history. Furthermore—and this is interesting, I think, to those who attack us for our trade policies—the United States has lower tariffs and fewer import restrictions than any other nation of economic importance. The average rate of duty on all imported products is now between 5 and 6 percent and the average on dutiable products is in the neighborhood of 13 percent. Dozens of rates of duty are so low, ranging from 1 and 2 percent to as low as one-fourth of 1 percent, that they have no protective value whatsoever. In a number of instances the cost of collecting the duty exceeds the amount collected.

I might say in reference to the agricultural problem that cotton, for instance, while it is theoretically subject to import, is prohibited from import by the quota restrictions imposed by the President. I believe the figure this year is 90,000 bales of long-staple cotton. I speak of that because it indicates the power the President possesses to impose restrictions which could be absolutely

protective of an American industry or of an item of production. I certainly commend the President for this measure of care, but I wish that our southern friends, who are concerned with cotton, would appreciate the problems of other sections. I wish they would think a little bit about my potatoes and about some of the other items which also need a little protection. I wish the President could be persuaded to use his power to give the same consideration to us as he does with reference to some other items in the schedule.

In the month of January, imports of dutiable items amounted to $256,000,000 while those free of duty amounted to $366,000,000. This means that in January almost 60 percent of the imports paid no duty whatsoever. That is the usual average. Over two-thirds of the imports of agricultural products were free of any duty. The ratio was approximately the same in the month of February.

State Department releases constantly refer to rigid trade restrictions, such as quotas and import licenses, as the most obnoxious of all forms of regulations, and freely admit that tariffs are the mildest of all of them. They, however, by ill-advised tariff cuts, have forced the use of quotas and licenses to keep segments of domestic agriculture and industry from being completely wiped out.

When the duty was reduced on butter, New Zealand, Denmark, and other dairy countries immediately prepared to invade the American market on a large scale. The huge surplus of butter in the United States made the tariff cut a foolish gesture, for the Department of Agriculture, despite pressure from the free traders, refused to grant licenses to those who would import the butter. Such working at cross-purposes has done much to antagonize friendly nations and it has not made life any easier or more certain for our own farmers.

The peril-point procedure adopted by the Eightieth Congress and repealed by the Eighty-first Congress would have prevented such fiascoes. The President found the peril-point procedure extremely obnoxious because it would have called upon him to explain why he made such unwise concessions as the one on butter, although, only if and when he exceeded those peril points.

The trade gap is rapidly closing and the dollar gap is almost at a balance. There is nothing to stop the continuation of the trend. Severe injury to domestic agricultural programs, to the farmers themselves, and to hundreds of thousands of workers in small, independent industries is increasing by leaps and bounds.

The need for peril-point studies before agreements are made is acute. The so-called escape clause is no substitute at all and its administration and interpretation become more ludicrous with each attempt at application.

We tried that out in connection with the glove industry. Japanese gloves were coming into the State of my colleague from New York [Mr. LEHMAN]. It was stated that the fact that the industry had no orders had nothing to do with it; the fact that they had made their orders for millions of dozens of gloves in Japan had nothing to do with it. We had to wait until the gloves actually arrived in this country. In the meanwhile, the employees in the glove factories were starving to death. If the danger was anticipated when the cut was made in the tariff, then it is not within the scope of the escape clause. That is very small comfort to the fellow who lost his job. In other words, if it were anticipated that Japan or some other country would send in a lot of gloves, there was no redress whatever under the escape clause. We are going to get educated in the next few years or the next few months. I am sure it will be a matter of very great concern to many of my colleagues.

A truly reciprocal trade agreement will open the door of the two negotiators to the goods of each other in approximately the same degree.

I am sure we all agree with that. It is a matter of give and take. We give up on some items, and they give up on other items, and the reciprocal trade should be approximately the same.

Many factors enter into such negotiations, it is true, and State Department leaders have testified before congressional committees that when this country enters into an agreement, calculated risks are taken. In other words, the safety and life of domestic industries and producers are risked in order to obtain questionable concessions from the other country. This has been openly admitted.

In general, however, if an agreement is reciprocal, the subsequent increase in trade between the two nations should be fairly evenly divided. Now, although administration economists have apparently not figured this out, no matter how many truly reciprocal agreements we enter into, we do absolutely nothing toward closing the trade gap. Pointing to trade agreements as essential because they will help balance our trade is just as misleading as is much of the prior propaganda that has been fed the public about the trade program.

If an agreement is negotiated, and it is truly reciprocal, both participating nations benefit in about the same degree. That means each country's imports and exports would be affected similarly, for if an agreement greatly increases imports and does not increase exports, where is the reciprocal benefit?

In other words, if the agreements are really reciprocal, they do nothing to close the trade gap. You get something and I get something, and we end up with the trade gap exactly where it was before. I think these gentlemen are intelligent enough to know that it is a very different situation. They have simply used the word "reciprocal" as a means of eliminating protection for American producers, knowing it will close the trade gap by closing out American producers.

When the public is finally informed of the facts about our trade agreements, they will no longer tolerate the use of the term "reciprocal." Proponents of free trade still glibly pin the label of reciprocity on past and proposed future agreements, but no one has yet been able to pin down what we have received in return for what we have given in any agreements so far. This is true of some of our treaties which apparently can be ignored or observed without any objection by our State Department.

In this connection, the able Senator from South Carolina recently told us about a shrinkage of our textile export trade in 1949; a $33,000,000 drop was referred to.

Recently I visited one of the largest producers of suits in New York. He had no American cloth whatsoever. It was entirely foreign cloth. That was one of the great producers who serves thousands of our citizens.

I have been very much concerned about this and about competition of foreign textiles here at home, because both contribute greatly to our unemployment problem. I have studied the statements of the ECA Administrator in his correspondence with the Senator from New Jersey.

Apparently the Administrator claims that our textiles have no part in his plans for our export trade and quantities of foreign textiles are to be expected in our home markets. That was made plain in the correspondence I had with him last year.

I wrote him then about an embargo of our cotton goods from Morocco, formerly an outlet for substantial quantities of American cotton goods. The embargo was pointed up by the fact that cotton goods were welcomed from Poland, Czechoslovakia, Switzerland, and other countries. The loss of this market, caused by the embargo imposed in Morocco, accounted for 10 percent of our 1949 loss of export volume.

Now, Mr. President, I find that Morocco is participating in some new trade agreements which provide for the purchase of cotton textiles from a number of countries, including Switzerland and Portugal, whose currencies are readily converted into dollars. Here we apparently find specific trade advantages being given to other countries in the very face of a solemn treaty between the United States and Morroco that American goods and American citizens shall have the same trading rights as are granted to any other nation. Yet our diplomats do absolutely nothing about the embargo of American cotton goods.

Furthermore, radios, cigars, and some other items purchased with dollars enter Morocco in unrestricted quantities, although necessities such as cotton sheetings are prohibited if purchased with dollars.

I have information that indicates our ECA operators support the Moroccan embargo of American cotton goods, even though private operators who have the dollars are willing to use their own money and in no way depend on ECA. Such goods are classed as luxuries, and therefore are prohibited. The incongruity is that radios and cigars are permitted, and, furthermore, the same ECA operators are shipping cotton goods into Moroccan markets from foreign producing areas and are even using the American taxpayers' money for that purpose.

The December 1949 issue of the ECA monthly report which was circulated in Paris shows cotton thread and piece goods are being shipped to Algeria,

Guadeloupe, French Guinea, and Martinique. The relationship of these areas to France is about the same as that with Morocco to France, and I cannot help but feel that the Moroccan restrictions are designed to favor certain foreign interests.

It seems to be quite all right to send our textiles, bought with taxpayers' money, to French colonies in which only foreign interests can profit thereby. In Morocco, and perhaps in other areas where our citizens could and would like to compete, cotton goods have been ruled nonessential, and our diplomats apparently support those rulings.

I have pointed this out, Mr. President, to further show that our treaties as well as our trade agreements often completely lack reciprocity, and the final analysis shows that the United States is the one country which always provides the concessions in the end.

Most opposition to the whole trade agreement program has been a result of the shroud of secrecy, the calculated risks taken, and the overbearing treatment of domestic agriculture and industry in the negotiations. The misleading use of the term "reciprocal" and the complete abandonment of that principle has greatly damaged the theory of true, businesslike agreements between nations.

Trade agreements and the doctrine of true reciprocity were first espoused by Republicans. Prior to 1932 the other major party fought vigorously against the principle, saying it lodged too much power in the executive branch. The present law, without even peril points, is much more autocratic than was ever advocated by the Republican Party and the refusal of the President to divulge even the bases upon which he makes tariff cuts and his willingness to allow injury to domestic agriculture and enterprise may well destroy the whole trade-agreement program, and seriously damage the ECA program in the process.

Workers on the farm, or in the mine or factory, will probably have something to say about it when they have an opportunity to speak next November.

The PRESIDING OFFICER. Does the Senator from Maine yield the floor?

Mr. BREWSTER. I do.

Mr. LEHMAN obtained the floor.

Mr. DONNELL. Mr. President——

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

Mr. LEHMAN. I yield for a question.

Mr. DONNELL. I desire to take the floor in my own right. May I inquire how long the Senator from New York will take with his address.

Mr. LEHMAN. About 20 minutes.

Mr. DONNELL. I shall be glad to wait.

## SOCIAL-SECURITY COVERAGE FOR HOUSEHOLD WORKERS

Mr. LEHMAN. Mr. President, in my own behalf and in behalf of the Senator from Montana [Mr. MURRAY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Illinois [Mr. DOUGLAS], I am submitting an amendment to H. R. 6000, which would extend the Social Security Act to cover an additional 900,000 domestic workers under the old-age and survivors' insurance program.

Household workers are one of the forgotten groups in this country so far as social security is concerned. They are not covered under our Federal Social Security Act. In general they are not protected under our State programs of unemployment insurance, sickness insurance, and workmen's compensation. Almost no governmental action has been taken to provide for the security of these employees.

Furthermore, there is no other organized method of social security available for household workers. Industrial workers, through collective bargaining, can obtain very good protection under union-management pension and welfare plans, but household workers by the very nature of their occupation are precluded from making organized efforts along this line. Even where industrial and commercial employees are not organized, many responsible employers have provided pension plans on their own initiative.

In the past, employers of domestic help sometimes made provision for the security of their employees in their old age, but with the disappearance of the old "family retainer" type of servant this custom, too, has largely disappeared. The average household employer today is simply not in a position to assure the future security of her employees, no matter how sincere her interest and sense of responsibility.

If the household worker is to stay off the relief or assistance rolls in her old age, and to provide for her family in the event of her death, she must do so through her own individual efforts, out of her current income. Yet earnings figures show that it is utterly unrealistic to expect the average household worker, save in relatively few cases, to do this. Employees in domestic work are even less able to provide for their own security than are the groups now covered by social security and industrial pension plans. The best available estimates indicate that in 1948 over three-fourths of all domestic workers earned cash wages of less than $1,000, and fewer than 5 percent earned more than $2,000. It is obviously impossible to save enough out of such earnings to make one's old age secure against want. The typical household worker has no recourse in time of need but to apply for public assistance, with its means test and personal investigations, despite a lifetime of hard work.

It is true that few household workers are men with families. In 1948 only 7 or 8 percent of all workers in household employment were men. However, most women who engage in household employment do so because they have the economic responsibility, in whole or in part, for their families. According to the 1940 census, about 34 percent of the women in household work, as compared with only 20 percent of all women workers, were separated, widowed, or divorced. Moreover, single women in household work are generally older than single women in industry, indicating that they, too, are more likely to have family responsibilities.

Fortunately, it cannot be said that household workers have been entirely ignored. I am proud to be able to say that in my own State of New York, during my administration as Governor, I was instrumental in covering household workers under our State unemployment insurance law. That law now covers domestic workers whose employers hire 4 or more workers on at least 15 days in a calendar quarter. Subsequently our State workmen's compensation law was amended to include domestic workers in cities of 40,000 or more. Our State cash sickness insurance law applies to household workers whose employers hire 4 or more workers on at least 30 days in a quarter.

On the national scene, as long ago as 1940 my predecessor, the distinguished Senator Robert F. Wagner, introduced a bill which would have amended the Social Security Act to provide old-age and survivors insurance coverage for domestic workers; and in subsequent Congresses he and the distinguished Senator from Montana repeatedly sponsored similar measures. I am happy to carry on the tradition established by Senators Wagner and MURRAY. I am proud that Senator MURRAY is a cosponsor of this bill I am introducing today.

I am proud, too, to be able to say that during the present Democratic administration the first real progress has been made toward providing for domestic workers under the Federal social security program. H. R. 6000, the social security bill which was passed by the House last year and which I hope will soon be reported favorably to the Senate by the Committee on Finance, will extend the old-age and survivors insurance program to cover 950,000 of the 2,500,000 persons who work in domestic employment during the course of a year. H. R. 6000 would do this by including under the program any "regularly employed" domestic worker who earns as much as $25 from one employer in a calendar quarter. The worker would be considered regularly employed if he works for that employer on at least 26 days in the calendar quarter. This is a step in the right direction, a real forward step toward providing the protection that these workers so sorely need, and I am glad our colleagues on the House side have taken this action.

In my opinion, however, H. R. 6000 does not go far enough in this respect. It would cover household workers who are hired on a weekly or monthly basis, but it would not cover the typical household worker who is hired to work by the day—in other words, the great number of people who work for the same employer on the same day each week, but on each day of the week for a different employer. These people are just as regularly employed as those covered by H. R. 6000. They are just as much in need of social security—perhaps even more so—and they could be covered with little administrative difficulty and almost no trouble or inconvenience to their employers. There is no sound reason for leaving them out.

The chief argument against covering these people is the alleged administrative difficulty and the allegation that making the necessary reports would be an

impossible burden on housewives and other household employers. In my opinion this argument is not sound. I am advised that the Social Security Administration has worked out some very simple procedures for administering the coverage of domestic workers.

Two alternative methods have been developed for securing wage reports for these domestic workers. Under the first, the simplified pay-roll reporting plan, the housewife would fill out a simple form showing the name of her employee, the social-security account number of the employee, the total wages paid, and the amount of the tax contributions payable. Moreover, the housewife would be required to do this only once in every calendar quarter—only four times a year. Under the second alternative, the stamp plan, the housewife would simply buy stamps at the post office and paste one in the domestic's book weekly. The worker would obtain the book and turn it in to the Government at the end of each reporting period. I am especially impressed with this latter plan, the stamp plan, which has been widely used in Europe, and makes record keeping an almost automatic process.

Surely this kind of record keeping is not too much to expect of the American housewife as the price of providing security for her employees. I do not believe it is too much to ask of anyone, and I do not believe that those housewives who are in a position to employ household help will object to carrying out these simple tasks. In confirmation of this opinion, I may cite the fact that many women's organizations have supported social-security coverage for domestic workers. Among the organizations advocating such coverage are the YWCA, the National Federation of Business and Professional Women's Clubs, the National Women's Trade Union League, the National Council of Jewish Women, the National Council of Negro Women, the National Association for the Advancement of Colored People, the American Home Economics Association, the American Public Welfare Association, the Council for Social Action of the Congregational Christian Churches, the Federal Council of Churches of Christ in America, the National Conference of Catholic Charities, and the department of social education and action of the Presbyterian Church.

I earnestly hope that favorable action will be taken on this amendment to H. R. 6000.

I am including as part of my statement some questions and answers on the problem of social security for domestic workers, which I ask to have printed in the RECORD at this point.

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

SOCIAL SECURITY FOR DOMESTIC WORKERS—QUESTIONS AND ANSWERS

1. What is the present social-security situation with respect to domestic workers?

At present domestic workers are excluded from the contributory Federal old-age and survivors insurance program. This is the part of social security under which most industrial and commercial workers are now assured cash retirement benefits after 65 or survivors' benefits to their dependents if they die. These payments are made to insured persons as a matter of equity right from an insurance fund built up by contributions from covered workers and their employers in contrast to assistance which is paid on an individual means test basis from general tax funds.

2. Is there any general recognition that domestic workers need the protection of the insurance program, or any likelihood that they will get such protection in the near future?

Coverage of domestic workers has been recommended by most authorities who have studied the problem. In particular, the advisory council on social security appointed by the Senate Committee on Finance, in its report to that committee in 1948, recommended that "the 2,500,000 persons who work in household employment during the course of a year should be covered under old-age and survivors insurance."

H. R. 6000, the social-security bill which passed the House of Representatives this year and is now scheduled for early consideration by the Senate Finance Committee, would cover regularly employed domestic workers. In order to be covered the worker would have to receive cash wages of at least $25 from his employer in a calendar quarter and would have to work for that employer on at least 26 days in a calendar quarter. Thus, most household workers who are hired on a weekly or monthly basis would be covered while most day workers would remain excluded. H. R. 6297, a bill introduced by Representative KEAN which embodied the views of the Republican members of the Committee on Ways and Means, would substitute for the 26-day requirement a requirement of 6 days' work for an employer in a calendar quarter. There is every reason to believe that similar proposals for a broader coverage of domestic workers will be pressed in the Senate.

3. Why should domestic workers be covered under this insurance program?

The fact that domestic workers are not now covered by the program does not mean that they have no need for its protection. They are just as likely as any other group to grow old, to become disabled, or to die and leave their families with no earning power. Because their earnings are generally lower than those of other groups, they are even less able to provide individually for their own security. The best available estimates indicate that in 1948 over three-fourths of all domestic workers earned cash wages of less than $1,000, and fewer than 5 percent earned more than $2,000.

Moreover, domestic workers have no means of providing security for themselves as a group. The employer and union pension plans which are now developing so rapidly for the industrial worker do not, of course, apply to those in domestic service. In the past, employers of domestic help sometimes made provision for the security of their loyal employees in old age, but with the increasing mobility of the population and the disappearance of the old family-retainer type of servant this custom, too, has disappeared. The typical domestic worker nowadays has no recourse in time of need but to seek assistance, which is less satisfactory to him and more costly to the general taxpayer.

4. What are the advantages to the employer of bringing domestic workers under the insurance system?

The average household employer is not in a position to assure the security of an employee no matter how sincere her interest or sense of responsibility. Moreover, now that pension and retirement plans are increasingly recognized as a factor in industrial and commercial employment she is in a disadvantageous situation to compete with such employers even at an equivalent wage rate. Inclusion of domestic workers in the governmental insurance system would not only relieve the employer of a natural concern for the welfare of those who help her but would also make it easier to secure such assistance in a competitive labor market.

5. How would social insurance for the day workers among domestic employees be administered?

The Social Security Administration has indicated that such workers, as well as the more regularly employed domestic servants, could be covered without any difficulty. One of the ways this could be done is through the use of a stamp plan. Under this plan the domestic worker would be provided with a stamp book in which the employer would place special social-security stamps indicating the amount of wages paid to the worker. The employer would buy the stamps from the post office and would deduct half the cost of the stamps from the worker's earnings as his share of the contributions. The money value of noncash wages, such as meals and lodging, would be included in the wages reported. The stamp book would be sent to the Social Security Administration, which would credit the worker with the amount of the wages reported.

6. In view of the low wages which household workers receive, could they afford to pay for this insurance protection?

They cannot afford not to. Contributions are related to earnings, so that ability to pay is taken into account. In addition, while benefits are also related to earnings, they are so computed that the lower-paid workers receive greater benefits in proportion to their contributions than do higher-paid workers. It must be remembered, too, that there is no other effective way for household workers to provide security for themselves.

7. How much would they pay for this insurance protection?

Under H. R. 6000, those domestic workers covered would pay 2 percent of their annual net earnings during the years 1951 through 1959; employers of domestic help would pay a like amount. Thus, a household worker earning, say, $1,200 a year would pay $24—or $2 a month—for the next 10 years, for a total of $240 over the 10-year period. After that the rates projected in H. R. 6000 are scheduled to increase gradually to a maximum of 3¼ percent in 1970. However, the Senate Advisory Council has recommended that when the contribution rate reaches 2 percent each on employer and employee a governmental contribution be considered as in other countries.

8. What protection would the domestic worker get for these contributions?

If he lived to age 65, he would receive a retirement benefit each month; the wife of a domestic worker would also receive a monthly benefit at that age; and if there were children under 18 they, too, would get benefits. If the worker died prematurely, a lump sum would be paid to his spouse or to the person who paid the funeral expenses, and the widow and young children, or aged dependent parents, would get monthly benefits. Monthly benefits would not be paid to the widower of a female worker, but her children would get benefits if she had worked recently and for a substantial length of time in covered employment, or if they had relied chiefly on her for support. H. R. 6000 would also provide for the payment of monthly insurance benefits to permanently and totally disabled workers, so that the household worker would receive benefits before age 65 if permanently unable to work. Benefits would not be paid for any month in which the beneficiary received as much as $50 for covered work.

9. How large would these insurance benefits be?

Under H. R. 6000, if the worker had been covered for 10 years at $1,200 a year he would be eligible at age 65 for benefits of $52 a month. When his wife became 65 the family would get $79 a month. If the worker died after 10 years of coverage at $1,200

and left a widow and one child under 18, the family would get $79 a month. If there were a child but no widow (including, of course, cases where the deceased worker was a woman), the monthly benefit amount would be $39; if there were two children, $65. Benefits would stop when the youngest child attained age 18, but the widow would again be entitled to benefits at $39 a month when she reached 65. In addition, a lump sum amounting to $156 would be paid.

10. How long would the domestic employee have to contribute to the insurance program in order to get benefits?

Under the provisions of H. R. 6000 he would be insured for survivor benefits after he had been covered for a year and a half. In most instances under this bill he would have to be covered for at least 5 years before he could get retirement or disability benefits. He would have to continue working in covered employment for about half of his time to remain insured, but after he had been covered for 10 years he would be insured permanently for retirement and survivor benefits.

However, under the so-called new start recommendation of the Senate Advisory Council newcomers to the insurance program would be fully covered for retirement after 1 year and a half (or six quarters) of covered employment. If the Senate considers extending coverage as recommended by the Advisory Council it will undoubtedly consider this corollary recommendation.

Many people now in domestic work have already spent sometime in covered employment, particularly during the war; this employment already credited to them will shorten the time they need to work in the future to become eligible for benefits.

AMERICAN PUBLIC WELFARE ASSOCIATION.
WASHINGTON, D. C., *December 1949*.

Mr. LEHMAN. Mr. President, on behalf of myself, the Senator from Montana [Mr. MURRAY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Illinois [Mr. DOUGLAS], I submit for appropriate reference an amendment intended to be proposed by us, jointly, to 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.

The VICE PRESIDENT. The amendment will be received, referred to the Committee on Finance, and printed.

## MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 247) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, and it was signed by the President pro tempore.

## THE PRESENT SPY HUNT AND EARLY WITCH HUNTS IN SALEM VILLAGE—ARTICLE BY EDWARD A. HARRIS

Mr. LEHMAN. Mr. President, the able Pulitzer prize-winning reporter, Mr. Edward A. Harris, of the St. Louis Post——

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

Mr. LEHMAN. I yield.

Mr. DONNELL. Did not the Senator omit one portion of the name of the paper, the St. Louis Post-Dispatch?

Mr. LEHMAN. I certainly did, and I appreciate the reminder. I should have said the able Pulitzer prize-winning reporter, Mr. Edward A. Harris, of the St. Louis Post-Dispatch. Is that correct?

Mr. DONNELL. That is correct.

Mr. LEHMAN. I have to be very correct in what I am saying here now, because I have a particularly critical audience. My youngest granddaughter, 3 years of age, is sitting in the gallery on her first visit to the Congress, and I must be careful not to make any slip.

I repeat, Mr. President, the able Pulitzer prize-winning reporter, Mr. Edward A. Harris, of the St. Louis Post-Dispatch, has written a very arresting article contrasting the present spy hunt with the hysterical witch hunts which took place in Salem Village, Mass., three centuries ago. This article shows the almost incredible parallel between the events of that day and events of today. I commend it to the reading of the Members of the Senate and to all the people of our country. I hope that more and more of our public leaders and publicists will have the vision and the courage to speak out boldly on this subject.

Mr. President, I ask unanimous consent that the article by Mr. Harris, which was published in the St. Louis Post-Dispatch of April 28, be inserted in the body of the RECORD.

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

### THE DEVIL IN WASHINGTON

(By Edward A. Harris)

WASHINGTON.—Pathological fear gripped the townsmen of Salem Village late in the seventeenth century when a little group of neurotic teen-age girls fell into hysterical fits as if possessed of the devil. Breaking the bonds of strict Puritan discipline, the girls talked blasphemously during their fits and cried out against those in league with the devil who were afflicting them.

Few escaped the spiteful vengeance of the girls, who suddenly found all the attention they had ever craved. A pious pure-hearted old grandmother, Rebecca Nurse, was cried out against by the girls as a witch, and carried from her sickbed to be hanged. An old man, sound in body and mind despite his age, was pressed to death because he remained mute, refusing to confess his witchery. The constables righteously piled rocks upon his chest as he lay prostrate until the mounting weight crushed him. Children as young as 5 years of age were carted to dank and foul prisons as bedeviled.

The madness and panic were contagious. As soon as one villager was named as a witch, corroborating witnesses marched to court to detail acts of witchery of the accused. These witnesses were not malicious liars; they fervently believed their own tales, as embellished by sick imaginations, and their hearsay gossip was accepted as evidence in the sick atmosphere of the day.

The Salem court, however, convicted the witches mostly on spectral evidence. What good was it for accused witches to swear to their innocence when even at that moment the teen-age girls rolled on the courtroom floor and shrieked wildly that the spectral shapes of the defendants were then afflicting them?

To some observers there appears a striking parallel between the Salem pathology and the current spy hysteria in Washington. A new book, the Devil in Massachusetts, by Marion L. Starkey, comes as a fresh shock in its vivid portrayal of the depths of cruelty and irresponsibility to which human beings can sink in the spell of fear and ignorance.

Then, as now, the accusers were the exalted, including exwitches who recanted and pointed their cleansed fingers at former conspirators. It was safe, even noble, to be an accuser; there was no risk to it, but there was fame and glory. Spectral evidence was accepted then, even as hearsay evidence is today spread across the Nation's press.

Those who dared criticize the teen-age neurotic girls were promptly—within seconds—themselves branded by the girls as witches, and hanged. Anyone who dared to defend the good name of the accused was at once cried out against by this little feminine band of life-and-death givers.

There is no gallows as yet in the Washington manhunt, but character assassination serves as effectively. Here, too, it is safe to be an accuser, and perilous to back the good name of the accused. As to the accused himself, how can he ever prove he is not a witch? How can Prof. Owen J. Lattimore, of Johns Hopkins University, or Secretary of State Dean Acheson, for that matter, prove beyond a shadow of doubt that they are not Communists? It cannot be done.

The accusers must be well aware of this. But lest the trap be not tight enough, ex-Communist Louis Budenz has conveniently made it escape-proof. The truly dangerous Communists, he avers, do not carry party cards and may never join he party. They even remain aloof from the fringes of the party and in order to conceal their true identity may pose as anti-Communists or supporters of the Marshall plan.

If Lattimore's writings show a party line, he stands condemned; if they show anti-Communist sentiment, the clever scoundrel is doubly damned. The trap is sufficiently elastic to apply to anyone.

In 5 years of constant communion with the FBI Budenz would have the public believe that he did not "have time" to mention the name of Lattimore. Only after Senator JOSEPH R. MCCARTHY charged that Lattimore was the "top Red espionage agent" did Budenz find his memory refreshed and his time ample for long public dissertations on Lattimore.

The "corroborating witnesses" may continue to parade to MCCARTHY's side as he continues to cry out his accusations. But more and more observers are wondering why the word of admitted ex-Communists is sanctified over the word of other citizens. Would not the same character markings that first led them into communism carry over to an intemperate opposite extreme? Here is the admission of one noted ex-Communist, Author Koestler, in this respect:

"Those who were caught by the great illusion of our time, and have lived through its moral and intellectual debauch, either give themselves up to a new addiction of the opposite type or are condemned to pay with a lifelong hang-over."

Secretary Acheson, in a stirring speech before editors and publishers in Washington, described MCCARTHY's crusade as "mad" and "vicious." In Salem Village many long years ago the madness was ended only when intelligent men with cool heads emerged from their neutral retreats to speak their minds, aware at last that no one was safe from such pathology. Until such an awakening takes place on a large scale, the Washington bedlam will go unchecked. Acheson has shown the way, but many more as courageous as he must speak up if common sense is to prevail over the devil in Washington.

## ORDER FOR RECESS TO MONDAY

Mr. SPARKMAN. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until noon on Monday next.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Without objection, it is so ordered.

AMENDMENT OF ECONOMIC COOPERATION ACT OF 1948

The Senate resumed the consideration of the bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended.

Mr. DONNELL obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield so that I may propose a unanimous-consent request for a vote on the ECA bill?

Mr. DONNELL. I shall be glad to yield for that purpose if I can do so without losing the floor. I assume the Senator will suggest the absence of a quorum.

Mr. CONNALLY. I will have to do that.

Mr. DONNELL. I will consent to the interruption on the understanding and agreement that I shall not lose the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CONNALLY. Mr. President, I ask agreement to the following unanimous-consent request——

Mr. WHERRY. Mr. President, inasmuch as a quorum call is necessary in connection with such a request, can we not save time by having the unanimous-consent request presented after the quorum call?

Mr. CONNALLY. In order to come within the rule, a quorum call must be had after request is made for unanimous consent to the proposed agreement.

The PRESIDING OFFICER. The statement by the Senator from Texas is correct.

Mr. CONNALLY. Mr. President, I submit the following proposed unanimous consent agreement:

*Ordered,* That on the calendar day of Friday, May 5, 1950, at the hour of 1 o'clock p. m., the Senate proceed to vote, without further debate, except as hereinafter provided, upon any amendment or motion that may be pending or that may be proposed to the bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended, and upon the final passage of the said bill: *Provided,* (1) That after said hour of 1 o'clock debate upon any amendment or motion, when proposed, shall be limited to not exceeding 20 minutes, to be equally divided between those favoring and those opposed thereto; (2) that no amendment or motion that is not germane to the subject matter of said bill shall be in order; and (3) that said bill shall not in the meantime be laid aside except by unanimous consent.

*Ordered further,* That on said day of Friday, May 5, the time between 11 o'clock a. m. and 1 o'clock p. m. shall be equally divided between the proponents and the opponents of said bill and controlled, respectively, by the Senator from Texas [Mr. CONNALLY] and—

Such Senator as may be designated by the opponents.

Mr. WHERRY. Mr. President, if the distinguished Senator from Texas will insert the name of the Senator from Missouri [Mr. KEM] I think it will be satisfactory. I have not gotten in touch with him, however.

Mr. CONNALLY. I will insert the name of the Senator from Missouri:

and the Senator from Missouri [Mr. KEM]; and

*Ordered further,* That in the event of the passage of said bill S. 3304, the Senate shall, without debate, immediately proceed to the consideration of the bill (H. R. 7797)—

That is the House bill upon the same subject—

to provide foreign economic assistance; that it be deemed to be amended by striking out all after the enacting clause and inserting the text of S. 3304 as amended; that the engrossment of the amendment and third reading of said bill be deemed to be ordered, and a vote taken on the final passage of the House bill as amended; and that, if passed, the proceedings on the passage of S. 3304 be vacated and said bill be postponed indefinitely.

Pending action on that request, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | |
|---|---|---|
| Anderson | Hendrickson | Martin |
| Benton | Hickenlooper | Maybank |
| Brewster | Hill | Millikin |
| Bricker | Holland | Mundt |
| Bridges | Humphrey | Neely |
| Butler | Hunt | O'Conor |
| Cain | Ives | Robertson |
| Capehart | Jenner | Russell |
| Chavez | Johnson, Colo. | Saltonstall |
| Connally | Johnson, Tex. | Schoeppel |
| Cordon | Johnston, S. C. | Smith, Maine |
| Darby | Kefauver | Sparkman |
| Donnell | Kerr | Stennis |
| Douglas | Kilgore | Taft |
| Eastland | Knowland | Taylor |
| Ecton | Leahy | Thomas, Okla. |
| Ellender | Lehman | Thomas, Utah |
| Ferguson | Lodge | Thye |
| Flanders | Long | Tobey |
| Frear | McClellan | Tydings |
| George | McFarland | Wherry |
| Green | McKellar | Wiley |
| Gurney | Magnuson | Williams |
| Hayden | Malone | Young |

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the unanimous-consent request of the Senator from Texas.

Mr. CONNALLY. I ask that the proposed agreement be read at this time.

The PRESIDING OFFICER. The clerk will read the proposed agreement.

The Chief Clerk read the requested unanimous-consent agreement, as follows:

*Ordered,* That on the calendar day of Friday, May 5, 1950, at the hour of 1 o'clock p. m., the Senate proceed to vote, without further debate, except as hereinafter provided, upon any amendment or motion that may be pending or that may be proposed to the bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended, and upon the final passage of the said bill: *Provided,* (1) That after said hour of 1 o'clock debate upon any amendment or motion, when proposed, shall be limited to not exceeding 20 minutes, to be equally divided between those favoring and those opposed thereto; (2) That no amendment or motion that is not germane to the subject matter of said bill shall be in order; and (3) that said bill shall not in the meantime be laid aside except by unanimous consent.

*Ordered further,* That on said day of Friday, May 5, the time between 11 o'clock a. m. and 1 o'clock p. m. shall be equally divided between the proponents and the opponents of said bill and controlled, respectively, by the Senator from Texas [Mr. CONNALLY] and the Senator from Missouri [Mr. KEM]; and

*Ordered further,* That in the event of the passage of said bill (S. 3304), the Senate shall, without debate, immediately proceed to the consideration of the bill (H. R. 7797) to provide foreign economic assistance; that it be deemed to be amended by striking out all after the enacting clause and inserting the text of S. 3304 as amended; that the engrossment of the amendment and third reading of said bill be deemed to be ordered, and a vote taken on the final passage of the House bill as amended; and that, if passed, the proceedings on the passage of S. 3304 be vacated and said bill be postponed indefinitely.

Mr. CHAVEZ. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. If unanimous consent is given to the proposal of the Senator from Texas, does that mean that a privileged matter, such as a conference report, cannot temporarily displace the consideration of the bill?

The PRESIDING OFFICER. The unanimous-consent request, as worded would exclude everything except a privileged matter. It contains the provision–

This bill shall not in the meantime be laid aside except by unanimous consent.

That provision would exclude the consideration of any other matter.

Mr. CHAVEZ. Unless privileged matters are excepted, I shall be constrained to object.

Mr. CONNALLY. Mr. President, would the Senator agree if we insert "except conference reports"?

Mr. CHAVEZ. Privileged matters, including conference reports. I would not object if that modification is made.

Mr. CONNALLY. Mr. President, I agree to the modification.

Mr. CHAVEZ. Mr. President, may the Clerk read the provision as modified?

The PRESIDING OFFICER. The Clerk will read the modification.

The Chief Clerk read as follows:

That said bill shall not in the meantime be laid aside except for privileged matters.

Mr. CHAVEZ. Including conference reports.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as amended or modified by the Senator from New Mexico?

Mr. SALTONSTALL. Reserving the right to object, should there not be something said about the Senate meeting at 11 o'clock on Friday?

Mr. WHERRY. Mr. President, there is no objection to the unanimous-consent request, and I am satisfied that the acting majority leader will assure us that when the Senate takes a recess on Wednesday or Thursday it will be to convene at 11 o'clock on Friday.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. In the event it is sought to take up the conference report on the basing-point bill, what vote would be required in order to bring up that matter for determination?

The PRESIDING OFFICER. A majority vote would be required.

Mr. HOLLAND. I thank the Presiding Officer.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous-consent agreement, as modified, is entered into.

The Senator from Missouri had the floor and yielded for the discussion of the unanimous-consent agreement. The floor will now be returned to him in good order.

CALIFORNIA ALIEN LAND ACT HELD INVALID UNDER UNITED NATIONS CHARTER

Mr. DONNELL. Mr. President, this afternoon we have had the very rare treat of a discussion, most interesting and learned, and at the same time practical, with respect to the interests of our Nation, labor and management, and the general public as well. The Members of the Senate should be congratulated upon being the beneficiaries of the research and the work of the distinguished members of this body who have presented these various facts to us.

Among the very interesting questions which have been laid before us this afternoon is the question of whether or not the charter of the International Trade Organization, into which this country is asked to enter, and entrance into which is being considered, would constitute a treaty or an executive agreement. I recall to the attention of the Senate the fact that the distinguished senior Senator from Georgia [Mr. GEORGE]—I think I quote him substantially correctly—expressed at least tentatively, and possibly even somewhat more than tentatively, the view that the International Trade Organization Charter, which is referred to in resolutions the numbers of which were mentioned in the course of the discussion, is a treaty; and to similar effect there was an expression, quite vigorous, clear, and, to my mind convincing, by the distinguished Senator from Colorado [Mr. MILLIKIN], that the charter of the International Trade Organization is a treaty.

Mr. President, this is not a mere abstract or academic question. It is one which has at least two important bases.

Under the provisions of the United States Constitution, the Senate is the body which must ratify a treaty, two-thirds of the Members of the Senate present being required to ratify. The question therefore arises as to whether or not the International Trade Organization charter comes within that provision, or whether by simple majority of both Houses of Congress that agreement and charter may be put into effect.

Mr. President, there is a far more fundamental question involved with respect to the International Trade Organization than merely the question as to whether both Houses of the Congress shall participate in the determination of whether or not ratification and joinder shall occur. I do not mean by saying that there is a more important question in any sense to minimize the importance of the question as to whether it is the Senate or the Congress as a whole which is to pass upon this question. But the fundamental question which is involved, and which I have in mind at the moment, is as to whether or not this agreement to be entered into, if it shall be entered into by our Nation, is one which rises to the dignity of a treaty, and therefore comes under that provision of the Constitution of the United States which reads:

> This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and, the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

It is not my purpose this afternoon to discuss the International Trade Organization charter, but mention of it in the course of a previous address on the floor emphasizes to my mind the grave importance of knowing what we are taking up when we undertake to consider that instrument. We should know whether it is merely an executive agreement or a treaty.

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

Mr. DONNELL. I yield.

Mr. FERGUSON. Is it not correct to say that it is planned to have the ITO charter approved by both Houses of Congress and not by a two-thirds vote of the Senate?

Mr. DONNELL. I may say to the Senator that earlier this afternoon I offered the numbers of three resolutions. They indicate precisely what the Senator from Michigan has just stated. I refer to House Joint Resolution 14, House Joint Resolution 71, and House Joint Resolution 236.

Mr. FERGUSON. Let us take for granted that under the Constitution this instrument is a treaty, but it is submitted as an executive agreement, to be acted on by a majority of both Houses, and signed by the President, as in the case of an ordinary bill. Thereupon the question of appropriation to implement the so-called executive agreement arises. I have pointed out on the floor that there is no constitutional method by which the right of Congress to appropriate money for the implementation of an executive agreement can be questioned. If that is correct, by indirection we take away from the people of the United States the right to have an instrument, which is in law, effect, and substance, a treaty, which should be ratified by the Senate by a two-thirds vote, as the Constitution requires, by merely passing legislation to implement an executive agreement.

Mr. DONNELL. The Senator has raised a very interesting question and a highly important one. In the first place, I would say that obviously the use of a plan to obtain approval by a simple majority of either of the two Houses does take away from the Senate, prima facie at any rate and for the moment at any rate, the power to pass upon the validity by ratification or nonratification of a document which is before it. I defer to the Senator's opinion, at which I assume he has arrived, as to the difficulty, and perhaps impossibility, of attacking successfully an appropriation in aid of an instrument thus entered into. However, I am not prepared to admit, and do not admit, that there may not be some appropriate means by which we may still be able to determine in the courts of the land whether the proper or an improper course was followed. I may say that it is an interesting question, to which, however, I have not given attention or study. However, as a lawyer if there were brought to my office a question involving a document which had been passed upon by the two Houses of Congress by a simple majority of each, and the interests of my clients were involved in a determination of whether or not the instrument was or was not a treaty, I should certainly not advise the client to go his way without making a very careful search in an endeavor to find means by which I might safeguard his interests by establishing through the courts that the document was a treaty.

Mr. FERGUSON. Mr. President, may I ask the Senator another question?

Mr. DONNELL. Yes.

Mr. FERGUSON. I should like to preface the question by a brief statement. As a lawyer, the Senator from Michigan does not know of anyone to whom he would rather take a case involving a method of litigating it in the courts for a determination than to the distinguished Senator from Missouri. In fact, the Senator from Michigan would like to work upon that problem with the Senator from Missouri.

Mr. DONNELL. I thank the Senator for the compliment.

Mr. FERGUSON. Even though the Senator from Michigan has his own opinion on questions of this kind, he has always hoped that a way would be found of testing them in courts of law, because they are vital to the Nation.

Mr. DONNELL. If I may interrupt the Senator at this point, let me say that at the time of the early decisions of our Supreme Court, notably by Chief Justice Marshall, notwithstanding the fact that there is not one word in the Constitution of the United States to the effect that the Supreme Court may pass upon the constitutionality of a statute, the Supreme Court itself, on the theory that it was its duty to follow the law, found it necessary to ascertain what the law was, and therefore considered it necessary to determine whether or not a statute fell within the provisions of the Constitution, which the Court considered to be the fundamental law. I may say that there is quite an analogous situation presented here.

I am not certain of the validity of my position, because I have not looked into it or studied it, but, as the Senator presents it to me this afternoon, if we should have before us an instrument which obviously on its face was a treaty or, as obviously as the distinguished Senator from Colorado has indicated he believes the ITO charter to be a treaty, and it was not acted upon as such, it would appear to me that it would be well worth the effort and time of counsel to take the matter to the Supreme Court of the United States in order to determine whether or not Congress had taken the wrong course, and whether or not a document which had been approved by the two Houses of Congress was in fact a

treaty. I think it would be well worth while to take the matter to the Supreme Court. It seems to me that the Supreme Court could find that the document which the two Houses of Congress had passed was not valid, just as the Supreme Court has found in various cases that statutes which had been enacted by the two Houses of Congress were not valid but were violative of the Constitution.

Mr. FERGUSON. As the Senator from Michigan reads the decisions of the Supreme Court, there is no party who in this case could bring the litigation before the Court. It does not say, however, that some way could not be found to bring it before the Supreme Court. I should like to raise another question.

Mr. DONNELL. If the Senator will permit me to interrupt him again, I recall that it has been indicated in substance by the Supreme Court that the interest of any one taxpayer is so infinitesimal that he cannot be considered a real party in interest. But I would still say that if a case were brought to a law office of which I was a member, and I believe if one were brought to a law office of which the distinguished Senator from Michigan were a member, we would not turn down the case without full investigation, and doubtless without testing the matter in court.

Mr. FERGUSON. That is a fact, but, be that as it may, is it not the duty of the United States Senate, when any instrument is presented to ascertain whether in its opinion it is a treaty or something which can be properly handled by enacting a law?

Mr. DONNELL. My answer is, "Yes," unqualifiedly.

Mr. FERGUSON. Therefore, we have an obligation to the people of the United States, in passing upon this question, to determine, in effect, whether the ITO charter is a treaty within the meaning of the Constitution of the United States.

Mr. DONNELL. I thoroughly concur with the statement made by the distinguished Senator from Michigan.

Mr. FERGUSON. I desire to ask a further question. How are we going to raise that question but by the Senate of the United States voting down any bill on the subject, not upon its merits, but upon the fact that it covers a matter which is not subject to enactment into a law, but a matter solely within the jurisdiction of the Senate as a treaty?

Mr. DONNELL. I think the Senator has precisely stated the remedy, and the course which should be followed by the Senate.

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

Mr. DONNELL. I yield to the Senator from Colorado.

Mr. MILLIKIN. I might suggest that the distinguished Foreign Relations Committee could set the whole matter at rest by its own finding that it is a treaty, and that if it comes before the Senate at all, it should come as a treaty.

Mr. DONNELL. I am very much obliged to the Senator from Colorado for his statement. Did I understand him correctly to state that the Committee on Foreign Relations has already determined the matter?

Mr. MILLIKIN. Oh, no.

Mr. DONNELL. Perhaps I misunderstood the Senator.

Mr. MILLIKIN. It is my understanding that the Senate Committee on Foreign Relations has done nothing about the matter.

Mr. DONNELL. What was the Senator's statement? I obviously did not catch it correctly.

Mr. MILLIKIN. I said that in the first instance the Senate Committee on Foreign Relations could set the matter at rest by deciding that the agreement should be submitted as a treaty, and would not come out of the committee as anything else.

Mr. DONNELL. I thank the Senator.

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

Mr. DONNELL. I yield.

Mr. FERGUSON. I think that is an appropriate subject for the committee to determine, and that it should not allow the agreement to reach the floor for a vote, because it is a treaty rather than a bill which would become a law.

Mr. DONNELL. I agree thoroughly.

Mr. FERGUSON. Be that as it may, the responsibility is upon every Member of the Senate to determine that question in his own mind.

Mr. DONNELL. In other words, Mr. President, I take it that the Senator and I agree that even though the Committee on Foreign Relations should permit the instrument to come upon the floor of the Senate in the form of a bill, with all due deference and all respect to the committee, the duty still would lie upon the shoulders of every Member of the Senate to vote in accordance with whether or not he thought the instrument was a treaty or was not a treaty.

Mr. FERGUSON. That is correct.

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

Mr. DONNELL. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to suggest, further, that if the instrument is not before the Senate Committee on Foreign Relations as a treaty, then definitely primary jurisdiction should be in the Committee on Finance of the Senate, and it might be that the Senate Committee on Finance would also decide that this is a proper subject for a treaty, and therefore should not be considered as ordinary revenue legislation.

Mr. DONNELL. I thank the Senator for his comment.

DECISION IN CASE OF SEI FUJII AGAINST STATE OF CALIFORNIA

Mr. President, as previously stated, it had not been my intention even to mention the International Trade Organization Charter this afternoon, but I could not refrain from doing so in view of the great appropriateness, as I saw it, of the illustration of the importance of the determination of whether a given document is or is not a treaty.

Mr. President, my purpose this afternoon is to call to the attention of the Senate a decision of a court. It is the decision in the case of Sei Fujii against the State of California, rendered on April 24, 1950, 4 days before this day, by the District Court of Appeal of the State of California, Second Appellate District, Division 2.

The court consists of three judges, Justice Wilson, who wrote the opinion of the court, Presiding Justice Moore, and Justice McComb, each of whom concurred in the opinion written by Justice Wilson.

The April 25, 1950, issue of the Los Angeles Daily Journal, and the Los Angeles News, which I take it is a joint title of the publication, which publication is denominated upon its face "Official Paper for City of and County of Los Angeles," contains comments I shall read with respect to the decision rendered on the day preceding. But before reading them, I ask that at the conclusion of my remarks the entire article set forth in this issue, including the comments and the text and addenda to the text of the decision, be printed in full in the body of the RECORD.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. DONNELL. Mr. President, the comments to which I refer consist, first, of a headline the importance of which I think is indicated by the large type in which it is printed. It reads:

Charter of United Nations held to invalidate California Alien Land Act.

Then the comment of the writer in this official paper is as follows:

Believed to be the first decision in which the Charter of the United Nations has been invoked to invalidate a law of a State, the District Court of Appeal, Second Appellate District, Division 2, yesterday held the alien land law of California to be no longer enforceable because it is in conflict with the Charter.

In its opinion, written by Justice Emmet H. Wilson, concurred in by Presiding Justice Minor Moore and Justice Marshall F. McComb, the court declared that the Charter is a treaty between the United States and other nations, and that the Federal Constitution provides that all treaties take precedence over state laws. The Charter, says the court, guarantees universal respect for human rights and fundamental freedoms for all without regard for race, color, or religion, and because the alien land law discriminates against Japanese concerning the ownership of land, its restrictions are untenable and indefensible.

It is shown in the opinion that when the statute was adopted in 1920 it was applicable to the nationals of several countries by reason of their ineligibility to citizenship but that by amendments to the Federal naturalization laws only Japanese and an insignificant number of other Asiatics are now prohibited from owning land.

The opinion points out that the land law has been repeatedly held to be constitutional by the United States Supreme Court and the Supreme Court of California and that none of such decisions has ever been overruled. The court therefore states that it is not declaring the statute to be in violation of the Constitution but the decision is limited to the conflict between the statute and the United Nations Charter.

For the moment, Mr. President, I shall read no more from the article in the

official paper, but I shall return later in my remarks to the opinion itself, in order to read certain portions of it.

On July 18, 1949, there was in progress the debate in the United States Senate on the question as to whether or not the North Atlantic Treaty should be ratified by the Senate of the United States.

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

Mr. DONNELL. I yield to the Senator from Colorado.

Mr. MILLIKIN. I have to leave the Chamber, or I would wait until a more appropriate time to offer a comment I desire to make.

I have glimpsed the decision to which the Senator has referred. I have not made a careful study of it. But there might be a viewpoint available that there is nothing mandatory in the Charter, so far as that kind of a question is concerned; that the United Nations Organization exhausts its jurisdiction when it makes a recommendation to a nation along that particular line which the nation may be free to accept or reject. That viewpoint might find some support in the record of the hearings on the charter, and also in the exact words of the Charter dealing with the question of the interference of United Nations' activities with domestic jurisdictions. I simply suggest that as a possible offset viewpoint to the opinion to which the Senator has referred.

Mr. DONNELL. Mr. President, I very much appreciate the remarks of the Senator from Colorado in this respect. I may say that he has very courteously this afternoon called to my attention some of the colloquy which I do not have at hand but which the Senator from Colorado showed me in the course of the discussion between us this afternoon. I appreciate the point which he has made. I shall give attention to it. I am very sorry that the Senator from Colorado cannot be in the Chamber the remaining portion of the afternoon.

Mr. MILLIKIN. I must leave. I simply wish to say that I have no final opinion on the subject at all, but I knew the distinguished Senator from Missouri would desire to have called to his attention that particular provision of the Charter and the interpretative questioning and answering that went on in the hearings on the Charter before the Senate Foreign Relations Committee.

Mr. DONNELL. I appreciate the Senator's comments, and I shall give attention to the matter. I trust I may have the Senator's permission, without violation of any propriety, to discuss this matter in his absence this afternoon.

Mr. MILLIKIN. I shall read with great interest what the Senator from Missouri has to say.

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

Mr. DONNELL. I yield.

Mr. FERGUSON. While the Senator from Colorado is present I should like to make the observation that ipso facto, the Charter, by the use of this language, does not repeal State law; that the language at its best would only permit Congress to pass laws rather than to repeal State law.

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

Mr. DONNELL. I yield.

Mr. MILLIKIN. I will say "Yes" to the Senator. In other words, I got the impression, I will say to the distinguished junior Senator from Michigan, that a considerable part of the court opinion was based on language of purpose rather than mandatory provisions which would compel action by the States. I went over the opinion very hurriedly, and I may be wrong about that. It was my distinct impression, because I directed a number of inquiries to the very point we are considering, that all the United Nations could do in this particular field—and I feel that would cover the particular exclusionary law we are talking about—was to make a recommendation. It would then be up to the United States to accept or reject the recommendation. In other words, we were at that time—I among others—wondering what the compulsory impact of the Charter might be on our domestic affairs. It was clear that we had the power to veto so far as the Security Council end of the organization was concerned. It seemed clear to me—at least, my present impression is—that in the whole field that is involved in the particular question raised in that case, the most the United Nations could do would be to make a recommendation, and it would then be up to us whether we wanted to accept it.

Mr. DONNELL. If the Senator can take a moment before he leaves the floor, I should like to inquire of him, first, whether or not the language in the United Nations Charter which might be the basis for the viewpoint which he has tentatively suggested here this afternoon is that contained in article 2, chapter I, as follows:

> Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State or shall require the members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under chapter VII.

Mr. MILLIKIN. I am under the impression that that is the language in the Charter which I had in mind. I also recall that the hearings developed that there were some expressions of interpretation by the drafting committees of the United Nations which might have bearing on the same question.

Mr. DONNELL. Will the Senator permit me, before he leaves, to call his attention to the fact that, in the course of the decision of the court in this Fujii case to which I have referred, the court among other things has this to say, referring to the United Nations:

> In article 2 it is affirmed that the organization and its members "shall fulfill in good faith the obligations assumed by them in accordance with the present Charter."

And that furthermore the court calls attention to this, and again I quote:

> It is agreed in chapter 9, article 55, that "the United Nations shall promote * * * universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

And then the court further says:

> By article 56 it is declared that "all members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in article 55."

Mr. MILLIKIN. I would say to the distinguished Senator from Missouri that from what he has read I think the question is still open as to who is to be the judge of the performance of the purposes. I had the impression that the individual nations were to be the judge of their performance. That is the question obviously. As I said, I have not had the time to study that decision as closely as I would like to study it. I shall read with great interest the comments of the distinguished Senator from Missouri.

Mr. DONNELL. I thank the Senator.

Mr. MILLIKIN. I simply repeat that I was driving at the same thing at the time, and the impression which has lingered with me is that it at least was cleared up in my mind that the kind of statements which the Senator has read were statements of purpose, were not mandates, and that in the last analysis the member states were themselves the judge of whether they were acting in good faith.

Mr. DONNELL. May I also ask the Senator whether he agrees with the view which I hold that such, if any, obligation as exists under a treaty does, under article VI of the Constitution become a part of the supreme law of the land?

Mr. MILLIKIN. Yes, I agree fully to that. I think there is a twilight zone where a treaty might go too far under our Constitution. I read a very interesting paper on that question at one time. But, generally speaking, I agree completely with what the Senator has said.

Mr. DONNELL. I may say to the Senator that I may have used some such illustration along the line the Senator speaks. Suppose a treaty were made which provided that every child with blue eyes should be killed before 6 o'clock tomorrow morning. I doubt exceedingly whether that would be sustained by anybody.

Mr. MILLIKIN. Suppose a treaty changed the structure of our Government, changed our Constitution.

Mr. DONNELL. I am not prepared to express an opinion on that. I think there would be a debatable purpose.

Mr. MILLIKIN. I mentioned that to show that the scholars have always considered that there were certain twilight zones which might go beyond the jurisdiction of a treaty, but generally speaking, of course, the Senator is completely correct.

Mr. DONNELL. I thank the Senator.

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

Mr. DONNELL. I yield.

Mr. FERGUSON. Is it not true that, notwithstanding the point which has been raised by the distinguished and able Senator from Colorado, the California court at least held, without discussion of the point, that the particular State law

was repealed by the Charter of the United Nations?

Mr. DONNELL. It was made invalid by the Charter of the United Nations, according to this decision of the court. The Senator from Michigan is precisely correct.

Mr. FERGUSON. The State law was made invalid; and, in effect, that constitutes a repeal of that law on the statute books of the State of California.

Mr. DONNELL. I am not certain whether technically it would amount to a repeal, but certainly it means that the statute falls because it is in conflict with the Charter of the United Nations.

Mr. FERGUSON. So far as the distinguished Senator knows and can determine from the opinion, in it the point raised by the distinguished Senator from Colorado is not raised. Is that correct?

Mr. DONNELL. I do not think it is raised in the opinion. I have not seen the briefs in the case, and I do not know whether the point was raised by the counsel.

Mr. FERGUSON. Very well.

In other words, as I understand the point made by the distinguished Senator from Colorado, it is that the provision cited as nullifying the State law is more or less in the preamble of the Charter of the United Nations, and therefore it is not binding as law, but is only advisory, and that the Government of the United States has a right to make it effective by enacting further legislation.

Mr. DONNELL. Mr. President, I am reluctant to make a statement on this matter in the absence of the Senator from Colorado, because I know of his utmost good faith. Let me say that it is not a fact that the points upon which the court relies are merely those contained in the preamble of the Charter of the United Nations.

Mr. FERGUSON. I should like to have that matter made clear.

Mr. DONNELL. I quoted from chapter IX, article 55, of the Charter of the United Nations, which obviously is not the preamble, but is far down in the body of the Charter. With the permission of the Senator, I shall read that portion of the Charter. Article 55 is not in the preamble; but in the publication which I have before me, it appears on page 945, and in this publication the Charter begins on page 934, so, in this publication, article 55 is 11 pages down in the body of the Charter:

CHAPTER IX. INTERNATIONAL ECONOMIC AND SOCIAL COOPERATION

ARTICLE 55

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

That is not an expression of a mere purpose—

a. higher standards of living, full employment, and conditions of economic and social progress and development;

b. solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

c. —

This portion is quoted by the Court itself, as I read the opinion a few moments ago—

universal respect for, observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Immediately thereafter comes article 56, which the court also sets out in its opinion. Article 56 reads as follows:

ARTICLE 56

All Members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in Article 55.

Let me say further to the Senator, so that the RECORD may be complete, that there is also a statement of the determinations of the peoples of the United Nations and certain things to be done for those ends. That is set forth in the preamble of the Charter, in addition to what I have read from the body of the Charter.

Mr. FERGUSON. But if we follow the opinion of the Supreme Court of California——

Mr. DONNELL. It is not an opinion of the Supreme Court of California; it is an opinion of the California District Court of Appeal, Second Appellate District, Division No. 2. The opinion is that of an appellate court.

Mr. FERGUSON. Very well. If we follow the opinion of that appellate court, namely, that the United Nations Charter automatically nullifies a law of California, then we may find, if that is the law of the land, that various statutes of the States have been nullified by the Charter of the United Nations.

Mr. DONNELL. Precisely; and, furthermore, we may find that many other laws of the States may have been nullified by the North Atlantic Treaty, which goes much further than the United Nations Charter goes in respect to the obligations imposed upon the signers of that treaty, of whom the United States of America is one.

Mr. FERGUSON. When the distinguished Senator read from the text of the United Nations Charter, I noticed that its effect may be to nullify or make void all statutes in any State in relation to distinctions made between the sexes; and, in addition, we may find that by that means equal rights have already been established in the United States.

Mr. DONNELL. It is entirely possible that a court might so hold, in my opinion.

Mr. FERGUSON. I mean to say that if the decision of that California court is determined to be the law of the land, then what I have just stated could follow.

Mr. DONNELL. Yes. I may say to the Senate, for purposes of the RECORD, that I think the importance of this decision, or at least the feeling of those who issue this official publication in Los Angeles, Calif., in regard to its importance, is at least in part indicated by the fact that a photograph of each of the judges is published along with the opinion, and the opinion is printed in full, together with the footnotes. I think it is perfectly clear that the editors of that newspaper considered this opinion as certainly extremely important, if not very monumental, in American jurisprudence.

Mr. FERGUSON. I thank the Senator.

Mr. DONNELL. Let me state to the Senator that I shall be very happy to yield to him at any time he may desire to ask further questions.

Mr. President, as I was about to state a few moments ago, on July 18, 1949, the Senate was debating the question of whether or not the United States should ratify the North Atlantic Treaty. At the expense of possibly being considered as stating something in the nature of "I told you so," I desire to read a portion of the remarks I made in the Senate on that date. I now call attention to page 9631 of the CONGRESSIONAL RECORD for July 18, 1949. I hope the Senate will not consider that I give evidence of egotism or of an improper attitude, when I call attention to my own remarks on that date. They express at least as clearly as I could express now my views in respect to the possible consequences of our entering into the North Atlantic Treaty.

From that page of the CONGRESSIONAL RECORD, I read the following:

The instant before the treaty is ratified, each of the 48 separate States of the United States of America is entitled to whatever rights the domestic constitutional law of our own Nation today preserves to such State, and those rights are free from usurpation by the Federal Government.

I see now in the Chamber a distinguished Senator from one of the Southern States, who doubtless is interested in problems of this kind, as indeed are all of us. I say that the instant before the treaty is ratified, his State and my State and every other State of the Union is entitled to whatever rights, free from contractual obligations, free from treaty obligations entered into by this country with other countries, as the domestic constitutional law of our own Nation preserves to each such State, and those rights are free from usurpation by the Federal Government. Those rights of the State may relate to many important matters. I mention among them suffrage, schools, segregation, poll tax, freedom from seizure, and many other fields which likewise might be mentioned.

However, the instant the treaty is ratified, what do we find as to that situation? We find that at that very instant there is created the basis for the forceful and persuasive contention, both in legislative halls and in courts, that the treaty has become a part of the supreme law of the land and has vested in the Federal Government the duty, and by virtue thereof places within the domain of the authority of the Federal Congress a correlative power, to deal with such free institutions, thereby superseding the power previously vested in the several States over the protection of such institutions.

Mr. President, in a few moments I shall read from the decision of the California court in regard to the point to which I have referred.

At this time let me refer to another statement I made in the Senate on July 18, 1949, as it appears at pages 9632 and 9633 of the CONGRESSIONAL RECORD:

Mr. President, this is a very serious implication, because of the fact that today the 48 States of the Union are free from obligations entered into by this country with other

countries, of the nature set forth in the treaty. But the minute, yes, the second ratification occurs, there is immediately presented opportunity for serious contention, serious assertion, that every one of the States and the Federal Government likewise must take notice of the fact that the treaty has become a part of the supreme law of the land, and that inasmuch as a Federal obligation has been created under the treaty, Federal power to perform that obligation has likewise been created.

Mr. President, I am not so sure but that those who make the contention would be sound in what they say. I am not making any concession on the floor of the Senate that would preclude me from presenting views to the contrary, if I should think such views were sound, but I am convinced of the truth of what I am about to say, and the Senate will observe my comment.

The Senator from Michigan—

I may say I was referring to the senior Senator from Michigan [Mr. VANDENBERG]—

will recall that recently, in a colloquy with his distinguished colleague, the junior Senator from Michigan—

Referring to Mr. FERGUSON—

reference was made to the case of *Missouri* v. *Holland* (252 U. S. 416). What is the effect of article 2 of the treaty in light of the decision in Missouri against Holland? In considering that question, the attention of the Senate is called to the fact that under holdings rendered previous to that case, Congress, prior to the exercise of the treaty-making power, with respect to the subject of migratory birds, had no power to pass laws concerning that subject; the reason for the lack of such power in Congress being that the Constitution does not grant Congress power to pass laws on that subject, but the subject of migratory birds is, according to Missouri against Holland, a part of the field in which treaty-making powers may be exercised. Furthermore, according to that case, after the making of a treaty on the subject of migratory birds Congress can—

I emphasize the words "after the making of a treaty on the subject of migratory birds"—

Congress can, by virtue of the provisions of article 1, section 8, of the Constitution, validly pass laws to put into effect the provisions of the treaty.

The section to which I refer is the one which provides that Congress shall have power—

"To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or office thereof."

That, of course, should be read in connection with that portion of article 6 of the Constitution, which reads:

"This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding."

Mr. President, Missouri against Holland does not hold that a treaty can repeal the Constitution of the United States. Under the doctrine of that case, the adoption of a treaty on a given subject matter which is within the treaty power and as to which subject matter there had been no previous grant to Congress of legislative power causes Congress, because of the terms of section 8 of article I of the Constitution, to be possessed of power to legislate to carry into effect such treaty.

Missouri against Holland establishes that if the agreements made by said article II are within the treaty-making power of the United States Government, Congress has the power to enact legislation to carry out those agreements.

These were the remarks made on July 18, 1949.

I refer now to the decision of the court rendered in California, April 24, 1950. In the first place, as pointed out earlier, this is a unanimous decision of the three judges of the court. I quote certain excerpts from that decision, the first of which is the following:

Save for the matters to be hereinafter discussed, which are based upon an authority more potent than the constitution of this State, an authority which for want of opportunity has not previously been made the basis of a judicial determination of the question before us, this opinion might well be terminated under the doctrine of stare decisis with a reaffirmation of the former decisions, since upon constitutional questions we deem ourselves obliged to follow the decisions of the Supreme Courts of the United States and of this State until one of those courts should announce the overruling of its own decisions.

Mr. President, later in the decision occurs this significant language:

The Charter—

I interpolate to say that the court is referring to the Charter of the United Nations, mentioned in the preceding paragraph, in sentences reading as follows:

The efforts of our Government in this regard—

That is, in regard to espousing rights of man, championing the cause of the smaller and less privileged nations, and so forth.

The efforts of our Government in this regard reached fruition in the convention of representatives of the nations of the earth at which the Charter of the United Nations was adopted. It was promptly ratified by the Senate of the United States, thereby proclaiming allegiance to its principles and providing precedent and example for other countries. The United States has consistently regarded its treaties with other nations as inviolate.

And then, Mr. President, comes the language which I was about to quote before going back into the preceding paragraph. The court says, referring to the United Nations Charter:

The Charter has become "the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding. (U. S. Constitution, art. VI, sec. 2.)

Continuing, the court says:

The position of this country in the family of nations forbids trafficking in innocuous generalities but demands that every State in the Union accept and act upon the Charter according to its plain language and its unmistakable purpose and intent.

Since the Charter is now the supreme law of the land it becomes necessary to examine its provisions and guaranties and to interpret it in the light in which it was adopted by the participating nations. The Organization determined in the preamble "To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, * * * to promote social progress and better standards of life in larger freedom." Among the purposes and principles found in article 1 of chapter 1 are "To develop friendly relations among nations based on respect for the principle of equal rights; * * *. To achieve international cooperation * * * in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion." In article 2 it is affirmed that the Organization and its members "shall fulfill in good faith the obligations assumed by them in accordance with the present Charter."

It is agreed in chapter IX, article 55, that "the United Nations shall promote * * * universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." By article 56 it is declared that "All Members pledge themselves to take joint and separate action in cooperation with the organization for the achievement of the purposes set forth in article 55.

In the address of the President of the United States to the Senate on July 2, 1945, urging the prompt ratification of the Charter by that body, he said:

"It seeks to promote world-wide progress and better standards of living.

"It seeks to achieve universal respect for, and observance of, human rights and fundamental freedoms for all men and women without distinction as to race, language, or religion.

"It seeks to remove the economic and social causes of international conflict and unrest.

"It is the product of many hands and many influences. It comes from the reality of experience in a world where one generation has failed twice to keep the peace. The lessons of that experience have been written into the document." (U. S. Code Cong. Service, supra, pp. 961–2.)

On December 10, 1948, the General Assembly of the United Nations passed and proclaimed—

Mr. President, I call especial attention to this mention made by the court, not of the provisions of the Charter, but of an instrument subsequently passed and proclaimed. The court says:

On December 10, 1948, the General Assembly of the United Nations passed and proclaimed and called upon all member countries to publicize, disseminate and expound in schools and elsewhere, a "Universal Declaration of Human Rights" affirming among other things that "All human beings are born free and equal in dignity and rights. They * * * should act toward one another in a spirit of brotherhood (art. 1.). Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political, or other opinion, national or social origin, property, birth or other status (art. 2.). * * * Everyone has the right to own property alone as well as in association with others" (art. 17). This Declaration implements and emphasizes the purposes and aims of the United Nations and its Charter.

Democracy provides a way of life that is helpful; however, its promises of human betterment are but vain expressions of hope unless ideals of justice and equity are put into practice among governments, and as well between government and citizen, and are held to be paramount.

The integrity and vitality of the Charter and the confidence which it inspires would wane and eventually be brought to naught

by failure to act according to its announced purposes. Its survival is contingent upon the degree of reverence shown for it by the contracting nations, their governmental subdivisions and their citizens as well. This Nation can be true to its pledge to the other signatories to the Charter only by cooperating in the purposes that are so plainly expressed in it and by removing every obstacle to the fulfillment of such purposes.

A perusal of the Charter renders it manifest that restrictions contained in the alien land law are in direct conflict with the plain terms of the Charter above quoted and with the purposes announced therein by its framers. It is incompatible with article 17 of the Declaration of Human Rights which proclaims the right of everyone to own property.

I pause, Mr. President, to point out that the Declaration of Human Rights is the subsequent document not contained in the treaty itself.

Returning to the opinion:

We have shown that the expansion by the Congress of the classes of nationals eligible to citizenship has correspondingly shrunk the group ineligible under the provisions of the alien land law to own or lease land in California until the latter now consists in reality of a very small number of Japanese. The other Asiatics who still remain on the proscribed list are so few that they need not be considered.

Clearly such a discrimination against a people of one race is contrary both to the letter and to the spirit of the Charter which, as a treaty, is paramount to every law of every State in conflict with it.

The alien land law must therefore yield to the treaty as the superior authority. The restrictions of the statute based on eligibility to citizenship, but which ultimately and actually are referable to race or color, must be and are therefore declared untenable and unenforceable.

Judgment reversed with directions to enter a decree in favor of plaintiff in accord with the prayer of his complaint.

Mr. President, the opinion from which I have just read holds, as I understand, that a valid treaty, which is, by the Constitution of the United States, the supreme law of the land, invalidates the law of a state which is in conflict with said treaty, even if the law is not otherwise in conflict with the Constitution of the United States or the laws of the United States. The opinion indicates that the United Nations Charter is an authority more potent than is the constitution of a state.

It is not my understanding that this case holds that a treaty supersedes the Constitution of the United States. It is my understanding, however, that the case does hold that a valid treaty, in that case the United Nations Charter, supersedes the laws of a state and the constitution of a state.

Mr. President, the treaty-making power is a power vested in the Government of the United States. Congress, under Article I, section 8, of the Constitution has power "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof."

It would seem to follow, logically, that the Congress would have the power to pass laws to enforce the rights agreed to by either the United Nations Charter or the North Atlantic Treaty.

Mr. President, I again quote from a statement made by me on July 18, 1949, with reference to the North Atlantic Treaty, as follows:

However, the instant the treaty is ratified, what do we find as to that situation? We find that at that very instant there is created the basis for the forceful and persuasive contention, both in legislative halls and in courts, that the treaty has become a part of the supreme law of the land and has vested in the Federal Government the duty, and by virtue thereof places within the domain of the authority of the Federal Congress a correlative power, to deal with such free institutions, thereby superseding the power previously vested in the several states over the protection of such institutions.

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

Mr. DONNELL. I yield to the Senator from Nevada.

Mr. MALONE. It seems to me that during the debate on the North Atlantic Pact in 1949 the distinguished Senator from Missouri asked the junior Senator from Nevada several questions in relation to the North Atlantic Pact, while he was engaged in making a statement in connection with that pact. Among them was the very question which the Senator now raises.

Mr. DONNELL. Yes.

Mr. MALONE. I seem to remember, without reference to the debate, that we agreed at that time, the Senator from Missouri and the junior Senator from Nevada, that we were entering into a pact which would or could, in effect, not only change the basic law of the states or of the Nation, but might even become paramount to the Constitution of the United States. I should like to have the distinguished Senator from Missouri explain a little more in detail, after 6 months under the North Atlantic Pact, what effect it is having.

Mr. DONNELL. I appreciate the Senator's asking me the question. I recall very distinctly the interchange of questions and answers as between him and myself on the occasion of the debate referred to. I may say that I have, subsequent to my making that statement, examined into the question whether a a treaty can repeal any provision of the Constitution of the United States, and have reached the conclusion that it cannot do so. It is, however, true that, although Congress is unable to exercise power to legislate upon a subject matter which is within the field of the treaty-making power but as to which subject matter Congress, in the absence of a treaty on that subject matter, is not by the Constitution granted power to make laws, nevertheless the ratification of a treaty on that subject matter will enable Congress to exercise power to legislate on that subject matter. The fact that Congress becomes, in that case, able to exercise power to legislate on that subject matter arises from (a) that part of section 8 of article 1 of the Constitution of the United States which provides that the Congress shall have power—

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

And (b) that part of article VI of the Constitution of the United States which reads:

This Constitution, and the laws of the United States, which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

Thus, in the case of Missouri against Holland, Congress, in the absence of a treaty on migratory birds, could not exercise power to pass laws concerning migratory birds, but after the ratification of a treaty on migratory birds, Congress could, by virtue of those two quoted excerpts from the Constitution, validly enact legislation to carry into effect the treaty provisions on migratory birds.

I will say to the Senator that, to my mind, it is perfectly clear that while the North Atlantic Treaty does not, nor do I think any treaty can, repeal the Constitution of the United States, inasmuch as the treaty is a vehicle which is authorized by the Constitution of the United States, it may bring about an extension of terms and may bring about powers in Congress which never existed prior to the time the treaty was ratified.

Mr. MALONE. In other words, if the Senator will yield for another question——

Mr. DONNELL. I yield.

Mr. MALONE. If I correctly understand the Senator's interpretation of the liberties which such a treaty might give Congress—and I want to say at this point that I have a high regard for the Senator from Missouri in his interpretation of the effect of State laws—it does open the door to Congress to legislate on subjects which were never given by the States through the Constitution of the United States to the Congress in the first place.

Mr. DONNELL. That is precisely correct.

Mr. MALONE. To that extent, it is dangerous.

Mr. DONNELL. To my mind, it is highly dangerous.

I pointed out in the course of the debate on the North Atlantic Treaty the fact that, by virtue of the provisions in the North Atlantic Treaty which I quoted, as, for illustration, the provision that the parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being, the parties to that treaty were contracting to do things which it might be very plausibly and possibly correctly claimed would give Congress vast powers of legislation which, prior to the ratification of the treaty, had never been vested in Congress at all by any provision of the Constitution.

I wish to make it perfectly clear that I do not think a treaty could supersede the Constitution. It would simply be in line with the power of the Constitution. However, the effect of a treaty may possibly be to vest in the Congress of the United States a vast reservoir of power to legislate on matters which perhaps previously had been confined to the States entirely or in large part. Does that answer the Senator's question?

Mr. MALONE. It does. However, I should like to ask one further question, if the Senator will yield.

Mr. DONNELL. I yield.

Mr. MALONE. The Senator is a distinguished lawyer, well known and recognized as such throughout the country, and therefore I wish to bring out this point in debate with him: As I understand, through the Constitution of the United States certain powers are delegated to the States and certain powers are delegated to the National Government. Always prior to approximately the last 15 years it had been taken for granted that any powers not specifically delegated to the National Government were reserved to the States.

Mr. DONNELL. Or to the people thereof.

Mr. MALONE. Yes; or to the people thereof. If I am correct in the assumption, which I should like the distinguished Senator from Missouri to affirm if it is correct, this is a back-door method—and I may be saying it very poorly—of changing or enlarging the powers of Congress which the Constitution of the United States never intended should be done.

Mr. DONNELL. I would say that the Constitution of the United States did contemplate the possibility of treaties being made. Therefore it may be very properly argued that the framers of the Constitution realized the power which could be exercised to increase and add to the powers specifically granted in the Constitution. However, to answer the Senator's question, when we search the Constitution to find out what it says are the powers of Congress it is entirely possible that a treaty may go far beyond the enumerated powers in the Constitution and give to Congress powers which are not enumerated.

Mr. MALONE. And perhaps were never contemplated at all.

Mr. DONNELL. And perhaps were never contemplated at all. I may say, in tribute to the clear memory of the Senator who interrogated me as to the provision of the tenth amendment of the Constitution, the amendment reads as follows:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. DONNELL. I yield for a question.

Mr. JOHNSON of Colorado. Have our courts ever passed on a treaty and declared it to be unconstitutional?

Mr. DONNELL. I cannot answer the question categorically, but I know of no such decision.

Mr. JOHNSON of Colorado. It seems to me that it would be an important observation.

Mr. DONNELL. I may say to the Senator that the courts have upheld numerous treaties. I recall no instance in which the courts have declared a treaty invalid.

Mr. JOHNSON of Colorado. Because of its unconstitutionality?

Mr. DONNELL. Because of its unconstitutionality. I think the Senator is precisely correct. I think as a matter of chance, in the course of reading from time to time it would appear that knowledge to such effect would have come to my attention, and I know of no instance in which the courts have held a treaty to be unconstitutional.

Mr. President, the distinguished Senator from Colorado [Mr. MILLIKIN] very appropriately suggested that there may be a point of view opposite to that which was taken by the court in California. I can well appreciate the point which the Senator from Colorado made, and I can appreciate it doubly because of the very profound and evident attempt on the part of the Senator during the hearings some 5 years ago to see that the internal interests of the United States were protected. I regret that I do not have before me this afternoon the volume which the Senator from Colorado very kindly showed me earlier in the afternoon, in which occurs the colloquy which I am sure the Senator from Colorado at least considers to fortify his tentative position—perhaps I am understating his view, and it may fortify him finally—that the United Nations Charter does not permit any interference by anybody with the laws of the States of the Union on the ground of violation of the Charter of the United Nations. As the Chair will doubtless recall, I asked the Senator from Colorado, before he left the Chamber this afternoon, which he was unavoidably required to leave, whether what he had in mind as a safeguard against any such result is that which reads as follows. I quote from article 2, chapter I of the Charter of the United Nations:

> Nothing contained in the present charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State or shall require the members to submit such matters to settlement under the present charter; but this principle shall not prejudice the application of enforcement measures under chapter VII.

The Chair will doubtless recall that the distinguished Senator from Colorado was inclined to think that that was the language which he had in mind. I hope I am not misquoting him. I think I am accurately stating what occurred. It may be, Mr. President, that there are other provisions of the Charter which he may have had in mind. Then he referred to some interpretations which he thought might have a bearing on it.

I am not here this afternoon primarily for the purpose of justifying or certifying to the infallibility of the decision of the California court. However, I wish to say several things about it. In the first place, it was a unanimous decision of three judges. In the second place, it is a decision of an appellate court. In the third place, I think anyone who looks at the decision and reads those portions of it to which I have referred this afternoon must be convinced of the fact that earnest thought was given by the court to the case. In the fourth place, I submit that the court obviously made a very careful study of the Charter of the United Nations, pointing out, as it did, various portions of the Charter which it deemed necessary to make the decision which it rendered.

I may say, Mr. President, that regardless of whether the court was right or wrong in its final decision, as I see it, it could have been wrong only on the point that the United Nations Charter contained a safeguard. I think the reasoning of the court to the effect that a treaty is a part of the supreme law of the land cannot be successfully controverted by anyone. I do not think any Member of the Senate would undertake to controvert it. It is possible that an appellate court of higher jurisdiction may hold that there is an adequate safeguard in the United Nations Charter to prevent the Charter from interfering with the validity of any statute. However, this appellate court did not conclude that any such provision of a prohibitive or security nature was found within the terms of the Charter. It failed to mention any such thing, and failed even to mention the point to which the distinguished Senator from Colorado alluded. If a higher appellate jurisdiction should so hold, that would not in the slightest interfere with the soundness of the position taken by this appellate court, namely, that a treaty is the supreme law of the land, or embraced within that supreme law, and consequently would supersede the statutes of any State upon the subject matter of the treaty.

Indeed, Mr. President, it would be difficult to see how any court could hold otherwise on that fundamental proposition, when the Constitution says that "the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding," and when the Constitution further says that "This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land."

Mr. President, it is not particularly essential here this afternoon to determine whether or not this court was right or wrong in failing to find that there was a safeguard within the United Nations Charter. The major point, the fundamental point, is that that treaty superseded the law of every State of the Union, that any treaty would supersede it unless there were within the treaty itself something which negatived such supersession of the treaty over and above the State statute.

Mr. President, let me call attention to the fact that the language which I have read here this afternoon, and which I read to the Senator from Colorado before he left the floor of the Senate, to my mind is more susceptible to the view that

the California court was correct in its decision in not giving the State law any force in the instant case, than it is to the contrary.

Let me call attention briefly to the analysis of the language I have read.

Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State.

Mr. President, as I see it, that means that nothing contained in the Charter shall authorize the body which meets at Lake Success to intervene, as the language says, "in matters which are essentially within the domestic jurisdiction of any State."

So far as I know, no one claims, except perhaps from the inference which, in its opinion, the court itself mentions as to the universal declaration of human rights, that the United Nations as an entity can step up and say that the law of Texas, or of California, of Alabama, or any other State, is invalid. That is what it says in that portion of the language I have read:

Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State.

Mr. President, do not overlook the fact that in addition to what the United Nations is or is not authorized to do, the states which are parties to the United Nations charter entered into solemn and binding agreements among themselves, and that is what is embraced within the portion of the quoted language which the California court sets out, namely, that—

All members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in article 55.

One of those purposes is, universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race, sex, language, or religion.

Mr. President, I submit that the portion of the language which I read to the Senator from Colorado upon the floor of the Senate, which I have just now read, certainly does not, by the mere fact that it prohibits the United Nations from intervening in matters which are essentially within the domestic jurisdiction of any State, relieve a signer of the United Nations Charter from the solemn obligations into which such signer has entered by its signature.

The language I read to the Senator from Colorado proceeds further, after the language, "Nothing contained in the present Charter," and so forth, and states, "shall require the members to submit such matters to settlement under the present Charter."

Of course, Mr. President, there is provided for in the Charter the International Court of Justice. That is the principal judicial organ of the United Nations. True, there is nothing in the Charter which says that the United States of America must go into the Court of International Justice and lay before it a submission of the question as to whether the California alien land law is or is not valid; certainly there is nothing to that effect, and that is all this language says, as I see it.

Mr. President, it would appear to me that by all odds this unanimous opinion of the appellate court of California is borne out by reason, and that the point that the United Nations Charter has prevented the applicability of that Charter to the alien land law of California is without merit.

As I have said, I do not regard the question as to whether it is or is not of merit to be at all of ultimate importance in this decision. The importance of the decision lies in the fact that every time this Nation enters into a treaty, that treaty becomes a part of the supreme law of the land, and if there are either additional powers or additional duties cast by the treaty upon the Congress of the United States, those powers and those duties become a part of the law of the land.

If in the course of the treaty there is anything which makes it illegal for a State or the Federal Government to pass a particular act, as, for instance, the Alien Land Act, or some other act of the type the Senator from Michigan referred to this afternoon, any party may rise in any court of justice in the United States and say that the provision of the Constitution has made that portion of the treaty a part of the supreme law of the land, and, as the California court indicated, that treaty takes precedence over the State statute which is involved.

Mr. President, I close with this very brief statement: As we are confronted by not only the North Atlantic Treaty, into which we have entered, but by the possibility of another document which the senior Senator from Georgia [Mr. GEORGE] thinks, tentatively, at any rate, is a treaty, and which the junior Senator from Colorado [Mr. MILLIKIN] is perfectly clear is a treaty, we are distinctly reminded that we should be sure of our ground before entering into such obligations, which may go far beyond either the powers or duties previously contemplated to be placed in the hands of Congress, and far beyond those specified in the Constitution of the United States.

Mr. President, this afternoon, with that in mind, it seems to me that it is highly appropriate that we should give consideration to the decision of this Appellate Court of the State of California. I appreciate the privilege of placing it and my remarks with respect to it in the RECORD.

EXHIBIT 1

CHARTER OF UNITED NATIONS HELD TO INVALIDATE CALIFORNIA ALIEN LAND ACT

Believed to be the first decision in which the Charter of the United Nations has been invoked to invalidate a law of a State, the district court of appeal, second appellate district, division 2, yesterday held the alien land law of California to be no longer enforceable because it is in conflict with the Charter.

In its opinion, written by Justice Emmet H. Wilson, concurred in by Presiding Justice Minor Moore and Justice Marshall F. McComb, the court declared that the Charter is a treaty between the United States and other nations, and that the Federal Constitution provides that all treaties take precedence over State laws. The Charter, says the court, guarantees universal respect for human rights and fundamental freedoms for all without regard for race, color, or religion, and because the alien land law discriminates against Japanese concerning the ownership of land, its restrictions are untenable and indefensible.

It is shown in the opinion that when the statute was adopted in 1920 it was applicable to the nationals of several countries by reason of their ineligibility to citizenship but that by amendments to the Federal naturalization laws only Japanese and an insignificant number of other Asiatics are now prohibited from owning land.

The opinion points out that the land law has been repeatedly held to be constitutional by the United States Supreme Court and the Supreme Court of California and that none of such decisions has ever been overruled. The Court therefore states that it is not declaring the statute to be in violation of the Constitution but the decision is limited to the conflict between the statute and the United Nations Charter.

OPINION—CIVIL No. 17309

In the District Court of Appeals of the State of California, Second Appellate District, Division Two.

Sei Fujii, plaintiff and appellant, versus the State of California, defendant and respondent.

Appeal from judgment of the Superior Court of Los Angeles County, Wilbur C. Curtis, judge. Reversed with directions.

J. Marion Wright, Owen E. Kupfer, for appellant.

Fred N. Howser, attorney general of the State of California, Everett W. Mattoon, assistant attorney general, for respondent, John F. Hassler, deputy attorney general.

The sole question on this appeal is the validity and enforceability of the alien land law, sometimes referred to as the Alien Property Initiative Act of 1920. (Stats. 1921, p. lxxxiii; 1 Dearing's General Laws, 1944 ed., p. 129, Act 261.)

Pursuant to permission to sue the State of California granted by section 738.5[1] of the Code of Civil Procedure plaintiff brought this action for the purpose of obtaining a determination whether or not an escheat has occurred under the provisions of the alien land law as to real property which he acquired by grant deed in July 1948. An answer was filed by the State alleging as a defense that plaintiff was born in Japan; that he is ineligible to become a citizen of the United States by reason of the naturalization laws, and that by virtue of the provisions of the alien land law he "is not qualified or permitted to acquire, possess, enjoy, use, cultivate, occupy, or transfer real property or any interest therein in the State of California, or to have in whole or in part the beneficial use thereof."

[1] Section 738.5 authorizes the bringing of an action against the State of California by any person claiming an interest in real property to determine whether or not an escheat has occurred as to such property under the provisions of the alien land law of 1920. It is provided that no matter may be adjudicated in such action except the issue of the occurrence of an escheat and no issue shall be raised or claim made by the plaintiff based upon estoppel or failure of the State to have commenced an escheat proceeding.

When the cause came on for trial it was submitted on a statement of facts which it was stipulated should be considered as evidence, to wit: that plaintiff was born in Japan in 1882; he came to the United States in July 1903, where he resided until June 1911; in the latter month he departed for Japan and remained there until he returned to the United States in July 1913; he has resided and made his domicile in the United States continuously since his last arrival; plaintiff is and at all times throughout his lifetime has been an alien, a citizen and subject of Japan and a person ineligible to become a citizen of the United States by reason of the naturalization laws; that there is no treaty now existing between the United States and Japan nor has there been at any time a treaty giving to plaintiff, a citizen and subject of Japan, or to any alien Japanese not eligible to citizenship in the United States, any right to acquire, possess, enjoy, use, cultivate, occupy, or transfer real property in the State of California, or any interest therein; that plaintiff purchased and acquired the property which is the subject of this action by grant deed dated July 29, 1948.

The court made findings of fact in accord with the stipulated evidence, whereupon judgment was entered declaring and adjudging that the property described in the deed to plaintiff escheated to the State of California on July 29, 1948, the date of the deed, by reason of the provisions of the Alien Property Initiative Act of 1920, and that plaintiff has no right, title, or interest in or to such property or in or to any beneficial use thereof. From that judgment plaintiff has appealed.

The alien land law was adopted by the electorate at a general election held in 1920 pursuant to the initiative provisions of the Constitution (art. IV, sec. 1). Conformable to the permission to amend the Initiative Act granted to the legislature by section 13 thereof several sections have been amended. Sections 1 and 2 (as amended, Stats. 1923, ch. 441, p. 1021) reads as follows:

"SECTION 1. All aliens eligible to citizenship under the laws of the United States may acquire, possess, enjoy, use, cultivate, occupy, transfer, transmit, and inherit real property, or any interest therein, in this State, and have in whole or in part the beneficial use thereof, in the same manner and to the same extent as citizens of the United States, except as otherwise provided by the laws of this State.

"SEC. 2. All aliens other than those mentioned in section 1 of this act may acquire, possess, enjoy, use, cultivate, occupy, and transfer real property, or any interest therein, in this State, and have in whole or in part the beneficial use thereof, in the manner and to the extent, and for the purposes prescribed by any treaty now existing between the Government of the United States and the nation or country of which such alien is a citizen or subject, and not otherwise."

That portion of section 7 of the statute applicable to this action reads as amended (Stat. 1943, ch. 1129, p. 2164):

"Any real property hereafter acquired in fee in violation of the provisions of this act by any alien mentioned in section 2 of this act, or by any company, association, or corporation mentioned in section 3 of this act, shall escheat as of the date of such acquiring, to, and become and remain the property of the State of California."

Plaintiff contends that the statute is in violation of the Constitution of the United States in that it denies to him the equal protection of the law; that it arbitrarily discriminates against him solely because of his race; that classification on the sole basis of race is arbitrary and irrational; that the test of eligibility to citizenship, to wit, the so-called primary standard in the acts of Congress relating to naturalization and citizenship, does not afford a sound basis for discriminatory State classification; that no undesirable traits can properly be attributed to that class of aliens identified as those ineligible to citizenship; that no clear or present danger or other exceptional circumstances exist sufficient to justify arbitrary discrimination against Japanese; that the alien land law is not a valid police regulation; that it is invalid, special legislation prohibited by sections 11 and 21 of article 1 and section 25 of article IV (subd. 33) of the constitution[2] of this State; that it unlawfully delegates State legislative power to Congress, and, finally, that the statute is inconsistent with the declared principles and spirit of the United Nations Charter.

The constitutionality of alien land laws has been the subject of attack for nearly 30 years and, except for a few provisions not relating to the right of an alien to own land, the attacks have failed. The Supreme Court of the United States sustained the provision of the Constitution of Washington prohibiting the ownership of lands by aliens other than those who in good faith have declared their intention to become citizens of the United States (*Terrace* v. *Thompson* (263 U. S. 197, 68 L. ed. 255)) and the Alien Land Law of California. (*Porterfield* v. *Webb* (263 U. S. 225, 68 L. ed. 278); *Webb* v. *O'Brien* (263 U. S. 313, 68 L. ed. 318); *Frick* v. *Webb* (263 U. S. 326, 68 L. ed. 323); *Cockrill* v. *California* (268 U. S. 258, 69 L. ed. 944).) The statute has been sustained also by the appellate courts of this State. (In re Akado, 188 Cal. 739); *Porterfield* v. *Webb* (195 Cal. 71); *Mott* v. *Cline* (200 Cal. 434); *People* v. *Osaki* (209 Cal. 169); *People* v. *Cockrill* (62 Cal. App. 22, affirmed sub nom.); *Cockrill* v. *California*, supra; *People* v. *Nakamura* (125 Cal. App. 268).)

The validity of the statute was again sustained in *People* v. *Oyama* (29 Cal. 2d 164). That decision was reversed (*Oyama* v. *California* (332 U. S. 633, 93 L. ed. 249)) on one ground only, to wit, the unconstitutionality of section 9 which (1) declares a prima facie presumption that a conveyance is made with intent to evade or avoid the statute if title of real property is taken in the name of a person eligible to citizenship and the consideration is paid by a noneligible alien, and (2) places the burden on the grantee to show the conveyance was not made with the intent to prevent, evade or avoid escheat. The court (pp. 646–647) expressly declined to reexamine the constitutionality of any provision of the statute other than section 9.

In plaintiff's brief he has quoted from concurring and dissenting opinions in many of the cases in which some of the justices have expressed the opinion that the statute is void, but he has not referred us to a case in which either court has overruled its former decision upholding the act. The cases cited by plaintiff to sustain his theory are *Oyama* v. *California* (332 U. S. 633, 92 L.ed. 249, supra) *Shelley* v. *Kraemer* (334 U. S. 1, 92 L.ed. 1161) and *Takahashi* v. *Fish and Game Comm.* (334 U. S. 410, 92 L.ed. 1478). In none of these cases does a majority of the court indicate a disagreement with its former decisions sustaining the validity of the statute.

We have noted that in *Oyama* v. *California*, the latest expression of the court on the subject, only one provision of the act was discussed and that did not relate to the right of an ineligible alien to own land. The prior decisions of the court hereinbefore cited remained unchallenged by the majority opinion. No question relating to the alien land law was involved in *Shelley* v. *Kraemer*, or in the Takahashi case. In the Shelley case it was held that restrictive covenants as to ownership of property based on race or color are not in themselves a violation of the equal protection clause of the fourteenth amendment, but that clause inhibits judicial enforcement of such covenants by State courts. The Takahashi case held that the California statute forbidding the issuance of commercial fishing licenses to aliens ineligible to citizenship violates the equal protection clause. None of the three decisions of the United States Supreme Court relied on by plaintiff can be considered as modifying in any particular the previous opinions relating to the alien land law. The only case cited directly sustaining plaintiff's position is *Namba* v. *McCourt* (Oreg.) 204 P. 2d 569) in which the Oregon Supreme Court invalidated a statute of that State similar in terms to the California act. The opinion in that case, after quoting extensively from majority and minority opinions of the United States Supreme Court in the cases last above cited, concludes that that court has now overruled its former decisions. We do not so construe the decisions in the Shelley and Takahashi cases, since no question relating to the alien land law was there involved, and, as we have stated, the court refused in the Oyama case to consider the main questions as to constitutionality of the statute although such questions were squarely placed before the court and extensively argued in the briefs.

Save for the matters to be hereinafter discussed, which are based upon an authority more potent than the Constitution of this State, an authority which for want of opportunity has not previously been made the basis of a judicial determination of the question before us, this opinion might well be terminated under the doctrine of stare decisis with a reaffirmation of the former decisions, since upon constitutional questions we deem ourselves obliged to follow the decisions of the Supreme Courts of the United States and of this State until one of those courts should announce the overruling of its own decisions.

While the alien land law, as will hereinafter appear, is applicable at the present time to only a few aliens other than Japanese, historically it has not always been so. By the provisions of section 1 of the act, "All aliens eligible to citizenship" may own or lease real property, and under section 2, "All aliens other than those mentioned in section 1" may own or lease real property in the manner, to the extent, and for the purposes prescribed by treaty "now existing" between the United States and the nation or country of which such alien is a citizen or subject. It is conceded that the treaty of commerce and navigation in effect between the United States and Japan in 1920 did not entitle Japanese nationals to own real property in California.

At the time of the adoption of the statute natives of Japan, China, India, and many other nations were ineligible to become citizens of the United States and by reason of the nonexistence of treaties with such countries entitling their nationals to own real

[2] Art. I, sec. 11: "All laws of a general nature shall have a uniform operation."

Art. I, sec. 21: "No special privileges or immunities shall ever be granted which may not be altered, revoked, or repealed by the legislature; nor shall any citizen, or class of citizens, be granted privileges or immunities which, upon the same terms, shall not be granted to all citizens."

Art. IV, sec. 25: "The legislature shall not pass local or special laws in any of the following enumerated cases, that is to say: * * * (subd. 331). In all other cases where a general law can be made applicable."

property in this State they were inhibited from that privilege. Thus the right of aliens to own real property in California was made by the alien land law to depend upon the Federal statute as it then existed designating the aliens who were "eligible to citizenship" and upon such amendments as the Congress might thereafter enact.

In 1920 only aliens who were free white persons, aliens of African nativity, persons of African descent and native-born Filipinos having 3 years' honorable service in the United States Coast Guard, Navy, Marine Corps, or Navy Auxiliary Service were eligible to become naturalized citizens. (8 U. S. C. A., sec. 359; 40 Stat. 542, ch. 69.) By the Nationality Act of 1940 (54 Stat. 1140, ch. 876, as amended 57 Stat. 601, ch. 344, 60 Stat. 416, ch. 534, the subject matter now being in 8 U. S. C. A., sec. 703) persons eligible for naturalization now include white persons, persons of African natvity or descent, persons who are descendants of races indigenous to the Continents of North or South America or adjacent islands, Filipino persons or persons of Filipino descent, Chinese persons and persons of Chinese descent, and persons of races indigenous to India.

The list of persons eligible to citizenship has been further extended (8 U. S. C. A., sec. 1001) permitting the naturalization of persons who served honorably in the military or naval services of the United States during World War II and who but for such service would be ineligible.

The census report of 1940 (Sixteenth Census, 1940, Characteristics of Nonwhite Population by Race, p. 2) shows that the number of aliens residing in the continental United States who were ineligible to naturalization under the law then in effect by reason of racial origin were: Japanese, 47,305; Chinese, 37,242; Hindu, 1,495; Korean, 749; Filipino, 431; Polynesian, 9; other Asian, 95. The number of foreign born of each race then residing in California were: Japanese, 33,569; Chinese, 16,676. Other foreign born in California are not shown by the census report.

Using the figures shown by the 1940 census and applying the naturalization law now in effect only a total of 48,158, composed of Japanese, Korean, Polynesian, and a small number of other Asiatics, residing in the United States would be at present ineligible to citizenship. The census report shows a decline in the foreign-born Japanese population residing in the United States from 70,477 in 1930 to 47,305 in 1940. Since there has been no Japanese immigration since 1940 it is reasonable to assume that there has been a further substantial decrease in such population since the last census was taken, that the number of Japanese in the United States ineligible to naturalization is now far below the total in 1940, and that the number in California has correspondingly declined. Since the number of resident Asiatics ineligible to citizenship other than Japanese is negligible it follows that the latter are practically the only persons affected by the statute under consideration.

The successive amendments to the naturalization law expanding the class of persons entitled to citizenship and therefore entitled to own land in California, have, by the process of congressional erosion, left only the natives of Japan and an insignificant number of nationals of other countries who remain ineligible to citizenship and hence ineligible under the terms of the statute to own real property.

In the period of 30 years since the alien land law was adopted we have revised our opinions concerning the rights of other peoples. Out of the travail of World War II came the concept of respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion as expressed in the Charter of the United Nations.[3] (59 Stat. 1035 ff.; United States Code, Congressional Service, 79th Cong., 1945, p. 964).

The Government of the United States has traditionally been the leader in espousing the rights of man and has championed the cause of the smaller and less privileged nations. The war of 1898 was fought in support of an oppressed country. The efforts of our Government in this regard reached fruition in the convention of representatives of the nations of the earth at which the Charter of the United Nations was adopted. It was promptly ratified by the Senate of the United States, thereby proclaiming allegiance to its principles and providing precedent and example for other countries. The United States has consistently regarded its treaties with other nations as inviolate.

The Charter has become "the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding." (United States Constitution, art. VI, sec. 2.) The position of this country in the family of nations forbids trafficking in innocuous generalities, but demands that every State in the Union accept and act upon the Charter according to its plain language and its unmistakable purpose and intent.

Since the Charter is now the supreme law of the land it becomes necessary to examine

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[3] The preamble to the Charter, chapter I and a portion of chapter IX reads as follows:

"We, the people of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind; and

"to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small; and

"to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained; and

"to promote social progress and better standards of life in larger freedom; and for these ends to practice tolerance and live together in peace with one another as good neighbors; and

"to unite our strength to maintain international peace and security; and

"to ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest; and

"to employ international machinery for the promotion of the economic and social advancement of all peoples; have resolved to combine our efforts to accomplish these aims.

"Accordingly, our respective governments, through representatives assembled in the city of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations.

"CHAPTER I. PURPOSES AND PRINCIPLES

"ARTICLE 1

"The purposes of the United Nations are:

"1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace;

"2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;

"3. To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and

"4. To be a center for harmonizing the actions of nations in the attainment of these common ends.

"ARTICLE 2

"The Organization and its members, in pursuit of the purposes stated in article 1, shall act in accordance with the following principles:

"1. The Organization is based on the principle of the sovereign equality of all its members.

"2. All members, in order to insure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present Charter.

"3. All members shall settle their international disputes by peaceful means in such a manner that international peace and security and justice are not endangered.

"4. All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

"5. All members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

"6. The Organization shall insure that states which are not members of the United Nations act in accordance with these principles so far as may be necessary for the maintenance of international peace and security.

"7. Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under chapter VII.

* * * * *

"CHAPTER IX. INTERNATIONAL ECONOMIC AND SOCIAL COOPERATION

"ARTICLE 55

"With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

"(a) Higher standards of living, full employment, and conditions of economic and social progress and development;

"(b) Solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

"(c) Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

"ARTICLE 56

"All members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in article 55."

its provisions and guarantees and to interpret it in the light in which it was adopted by the participating nations. The Organization determined in the preamble "to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, to promote social progress and better standards of life in larger freedom[.]" Among the purposes and principles found in article 1 of chapter I are "To develop friendly relations among nations based on respect for the principle of equal rights; to achieve international cooperation in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion[.]" In article 2 it is affirmed that the Organization and its members "shall fulfill in good faith the obligations assumed by them in accordance with the present Charter."

It is agreed in chapter IX, article 55, that "the United Nations shall promote universal respect for, and observance of, human rights, and fundamental freedoms for all without distinction as to race, sex, language, or religion." By article 56 it is declared that "All members pledge themselves to take joint and separate action in cooperation with the Organization for the achievement of the purposes set forth in article 55."

In the address of the President of the United States to the Senate on July 2, 1945, urging the prompt ratification of the Charter by that body he said: "It seeks to promote world-wide progress and better standards of living.

"It seeks to achieve universal respect for, and observance of, human rights and fundamental freedoms for all men and women without distinction as to race, language, or religion.

"It seeks to remove the economic and social causes of international conflict and unrest.

"It is the product of many hands and many influences. It comes from the reality of experience in a world where one generation has failed twice to keep the peace. The lessons of that experience have been written into the document." (United States Code, Congressional Service, supra, pp. 961–2.)

On December 10, 1948, the General Assembly of the United Nations passed and proclaimed and called upon all member countries to publicize, disseminate, and expound in schools and elsewhere, a Universal Declaration of Human Rights affirming among other things that "All human beings are born free and equal in dignity and rights. They * * * should act toward one another in a spirit of brotherhood. (Art. 1.) Everyone is entitled to all the rights and freedoms set forth in this declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status. (Art 2.) * * * Everyone has the right to own property alone as well as in association with others." (Art 17.) This declaration implements and emphasizes the purposes and aims of the United Nations and its Charter.

Democracy provides a way of life that is helpful; however its promises of human betterment are but vain expressions of hope unless ideals of justice and equity are put into practice among governments, and as well between government and citizen, and are held to be paramount. The integrity and vitality of the Charter and the confidence which it inspires would wane and eventually be brought to naught by failure to act according to its announced purposes. Its survival is contingent upon the degree of reverence shown for it by the contracting nations, their governmental subdivisions and their citizens as well. This Nation can be true to its pledge to the other signatories to the Charter only by cooperating in the purposes that are so plainly expressed in it and by removing every obstacle to the fulfillment of such purposes.

A perusal of the Charter renders it manifest that restrictions contained in the alien land law are in direct conflict with the plain terms of the Charter above-quoted and with the purposes announced therein by its framers. It is incompatible with article 17 of the Declaration of Human Rights which proclaims the right of everyone to own property. We have shown that the expansion by the Congress of the classes of nationals eligible to citizenship has correspondingly shrunk the group ineligible under the provisions of the alien land law to own or lease land in California until the latter now consists in reality of a very small number of Japanese. The other Asiatics who still remain on the proscribed list are so few that they need not be considered.

Clearly such a discrimination against a people of one race is contrary both to the letter and to the spirit of the Charter which, as a treaty, is paramount to every law of every State in conflict with it. The alien land law must therefore yield to the treaty as the superior authority. The restrictions of the statute based on eligibility to citizenship, but which ultimately and actually are referable to race or color, must be and are therefore declared untenable and unenforceable.

Judgment reversed with directions to enter a decree in favor of plaintiff in accord with the prayer of his complaint.

WILSON, J.

We concur: MOORE, P. J., MCCOMB, J.

EXECUTIVE SESSION

Mr. CONNALLY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Reports of committees are in order. If there are no reports to be submitted, the clerk will state the nominations on the executive calendar.

UNITED STATES COURT OF APPEALS

The legislative clerk read the nomination of George Thomas Washington to be judge of the United States Court of Appeals for the District of Columbia Circuit.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Sidney Sugarman to be United States district judge for the southern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and, without objection, the President will be immediately notified of the two confirmations.

RECESS TO MONDAY

Mr. CONNALLY. I move that the Senate stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until Monday, May 1, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 28 (legislative day of March 29), 1950:

COMMODITY CREDIT CORPORATION

Harold K. Hill, of Wisconsin, to be a member of the Board of Directors of the Commodity Credit Corporation, vice William B. Crawley, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 28 (legislative day of March 29), 1950:

UNITED STATES COURT OF APPEALS

Hon. George Thomas Washington, to be judge of the United States Court of Appeals for the District of Columbia Circuit.

UNITED STATES DISTRICT JUDGE

Hon. Sidney Sugarman, to be United States district judge for the southern district of New York.

# HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 28, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, grant that the words of our mouth and the meditations of our heart may always be acceptable in Thy sight.

May there be nothing in this day's work of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

Fill our souls with lofty aspirations, and may each day find us eager and ready to do Thy will, for in the doing of Thy will is our peace.

May we have the courage to believe that none of the Christlike hopes and longings which Thou hast planted within us are too high and too difficult to be fulfilled by Thy wisdom and power.

In Christ's name we bring our needs and desires. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMUNICATION FROM THE CLERK

The SPEAKER laid before the House the following communication:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
*Washington, D. C., April 28, 1950.*

The honorable the SPEAKER, HOUSE OF REPRESENTATIVES.

SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. H. Morris, an official in my office, to sign any and all papers and do all other acts for me which he would be authorized to do by virtue of this designation and of clause 4, rule III, of the House.

Respectfully yours,
RALPH R. ROBERTS,
*Clerk of the House of Representatives.*

REORGANIZATION PLAN NO. 7

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight

Monday to file a report on Reorganization Plan No. 7, and the request will also include the right of any member to file minority views.

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

There was no objection.

REORGANIZATION PLAN NO. 5

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may have until midnight on Tuesday next to file a report on Reorganization Plan No. 5, and also to include the minority views of any member if any such minority views are expressed.

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

There was no objection.

THE LATE HONORABLE GEORGE MURRAY HULBERT

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

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

There was no objection.

Mr. LYNCH. Mr. Speaker, it is with extreme regret that I announce to the membership of the House this morning the death of one of our former colleagues, Hon. George Murray Hulbert, of New York.

Judge Hulbert served in this House, having been elected to the House of Representatives in 1914 and again in 1916, from the Twenty-first District in New York, a part of which was contained in the county in which I lived at the time, and which now is included in the district I have represented in Congress since 1940.

As a Member of the House, Judge Hulbert served with great distinction on the Committee on Rivers and Harbors and was primarily responsible for the great harbor development of New York. In 1918 he was appointed commissioner of docks of New York, and during his term of office was responsible for the enlargement of the docks of that great city.

In 1921 he was elected president of the board of aldermen and served with distinction as the second leading political figure in our city at that time.

Subsequently he retired from active politics and finally, after resuming the practice of law, was appointed by the late President Roosevelt as a member of the bench of the United States District Court for the Southern District of New York, where he served with outstanding distinction until his death on yesterday.

During his lifetime he was active in the fraternal and athletic activities of our city. He was outstanding as an athlete, and was responsible for the promotion of many of the great athletic events of our community. For years he was president of the Amateur Athletic Union, and also director of the International Athletic Union.

In fraternal life he was most active in the Benevolent and Protective Order of Elks, and reached the high position of Grand Exalted Ruler of that great fraternal organization.

When he passed, the city of New York and the Nation lost a great citizen, the bench of the Federal court, a great jurist; and today I desire to express my own deep sympathy to his widow and his child on the death of a great American citizen and a wonderful husband and father.

Mr. HELLER. Mr. Speaker, it was with the deepest sorrow that we learned of the recent passing of Judge Murray Hulbert. With his death the American bar suffered the loss of a forceful and courageous leader. And we from the New York area will particularly miss his vigorous personality now withdrawn from the community which he has served so well for almost 50 years.

Judge Hulbert was admitted to the bar in 1902 on the completion of his study at the New York Law School. He then opened an office and practiced in that city until his appointment as judge in 1934. Taking an early interest in the political affairs of New York, he became an active member of the Democratic Party soon after receiving his law degree.

In 1914 he was elected to Congress from the Twenty-first Congressional District of New York and was reelected in 1916. Those interested in the welfare and growth of New York City will not soon forget his active interest in the port facilities at the time, nor his success in securing Federal aid in the creation of much of the great terminal facilities which exist today.

In 1918 he resigned his seat in Congress to become commissioner of docks and to preside over the board of aldermen in the two Hylan administrations. Resigning from these offices in 1924, he returned to private practice in the city. Ten years later President Franklin D. Roosevelt appointed him a Federal judge in the southern district of New York where he served with distinction for 16 years. During these years on the bench, Judge Hulbert presided over many of the important cases of his day. He sat during the Albert N. Chapereau smuggling trial, and that of the officers from the tragic *Morro Castle* fire.

He was the first jurist to participate in the recent conspiracy trial of the 11 Communist leaders, his refusal of a motion to quash the indictment against them setting in motion the now historic proceedings.

In recent years, Judge Hulbert was increasingly disturbed at the lawless tendencies he noted in the American people today.

Only a week before his death he had spoken to the press deploring the increase of crime and moral disintegration which he felt growing around him on every side. As a result of his reserving decision on a plea by the convicted Communists to tour the Nation on a money-raising campaign, he was deluged with a flood of abusive letters. On the occasion of this incident he again declared his deep concern over the growing disrespect in this country for the legal process and our historic rights.

In this day of doubt, fear, and indecision we have need of men of Judge Hulbert's stature, and it is with a mixed emotion of gratitude for his contributions and loss of his fearless personality that we face his passing from us at this time.

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

Mr. LYNCH. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, Judge Murray Hulbert was born and raised in my district. He always came back there in the summertime. He and I, his family and mine, were personal friends. I think he was the most popular of the native-born sons among the folks in my district. He was a fine character; he was a fine legislator, a judge of courage and integrity, one of those who hated everything of a disloyal nature. He leaves a reputation of the best. He will be greatly mourned by the people of the place he came from as well as in the great city of New York, the place he went to carve out a name for himself.

I wish to join with the gentleman from New York in expressing to his family, his dear ones and his friends, my sincere and deepest sympathy.

Mr. O'TOOLE. Mr. Speaker, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from New York.

Mr. O'TOOLE. Mr. Speaker, it was my good fortune to know Murray Hulbert for over a quarter of a century. I know it is extremely difficult for the average Member of this House who has never resided in New York to realize that this city is home to more than 8,000,000 people. It is just the same as the smaller town or community. We have back yards, we have lights in the windows, we have the neighborhood rivalries and factions; we have men who become part and parcel of our city, men who make history, men who are venerated and loved. Murray Hulbert was one of those men. He stood alongside of Jimmy Walker, Al Smith, and Fiorello LaGuardia, men who gave New York its character and who made it New York.

Murray gave himself unselfishly to anything that affected the city of New York or its people. He was extremely interested in working for youth and their progress. He developed many of the athletic activities in organizations; he gave boys in the slum parts of the city a better opportunity in life; he taught them the principles of sportsmanship and good fellowship, showed them that there was more to the world than the little neighborhood in which they were brought up, taught them to get away from provincialism. He gave of himself freely and fully in this legislative hall. Later when he occupied the position of president of the board of aldermen, as my colleague said, the second highest political position in the city of New York, he gave fully there of his experience and of his knowledge.

His years of service on the Federal bench are known to almost every man in

this House. He served there with pride and distinction. We who later came into this House are doubly proud of him because he was such a fine upstanding judge. We of the New York delegation today extend from the depths of our hearts our deepest sympathies to his wife and to his family.

Mr. LYNCH. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD on Murray Hulbert at this point in the RECORD.

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

There was no objection.

Mr. CELLER. Mr. Speaker, it is with genuine sadness that we learn of the death of former Congressman Murray Hulbert. Murray Hulbert served in this House with distinction and later served admirably as a United States judge of the southern district of New York.

I have personally known him for three decades and during that period developed an affectionate regard for him as well as the highest respect for his ability as a legislator and as a judge. It is not given to many to excel in both capacities.

Our condolences go to his dear ones. The void created by his passing will never be filled. The memory of his kindness and goodness, of his fine character and wisdom will remain with us long.

RIVER AND HARBOR ACT OF 1950 AND FLOOD CONTROL ACT OF 1950

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill, H. R. 5472, the River and Harbor Act of 1950 and the Flood Control Act of 1950.

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

There was no objection.

FLOWERS, NOT BRICKBATS

Mr. GOSSETT. 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 Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, it is amazing how people, and even Members of Congress, scream for economy and then scream again when they get it. Postmaster General Jesse M. Donaldson should be commended, not criticized, for his order reducing mail deliveries to one a day in the residential areas of our cities.

The postmasters of my district approve of this action, and a good many intelligent citizens have written me to applaud the same. In this morning's mail I have received a letter from a good citizen, a good businessman, and a good friend, who writes:

Nationally there seems to be a wail going to the heavens about curtailed post office service because some help has been laid off. This economy should be nurtured, not condemned. Either continue this or charge us enough postage to pay the bill. It is not right to let us (corporations) mail things and then turn around and tax our employees because we did not pay enough for the service.

The Post Office has a time-honored deficit but that does not forgive its existence. The level-headed people I talk to say "cut expenses or raise postage."

Mr. Speaker, our Postmaster General is an able, conscientious public servant. No one works harder than he in an effort to do his full duty. In the opinion of most of us he is doing an excellent job. He is deserving of our support.

SEIZURE BY THE REPUBLIC OF MEXICO OF FIVE FISHING VESSELS

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, yesterday I introduced House Resolution 558 requesting the Secretary of State to investigate immediately the seizure of five fishing vessels by the Republic of Mexico. I believe the House should be informed of some of the far-reaching implications of the strange procedure by which our neighboring Republic on the south has come into international waters and seized vessels of the United States, flying our flag and manned by our citizens.

We are extremely sensitive to such high-handed treatment under any circumstances. We are particularly concerned over this act coming as it did so soon after the shooting down of our Navy plane by the Russians. Assuming, however, that all of these angles will be amicably adjusted, there is another phase which is of the greatest importance to the fishing industry.

All over the world fishing vessels acting under international law fish wherever they please in international waters. These waters are accepted as being all which lie more than 3 miles off the coast of any nation. The great fishing industry of our northeast follows the practice. They fish off the Canadian coast, and the Canadians fish off ours. The same thing happens on our northwest coast, and it is practiced to a tremendous extent by the tuna fishermen of southern California.

The Republic of Mexico may have taken the present step in order to establish 9 miles as the limit of territorial waters, rather than 3 miles. If they succeed, they are seriously affecting the fishing industry not only of the United States but of all the world. It behooves the Congress to watch carefully the developments of the next few weeks. The Subcommittee on Fisheries, of which I am chairman, expects to hold hearings at the earliest possible moment in order to develop all of the facts in this far-reaching case.

BIOGRAPHICAL SKETCH OF BARRATT O'HARA, REPRESENTATIVE FROM THE SECOND DISTRICT OF ILLINOIS

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. McGUIRE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. McGUIRE. Mr. Speaker, I include the following biographical sketch of the gentleman from Illinois, the Honorable BARRATT O'HARA. Today is Mr. O'HARA's birthday and, I think, an appropriate occasion to call your attention to the distinguished career of our colleague from the Second District of Illinois.

BIOGRAPHICAL SKETCH OF BARRATT O'HARA, REPRESENTATIVE FROM THE SECOND DISTRICT OF ILLINOIS

BARRATT O'HARA, Representative from the Second District of Illinois, was born at St. Joseph, Mich., on April 28, 1882, a son of the late Thomas O'Hara, judge of the second judicial circuit of Michigan.

At 14, he went to Nicaragua with his father, personal representative of President Grover Cleveland, in the controversy of that period with Great Britain over the Mosquito coast. After 2 years in Central America, he returned to Benton Harbor, Mich., and at 16, enlisted in Company I, Thirty-third Michigan Volunteer Infantry, participating in the assault of July 1 and 2, 1898, on the city of Santiago, Cuba.

He then returned to his studies at the Benton Harbor, Mich., high school, from which he was graduated.

He attended the University of Missouri and later, pursued his law studies at Northwestern University, and at Chicago-Kent College of Law, taking his degree from the latter institution.

At 21, he was sporting editor of the Chicago American. Later he was cable editor of the Chicago Chronicle and Sunday editor of the Chicago Examiner.

At 30, he was elected Lieutenant Governor of the State of Illinois, and as chairman of the Illinois senate vice and wage committee conducted an inquiry into the wages paid woman workers in department stores and factories which aroused national interest.

President Woodrow Wilson summoned the committee to a conference with him in his executive office in Washington. As a result of the interest aroused on the subject matter of the inquiry, some six or seven State minimum wage laws were enacted in the year 1913.

In 1915, while Acting Governor of Illinois, during the absence from the State of Governor Dunne, the steamship *Eastland* tragedy occurred in the harbor of Chicago. He served as a member of Mr. Secretary of Commerce Redfield's board of inquiry into the causes of the disaster, and suggested certain recommendations resulting in legislation by the Congress which has operated to prevent similar disasters on the Great Lakes since that period.

In 1917, he again joined the Armed Forces, serving throughout World War I with the Eightieth and Twelfth Divisions. He is a past judge advocate general of the Veterans of Foreign Wars, and was the chairman of the first executive board of the Department of Illinois, American Legion.

At the close of World War I, and until 1939, he practiced law in the city of Chicago. In 1939, he became associated with William H. Sexton as special attorney for the city of Chicago in traction reorganization and in the construction of the comprehensive system of subways and superhighways. He remained in this work until assuming his duties as Member of the Eighty-first Congress.

He is the author of a number of books, including annual volumes digesting the new legislation of all State legislatures, and (coauthor) of a history of the Constitution of the United States.

NATURAL GAS FOR NEW ENGLAND

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a letter.

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

There was no objection.

Mr. GOODWIN. Mr. Speaker, a great number of my constituents have been much encouraged to know that the Federal Power Commission was holding hearings on applications for a certificate to extend natural-gas pipe lines into New England. This relatively new source of lower-cost fuel is very much needed in Massachusetts and all New England and we had been hopeful that we might have natural gas during the current year. It is therefore distressful to note that the hearings conducted by the Federal Power Commission have been subject to postponement and delays. If this slowdown in the processes of the Commission is allowed to continue, then I am very much afraid that the hopes of our people for natural gas this year are doomed to disappointment. I have today written the following letter to the Chairman of the Federal Power Commission urging upon him the necessity of continuing and concluding these hearings without further interruption:

HOUSE OF REPRESENTATIVES,
*Washington, D. C., April 28, 1950.*

Hon. NELSON LEE SMITH,
*Chairman, Federal Power Commission,*
*Washington, D. C.*

DEAR MR. SMITH: I am disturbed because there has not been a greater acceleration in the hearings before the Federal Power Commission on applications for a certificate to construct a natural-gas pipe line into New England. My constituents are exceedingly interested in getting natural gas at the earliest possible time. We need natural gas in Massachusetts and we need it now. Householders and others whom I represent are demanding of me appropriate and immediate action, and I therefore urge that the hearings heretofore started on the applications for the benefit of New Englanders, both market hearings and otherwise, be held and continued without interruption until a decision can be reached.

I realize that the supply of natural gas is limited and I understand that other localities are claiming a prior right to this limited supply. However, I am satisfied that the hearings will disclose that the needs of New England are so compelling that we in our section ought not to be relegated to any secondary priority. I should be disappointed if it should develop that there was any disposition within the Federal Power Commission to fence New England out in this problem of making natural gas available to those who need it. A slowdown in these hearings almost forces us to the belief that natural gas for Massachusetts in 1950 is a forlorn hope. This would be a grievous disappointment.

Sincerely yours,

ANGIER L. GOODWIN,
*Member of Congress.*

THIRD RECIPROCAL TRADE AGREEMENT NEGOTIATIONS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a resolution I am introducing today.

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

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am introducing a House resolution into the House today asking that the Speaker appoint a committee of five Members of the House to attend the Third Reciprocal Trade Agreement Negotiations to be held at Torquay, England, beginning September 28, 1950. The negotiations will be of tremendous importance to our United States industries and Congress should be represented. The committee of House Members should be most helpful in the Interdepartmental Trade Agreement Organization consisting of the Departments of State, Treasury, Defense, Agriculture, Commerce, Labor, the United States Tariff Commission, and the Economic Cooperation Administration. The Interdepartmental Trade Agreement Organization has approximately 50 members. The negotiations will last several months. The first negotiations were held at Geneva from April to October 1947; the second negotiations were held at Annecy, France, from April through August 1949. At the first negotiations 24 countries participated, at the second 34 countries, and at the third approximately 50 countries are expected. Czechoslovakia is the only country from behind the Russian iron curtain to participate. Officially, the negotiations are called the third round of tariff negotiations under the General Agreement on Tariffs and Trade.

The resolution I am introducing today reads as follows:

Resolution creating a select committee to attend the third round of tariff negotiations under the General Agreement on Tariffs and Trade

*Resolved*, That there is hereby created a select committee to be composed of five Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner provided for original appointment.

The select committee is authorized and directed to (1) attend the third round of tariff negotiations under the General Agreement on Tariffs and Trade, which will be held at Torquay, England, beginning September 28, 1950, and (2) report to the House (or to the Clerk of the House if the House is not in session) before the end of the present Congress with respect to the activities and accomplishments of such negotiations, together with such recommendations as the select committee may deem appropriate.

For the purposes of this resolution the select committee is authorized to sit during the present Congress at such times and places within or outside the United States, whether or not the House is in session, has recessed, or has adjourned, and to have such printing and binding done, as it deems necessary.

THE BATTLE OF THE BUDGET

Mr. MASON. 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 Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, the House has been engaged in a great battle between the economizers and the spenders in Congress. Three weeks have now been devoted to the administration's omnibus appropriations bill, which provides funds for the various operations of the Federal Government for the coming fiscal year beginning July 1.

The bill itself is an inch thick and has 425 printed pages. The committee report accompanying it is a 335 page volume filled with astronomical figures and innumerable tables. The volume has a "mystery" feature. The "mystery" is why all this spending is necessary in a year of peace and relatively high prosperity. An even greater "mystery"—which the House Appropriations Committee has referred to the House Ways and Means Committee—is where and how are we going to get the money?

The physical size of the bill and the committee report is certainly in keeping with the enormous size of the proposed Government expenditures of almost forty-two and a half billion dollars. The proposed spending program for next year will add another $7,300,000,000 to the already huge national debt.

With another year of deficit spending facing us, the future of the American taxpayers is indeed bleak. Many of us hoped that we could make some substantial cuts. We believed this could be done without impairing a single essential function of Government. Senator BYRD has been saying for 10 years that we could save between three and four billion dollars a year on the Federal pay roll. The Hoover Commission has said the same thing. However, the spenders have finally prevailed over the economizers in the Battle of the Budget.

MEXICO'S SEIZURE OF UNITED STATES FISHING VESSELS

Mr. TOLLEFSON. 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 Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, on April 23 an unfortunate incident occurred off the coast of Mexico which most urgently necessitates the attention of the State Department. On that day five trawlers owned and operated by United States citizens were seized by a Mexican gunboat and ordered to proceed to Tampico, Mexico. There fines were imposed upon the owners and their catch of shrimp was confiscated.

The boats had been engaged in catching shrimp off the coast of Mexico. The distance offshore of their operations is perhaps the subject of some dispute. The Mexican authorities assert that the

vessels were within 9 miles of the low-tide watermark. The operators claim they were beyond the 10-mile limit.

Be that as it may, no one disputes the fact that they were beyond the 3-mile limit. It is true that Mexico claims jurisdiction of its coastal waters within the 9-mile limit. But the unfortunate part of the circumstances is that each of the boats involved was carrying a copy of a letter from our Department of State stating that the United States has not recognized Mexican territorial waters jurisdiction beyond the 3-mile limit. The letter further states that United States fishing vessels have the right to carry on their operations beyond the distance of 3 miles from the coast of Mexico. Notwithstanding this fact, the vessels were seized and the men detained.

Mr. Speaker, the incident points up a situation and a problem which should be settled and determined without undue delay in order that further such incidents will not occur between our neighbors to the south, and that our fishing people may have some assurance as to where they may or may not fish. Other nations to the south have asserted jurisdiction over their territorial waters beyond the 3-mile limit. For instance, off the west coast of South America, Peru has claimed jurisdiction of coastal waters up to the 200-mile limit and has forbidden our vessels to fish within those waters except upon permission.

Incidents like the one of April 23 could lead to more serious disputes. They have done so in the past. Most certainly they do not make for harmonious relationships between those nations which consider each other friendly neighbors.

I am sure our State Department is cognizant of this fact and make these remarks only to emphasize the need for quick action and an early solution to the problem.

OMNIBUS APPROPRIATION BILL

Mr. TOLLEFSON. 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 Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, for 2 weeks we have been considering a $29,000,000,000 appropriation bill. We all know that it must be reduced if we are to attain a balanced budget, yet the sum total of our efforts has been a net increase of more than a half billion dollars.

On this side of the aisle we have set a goal of a billion-dollar reduction in the appropriations bill as it came from committee. Surely that is not much of a reduction in a $29,000,000,000 budget—less than 5 percent. The record will show that we have not only talked for economy and a balanced budget; we have voted for it.

As we considered each section the minority party has pointed out where savings could be made, and we have proposed amendments to make those savings. Almost without exception the Democratic majority has voted as a bloc against any reduction in appropriations. Like a battered prize fighter, we have been knocked to the canvas time and again. We may lose this battle on the floor of the House, but the final decision rests with the voters next November. We have no doubt whatever what their decision will be.

While we have been whittling away at this appropriation bill here (and achieving a net increase of over $500,000,000) our Ways and Means Committee has been slashing some of the wartime excise taxes. I am strongly in favor of that. Most of those excise taxes should be repealed or reduced, but we will have a deficit in excess of $7,000,000,000 unless we perform some major operations on this appropriations bill now before us.

Every day I receive letters from constituents demanding an end to deficit spending, the elimination of waste and duplication in Government, the adoption of the Hoover report recommendations. The thinking people are genuinely alarmed to see this Government go further and further in debt when we should be balancing the budget and retiring our huge national debt. If we cannot do it now in good times, they ask, when is it going to be accomplished?

It may be the majority party believes it can hoodwink the voters. We are meeting as a Committee of the Whole and there are no roll-call votes. I doubt if many Members on the other side of the aisle would have the temerity to consistently vote against every economy amendment we have proposed in the past 2 weeks if their votes were recorded.

But the people are not fooled that easily. They know that the minority Members of the House have been voting solidly for economy while the majority Members have just as consistently resisted every effort to cut appropriations. The record speaks for itself even though the individual names are not listed in roll-call votes.

Let me cite just one example. Last week in considering an appropriation of $675,000 for the State Department to buy food and drink to entertain foreigners abroad, we offered an amendment to trim this to $500,000. A half million dollars will buy a lot of champagne and caviar, and a saving of $175,000 in one item certainly would not handicap the social life of our envoys abroad too much.

As a matter of fact, we only appropriated $150,000 for this item in 1941. In 1943 it was raised to $200,000, in 1945 it was $300,000, and in 1947 it had grown to $500,000. Some people may say that you must wine and dine those foreign diplomats to make deals with them. I maintain that our diplomacy has fallen to a pretty low state when we have to spend $675,000 on entertainment in order to carry on important business with foreign nations.

At any rate, the majority members voted down this amendment to cut $175,000 from the appropriation, just as they voted down a score of other amendments before and since.

We have been beating our heads against a stone wall for the last 2 weeks in trying to trim some fat from this appropriation bill, but the experience has not been without its compensations. When constituents write me now asking who is to blame for high taxes and deficit spending, I can tell them. The record speaks for itself.

CORRECTION OF ROLL CALL

Mr. TOLLEFSON. Mr. Speaker, on roll call No. 143, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

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

There was no objection.

ISRAEL

Mr. JACKSON of California. 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 California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, as the new State of Israel commemorates its second anniversary as the newest member in the community of nations, I should like to add my word of felicitations and congratulations. The State of Israel is the realization of a great dream and a goal which the Jewish peoples have pursued diligently and faithfully for many centuries. It is difficult for one who has not lived through a succession of events such as outlined by Noach Levinson in his famous archives of the Warsaw ghetto to realize and appreciate the true significance of the new state to the Jewish people. In spite of persecution, tyranny and blood purges on a monstrous scale, the Jews have pursued their dream with unfailing confidence in God and in the ultimate justice of their claims. Israel stands today as a monument to that faith and perseverance. Though the new country is small in a geographical sense, it is vast in tradition and in human resources. Its foundations are constructed of hope and human courage. It, like our own great Nation, stands as a beacon light in defiance of oppression and tyranny. It is truly said in Isaiah, "A little one shall become a thousand and a small one a strong nation."

May Israel and its people prosper in their age-old wisdom and in their devotion to their traditions and to the word of God who led them out of the darkness of oppression into the promising light of the new Israel.

TAXES

Mr. RICH. 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 Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I picked out of the Times-Herald yesterday an editorial entitled "Tomorrow's the Day." That means today. It reads as follows:

Since January 1, the average salary and wage earner in this country has worked 117 days and every cent he's earned must be paid

the tax collector. So, tomorrow for the first time this year he can call his salary his own.

We think such an occasion should be marked for a special observance in the hope of stopping the flood of Government spending which might increase the number of days we'll have to work for taxes next year to 120 or 140 days.

TAXPAYERS NEED HELP

The national debt today has reached $255,583,544,106.81. The administration plans to spend $42,439,000,000 in 1951. Such a budget will increase the debt by another 4 or 5 billions.

In order to meet this huge expense you must pay direct and indirect taxes such as 8 cents on a quart of milk, 18 cents on a can of baby powder, $2 on your telephone, $3,000 on a new house, 70 cents on a shovel and $3 on a pair of shoes.

Congress could make it a real celebration tomorrow. For a starter it could cut down the 1951 budget until it balanced and then wipe out the excise taxes put on the American public as wartime emergencies. How about it?

GENERAL MOTORS BONUS AWARDS

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. YOUNG. Mr. Speaker, referring to the remarks of the gentleman from Pennsylvania [Mr. RICH], here is another example of our country going to rack and ruin.

General Motors, in April 1950, voted bonus awards of $6,000,000, plus 24,000 shares of stock to officers and directors. This was for services for 1949. Charles E. Wilson, president, received $586,000 salary and bonus awards. Three executive vice presidents received the following salary and bonus awards: Albert Bradley, $511,000; Harlow H. Curtice, $496,000; Marvin Coyle, $496,000.

In addition, the bonus is payable in five annual installments so the income tax is thereby reduced.

In addition to the salaries and bonuses, General Motors directors voted Charles E. Wilson and the three executive vice presidents $25,000 each per year retirement pensions effective when they decide to retire.

If American industry—big business—can afford to pay pensions to retired officials who do not need them, is it state socialism when the people's Representatives impose a tax on industry and on employees to pay retirement pensions, or social-security payments, to those who do need them?

EXTENSION OF REMARKS

Mr. TEAGUE (at the request of Mr. GOSSETT) was given permission to extend his remarks and include a short newspaper article.

Mr. BROOKS asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in two instances and include in one a letter from the Philippine War Veterans and in the other a radio address by Admiral Swanson, Surgeon General of the Navy.

Mr. POLK asked and was given permission to extend his remarks and include a prize-winning American Legion essay written by Mr. Bursick.

Mr. CROOK asked and was given permission to extend his remarks and include an article by Richard S. Kaplan, historian and service officer of the Gary Memorial Post 17, American Legion, on the subject The Most Dangerous Ism in the World Today.

Mr. COUDERT (at the request of Mr. KEARNEY) was given permission to extend his remarks and include an editorial.

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

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole today and include extraneous matter.

Mr. GOODWIN asked and was given permission to extend his remarks and include an editorial.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks and include an address.

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

Mr. REED of Illinois asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. HOPE asked and was given permission to extend his remarks.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include the fourth article by Mr. Frank C. Waldrop.

GENERAL APPROPRIATION BILL, 1951—CHAPTER VII—DEPARTMENT OF THE INTERIOR

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7786, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. On yesterday, it was agreed that general debate on the remaining chapters of the bill be had today, Monday and Tuesday; that general debate on the civil functions appropriations chapter be confined to Tuesday next; that when the House adjourns on Tuesday next all general debate be concluded on the entire bill. Debate on chapter VII and subsequent chapters will follow in sequence, except on chapter IX, the civil functions chapter.

Chapter VII, Interior Department Appropriations, will now be considered under general debate for not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Ohio [Mr. KIRWAN] and the gentleman from Iowa [Mr. JENSEN].

The Chair recognizes the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, we have before us the chapter making appropriations for the Department of the Interior. The subcommittee met and worked for 2½ months. At the end of 2½ months the members of the subcommittee were on speaking terms. This has often been a disputed bill, and that is an indication of how friendly our relations were in that room while we were working on this bill. I want to say that it is a pleasure to work with the members of this subcommittee. I do not want the Members to think that I am in the well of the House to talk politics. I am not. I am going to try to speak on the problems of the Interior Department, as I see them, after 54 years of labor; and I mean 54 years of labor in the fields covered by this bill.

Free enterprise started in this country long before my time with the mining industry in Pennsylvania. Men with large families would clear off a tract of land, take away the debris, and then be prepared to mine coal. When they petitioned the railroad to put in a siding, that was done. After they got the car full of coal they charged those men 20 cents per ton-mile to ship that coal. But the railroads charged the large shippers only 2 cents per ton-mile. Case after case was taken to many courts in Pennsylvania, and even to the Supreme Court of the United States. There, by a vote of nine to nothing, the United States Supreme Court held that the big shippers and the railroads were correct. That situation prevailed down through the years until most of the small operators were made to get out of the coal mines.

The large operators have not put back the proceeds of their operations so as to keep the worked-out shafts from decaying and falling in. So now many towns above old mines are in danger from cave-ins. Many millions of dollars will have to be spent in Pennsylvania when towns like Scranton, Wilkes-Barre, and Pottsville, and others start to fall into the mines, simply because we had no Government supervision.

The next great industry of that day was oil, as I said here on the floor a year ago. They first discovered oil at Oil City, Pa. Again there was no supervision, and the railroads shipped what oil they wanted to favored friends. The rest of it ran back into the Allegheny River by the millions of barrels. They used to set the river on fire every couple of weeks. It did not take too long to get rid of that oil in Pennsylvania.

I remember as a young man working for $2 an hour filling sacks with sand. At that time the largest oil gusher ever struck in the world came in. Twenty-five thousand barrels of oil went into the air every day for 3 weeks. Back when such wages were rare they were paying anyone who could work there $2 an hour

for loading sand into sacks. Again, we wasted those reserves.

We come next to the lumber interests. What they did not do to the forests of Pennsylvania is not worth talking about. I remember just as though it was yesterday, when the Prince of Wales came to this country and the reporters asked him, "What impressed you most in this country?" He said, "The burning of your forests. You will live to see the day that you will wish to God you never had done it." We were at that time burning up trees that it took Gal 200 years to grow. But we are paying the penalty today. There was no supervision in those days. And there is not enough now.

And then there is the steel industry—United States Steel, for example. That was one of the next feathers in the cap of free enterprise. I remember that at the turn of the century a group of men gave Andy Carnegie $300,000,000 for his holdings and organized the United States Steel. I remember then that they put the stock on the market for $14 a share, and most of the employees had a bite at it. Of course the employees were pressured into buying the stock with their life's savings. They sold $600,000,000 worth of stock, largely to steelworkers. The great leaders of industry got back $300,000,000 more than they gave Carnegie for his interests. Then these captains of industry drove that stock down to $7 a share, and the employees became panicky and tossed it overboard. It did not cost the United States Steel Co. one dime for all of Carnegie's holdings.

I remember when Judge Gary, almost on his death bed, said they could never work 8 hours a day in the steel industry; that it was not feasible. But they are doing it.

As for our lumber industry, I can remember about La Crosse, Pa., where they laid the foundation for the national leagues. They had ball teams in Oil City and Franklin and Lancaster and Williamsport, and they paid the players high salaries. It cost 15 cents a game to see those games. We thought the lumber barons were great people in that day, but it was after they destroyed our forests and ruined our soil by erosion, when we realized what they had done to us. That was after the trees were gone. Yes, that is a part of it.

They tell me in the district I represent that in Ashtabula County they used to fertilize the farms there with sturgeon out of Lake Erie. There is probably not one sturgeon in Lake Erie today. Not one. No one tried to save some of those fish for the future.

But in those days, like today, we had to balance the budget or stop spending.

After we had killed all the buffalo and wild game in this country, then we put the Indians on reservations, and the figures presented by the Indian Bureau to the Congress show what it cost. We took the good land, and killed off the wild game. Then we put the Indians into the desert where they could never make a living. Since the turn of the century we have spent $1,000,000,000 on the Indians on Indian reservations. A man just came down from Alaska to my office not long ago. He had been up there 35 years and had become wealthy. He said: "It is only going to be a couple of years until you have the Indians and Eskimos up there in Alaska on reservations." I asked him why he said that. Before the war, in the caribou herd alone there were 2,500,000 head that together with the fish furnished food to Eskimo and Indian. Today, from the illegal shooting during the war, the herd has been cut down to 500,000; so it will be only a short time until we have the Indian and the Eskimo on relief on reservations up there. There will be no food for them, no work for them. Then it will cost us $50,000,000, as it costs us now to take care of the other Indians on reservations in this country. Why? Because that territory up there is as vast and huge as all the country east of the Mississippi. In my State of Ohio we have 100 game wardens protecting the fish and wildlife in that small State, but in this huge Territory of Alaska there are only a few men protecting the whole business. So you know how long it is going to last, and you know what is going to happen in a few years. I repeat, the Indians and the Eskimos will be on reservations in Alaska before long.

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

Mr. KIRWAN. I yield.

Mr. FENTON. I know my chairman is very much interested in the fish and wildlife phases of this bill, and I am very greatly interested in the remarks that he is making about Pennsylvania and the conservation of the fish industry. I wonder if he would mind stating, for the benefit of the committee, his impression of the diminution of the shad industry in Pennsylvania, particularly on the Susquehanna River?

Mr. KIRWAN. The pollution of the stream?

Mr. FENTON. Yes.

Mr. KIRWAN. Yes. That was the fault, as I say, of the Pittsburgh coal-mining industry. Seventy-five years ago they had steamboat service between Harrisburg and Wilkes-Barre on the Susquehanna River, but today you could not paddle a canoe between those cities with the channel of the river filled up with debris from the coal mines which was dumped in the river. Not only did that make the river too shallow for navigation; it killed off the fish, also.

Mr. FENTON. If the gentleman will yield further; that, I think, is only one of the factors entering into the depletion of shad. Another factor is the great hydroelectric plants and dams on the river which prevent the fish from getting up the river.

Mr. KIRWAN. But a greater cause is the pollution of the streams. Throughout the country today there are relatively a few streams in which fish can live, mostly in the mountains. Many of the rest of the streams have been polluted and most of our woods and our forests have been cut down and destroyed. We are doing it at a fast pace.

Today all we can talk about is balance the budget. I made the statement when, as chairman of the subcommittee, I reported this bill to the full Appropriations Committee, that Eugene Grace, chairman of the Bethlehem Steel Co., said to the stockholders of his company scattered throughout the Nation: "Unless you put quite a bit of the earnings of Bethlehem Steel back into the company it is not going to survive." And rightly so. Our Nation is the biggest corporation in the world, a corporation that produced $225,000,000,000 gross income last year. This is not a question of politics; I am not blaming anybody on either side of the aisle; I am merely stating facts. Back in 1932 we had a total national income less than what we are spending today to run the Government. The national gross income of the country in 1932 was only $37,000,000,000. Today we are spending $42,000,000,000 to run the Government. In 1939 the gross national income was $87,000,000,000. Last year it was $225,000,000,000. Certainly it takes money to operate a government for a nation like that, which can be compared to an industry that produces $225,000,000,000. We are told all over the country and all over the Nation that we have got to balance the budget. But while we are attempting to balance it we must not lose sight of the kind of job we are doing in the greatest country on earth, America. No one wants an unbalanced budget. But no one wants a country that has wasted away all its natural resources, either. This has been called a war budget, and it is a war budget in many ways. But we cannot afford to use up all our timber, our underground fuels, our soils, our wild game, and our fish just because world affairs require us to spend a lot of money. We have to spend money to save what is left of our natural wealth. We had better save it while we have some left, because once it is gone mere money can never bring back our God-given natural wealth.

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

Mr. KIRWAN. I yield to the gentleman from Nebraska.

Mr. STEFAN. What is happening to our Stream Pollution Act?

Mr. KIRWAN. I do not know.

Mr. STEFAN. For 16 years I have been working here to get a Stream Pollution Act through. We finally got one enacted. How are we operating under it?

Mr. KIRWAN. We are probably trying to balance the budget and will not give them any men to operate.

Mr. STEFAN. We passed a Stream Pollution Act. Why pass it?

Mr. KIRWAN. We probably do not want to give them any men to enforce its provisions. We enact laws here but we often do not give them anyone to enforce the laws. That does not come under the Interior Department, and I am not too familiar with it.

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

Mr. KIRWAN. I yield to the gentleman from Pennsylvania.

Mr. FENTON. As far as the State of Pennsylvania is concerned, we have a Stream Pollution Act in that State. The Schuylkill River is now being rapidly

cleaned up and we hope that the pollution caused by the mining industry as far as the Susquehanna River is concerned will be cleaned up under the present program in Pennsylvania.

Mr. STEFAN. Some of that industry opposed us so far as the Stream Pollution Act was concerned. Do they still oppose the enforcement of it?

Mr. FENTON. No.

Mr. KIRWAN. Mr. Chairman, the gentleman from West Virginia and I were traveling in Europe last fall and, among other countries, we visited France, Germany, and Belgium. While we were there it rained for 3 days. We tried to find some evidences of erosion in driving through those three countries. You can drink the water right out of the ditch at the side of the road over there. It is good clear water. That was true in all those three countries we visited. Yet here in America, the greatest country on earth, there is hardly a farm in the country today that does not suffer from erosion. As you drive along the roads you will see ridges which the water has caused. You will see erosion in ditches along the roads. We have many automobiles in this country. When you have automobiles you must have good roads, and to have good roads you must have adequate drainage. In 5 or 10 minutes after God lets the rain come out of the heavens, the water is on its way to the ocean. In Ohio today we are drilling 80 feet deeper for water than did our grandfathers. We have a million acres of the finest land in the world in the State of Ohio, but too often now, no water. The pumps are running dry. Yet every time we come to this Congress and ask for a couple of million dollars to erect a dam and reservoir—a trap for the water so as to protect the soil that produces our wealth—what do we find? Opposition. We are told the budget cannot stand it.

Just stop and think of what the walls of this great Hall would say if they could only divulge their secrets. Theodore Roosevelt, a great President, at the turn of the century tried to have a law enacted under which the cattle that went into the packing plants in Chicago would be stamped. It was to be a Government supervision stamp to let the people know whether the cattle, hogs, or cows, were fit for human consumption. Roosevelt, being a great man and a great President, knew what he was doing. Yet it took 4 years to get through Congress a law to provide for the stamping of meat to show whether it was fit for human consumption. That took 4 years. That holds true for every law or every effort we make to try to preserve American land and resources.

You will find out about that a couple of days from now when we move forward in connection with this bill.

Just stop and think that in 1929 when the collapse came in this country we belonged in the Dark Ages, though we thought we were a great Nation and a great people.. Yet only 29 out of 100 people in these United States had electricity in their home. Today only 64 out of every 100 famliies have electricity in their homes in America.

The private electric companies have had more than 50 years to put electricity in our homes. But it is not there yet. When the Government tries to furnish power to the people from our great dams the private utilities cry "socialism."

We destroyed three nations—Japan, Italy, and Germany—that were 90 percent electrified. But this country is not well electrified. You can hire a moving van and tell them that you want to go to an isolated spot in the Rockies. You start out on a four-lane highway and then you go to a three- and a two- and a one-lane road. They deliver your furniture, and when you get there, there will be no electric lights. But you will find all along the way in this bill and in every bill in this Congress that many people are fighting every effort where someone tries to do something to develop this country. President Truman is right. In 1929 our national income was only $87,000,000,000, but after we put electricity into another third of our American homes, look where the income is today; and when we put more electricity into their houses they will be able to purchase washing machines, mangles, and other appliances, and cut out much of the hard labor in the house and on the farm. Then we will have an income of $300,000,000,000. Then, and only then, can you pay off this national debt. But we have to start all of these resources working, and working the right way.

Look at this country and look at what mankind has suffered to put it where it is today. You hear a lot of talk about free enterprise and free industry, but I want you to look back and see how free it was. I remember starting to work in a mine when I was 9 years of age, and I remember the conditions that existed in the mines at that time. I was just reading about this a short time ago. I saw a picture of a coal breaker where a lot of children were working some years ago. I thought maybe I could identify myself in the picture. Then it dawned on me that I was too old when I started to work, because the kids were not more than 7 years of age in that picture. I was 9, and I had quite a bit of schooling compared to what they had. Those children worked long, hard hours—they were driven by an overseer until they cried. That was the condition that existed in those days, and after nearly 60 years of mining—58 that I can remember—we have not improved very much. We have cut out child labor, which was really slave labor. And we have made other progress. But in the midnineties they were only working 2 days a week. I can still remember the straw boss marking up on a piece of metal a notice telling you that this colliery will work only on Tuesdays and Fridays, 2 days a week. What are they getting ready to do now? Work 3 days a week.

Have we done much toward conserving our minerals in the past 50 years, or our mines? Oh, no; we are still letting them dig the coal out of the mines and destroy everything that they can destroy all over this Nation.

This country is still being robbed and looted. Look at the railroads. During the war $1,500,000 was charged to move a trainload of shells from the Ravenna Arsenal in my district to Camp Stanley in Texas, while the kids were laying down their lives in the fox holes. I worked on the railroad 20 years. I remember once that when the yardmaster put a way bill in my hand I noticed that one car cost $5,280. Now, multiply that by the number of cars in a train. Some years later it cost you $1,500,000. That is why the Attorney General is suing the railroads for the recovery of $3,500,000,000 that they took during the war, and I repeat, while the kids were laying down their lives overseas. As to the land-grant railroads, when Congress gave them the land they said that in an emergency they would move any of the Army matériel and men for 50 percent. But did they keep their promise? No; they came into the Congress and asked for an increase. They charged 100 percent rates to move the guns and the men.

Yes; these things happen, but they tell you about free enterprise and what it has done. In many ways it has done very little, I am telling you. As to the money that has been invested in big corporations, very little of it is their own funds. We heard the names of men mentioned down here today who are getting half a million dollar bonus. Very little of their own money did they put into General Motors. It is the small stockholder back on the farm that put the funds into General Motors. But, look at the salaries handed out to their officials. And, I again say, it has been that way all down through the years.

These are the reasons why I am saying to every Member of the Congress that every dime in this bill is going to be spent on America and its possessions. There is not a quarter of a dollar appropriated in this Interior bill which is going abroad. If any nation needs to spend money on its country, we need to spend it on ourselves.

The only regret I have in mind in presenting this chapter of the bill to the Congress is that it has too little in it. It should include $2,000,000,000, not merely $621,000,000, because if ever a Nation could stand to have billions and billions spent upon it, this is the country.

I hope that after next Tuesday Members will be on the floor of this House to see that the money that has been put into this bill by the committee, money to be spent on America to help make it a better place to live in—I hope that money will stay in the bill. If we do that, then I know there will be happiness, and there should be.

I saw in the paper just last week that the Medical Association said that in America there is a doctor for every 750 people. The figures are not correct so far as the Indians are concerned. There is only one dentist for every 19,000 Indians, and most of the few Indian kids that go to high school have lost at least some of their teeth. Fifteen thousand of the Indians have never put foot in a school room, although we have binding treaties with these real Americans—some treaties requiring us to educate them. How can the rest of the world respect us when we will not keep faith with the Indians, the real Americans?

There are 300 Navajo Indians cut of every 100,000 dying with TB, but this compares with only 33 whites per 100,000 of population. Of the greatest people of them all, some of the American Indians, 300 out of 100,000 are dying of TB. There are hospitals in this country, but on some Indian reservations one doctor is looking after 100 beds, and then he has to look after 5,000 Indians and travel 90 miles. If it were not for his good wife, who is working shoulder to shoulder with him 24 hours a day, where would the Indian be? Yet we want to balance the budget. I am asking and pleading with you—make every effort to protect every dime the committee has recommended in this bill. Like you all, I would like to see the budget balanced, but a promise is a promise. We cannot let these Indians down.

We have a lot to be thankful for. When I got off the boat in Genoa last year I asked the American Consul, "What is a gallon of gas selling for?" He said, "90 cents." Suppose you told the American people tonight, "We are not going to charge you 90 cents for gas but we are going to charge you 35 cents." There would be a howl reaching from Maine to California, saying, "Don't you attempt to do that."

Suppose you walked into a night club here or into a cigar store and said, "Give me a pack of a popular brand of cigarettes," and they charged you 75 cents for them, as they do in London. If you charged the Americans only 30 cents for cigarettes, look at the howl they would put up.

Are we taxed like other Nations No. Just look at the difference between the tax situation in England and here that appeared in the United States News last week. Some say, "Oh, we are following England on the road to socialism." I say that we do not think much of our country when we make that statement, because England is a nation just about as big, and half again, as Pennsylvania. You might say her only asset is fog. If they can ever find out what they can do with fog, England will be the wealthiest nation in the world. But up to now they do not know much about how they can use fog.

But if you took Pennsylvania with all its minerals, its State forests and streams, and dumped 38,000,000 people in there, the number of people they have in England, it would not be socialism, it would be cannibalism. They would eat one another. Yet, we are howling about what a bum job England is doing. She is doing a great job on comparatively nothing just keeping body and soul together over there. But to compare America with England—that little bit of an island which is only one and a half times as big as Pennsylvania—when we have 48 States with everything; and to say that we are going down the same road to socialism—why then we do not think much of our country.

Again I am asking and pleading with every one of you that when the bill is read for amendment I hope to see every dime stay in this bill.

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

Mr. KIRWAN. I yield.

Mr. STEFAN. I commend the gentleman for the very fine statement he has made. The gentleman referred to the figures $89,000,000,000 and $300,000,000,000. He mentioned the word "budget" He meant "income," did he not?

Mr. KIRWAN. Yes. I thank the gentleman for calling it to my attention.

Mr. JENSEN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I am sure that everyone who heard the remarks of the gentleman from Ohio were rather intrigued with his very interesting statement. I must take issue with the gentleman on some of his statements. I have a high regard for our chairman the gentleman from Ohio [Mr. KIRWAN], but I feel I should remind the Members that regardless of all the faults of this great American free-enterprise system which has been in operation since the signing of the Declaration of Independence, the Constitution, and Bill of Rights, we have had in this Nation the happiest people, the best-fed people, the best clad, the best-housed people, the most religious, and the most blessed people in the whole world. There is hardly a person in this wide world today who, if he knows anything about this great free America of ours, who does not want to come here. So with all the mistakes we have made we have a mighty lot for which to be thankful. Mr. Chairman, our fine American youth have fought all over the world and on the seven seas. Yes, my friends, many, many thousands of them sacrificed all, that this Nation, under God, might be preserved for future generations to enjoy. I am proud to be a citizen of America and I am going to do everything in my power so long as I have the breath of life in me to preserve our great republican form of government with all its faults. I think every American regardless of what station of life he finds himself in owes that obligation to the people of America and the people of the world because the people of the whole world are now looking to us for guidance in this dark hour. We can talk about how much the people of other nations must pay in taxes compared to us, but most of those people have lost their liberties; they have lost their opportunities; they have lost everything worth living for. Certainly I am not going to be a party to destroying America by committing national suicide in America through the bankruptcy route, which, after all, is the quickest way to destroy a nation. Yes, a dictator can take over and we can starve to death after the soil has been depleted and ruined, but that takes time. However, it does not take long to destroy a nation through the bankruptcy route. If you do not believe so, just read the history of every nation in the world that has gone the full length of the reckless spending road on which we are traveling today at breakneck speed. Now, let us not be swept off our feet by these folks who seem to have no conception and are careless about wasteful spending and burdensome taxes. We spend so much money for a lot of useless things here at home and a lot of useless things all over the world, to build great irrigating projects, great hydroelectric dams, and public works in many sections of Europe to the end that we dare not spend what we should for the development of our own country, for soil conservation, and the preservation of our own natural resources.

We are not only carrying on a great program here, keeping 2,000,000 people on the pay roll, costing $7,000,000,000, but we are running a WPA all over the world. God knows I have just as soft a heart for suffering humanity as most folks have, but when our ship goes down, when this great free enterprise ship of ours goes down, there are a lot of folks in this world who are going right down with us. So we had best keep our torch of freedom burning, we had best keep ourselves in some kind of a solvent condition or many people of the world, let alone ourselves, will suffer the consequences that is a certainty.

I have here the report of the full Appropriations Committee. I shall turn to the section dealing with the Department of the Interior. The budget request was made for the sum of $669,251,505.

The committee reduced that amount to $621,634,130, making a reduction of $47,672,375.

We have revenues coming into the Treasury from the Interior Department functions from a number of different sources as will be seen from page 27 of the hearings: Admission fees and concessions; hunting stamps, fees, and licenses; grazing fees; revenues, Oregon and California and Coos Bay Wagon Road lands; sale of seal skins and other products; oil, gas, and mining royalties and rentals; interest on and repayment to Colorado River Dam fund and other funds; revenue from Colorado River Dam fund projects; collections, reclamation fund; sale of helium and of gas from helium plants; sale of Bonneville power; sale of Norfolk and Dennison power; sale of Fort Peck power; miscellaneous rentals, fees, and permits; collections for services to Indians; Alaska Railroad receipts; and unclassified receipts. In the fiscal year 1949 the revenues amounted to $149,437,659. That was net revenues. The estimate for the fiscal year 1950 is $153,402,995; and for the fiscal year 1951 it is $165,001,288.

The revenues have been increasing year by year for almost every year since we have records of revenues of the Department. So we do have some income from the activities under the Interior Department.

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

Mr. JENSEN. I yield to my good colleague from Washington.

Mr. HORAN. What is the total of the revenue items in the Department of the Interior?

Mr. JENSEN. I just read them.

Mr. HORAN. What was the total?

Mr. JENSEN. For 1949 the actual total was $149,437,659. For 1950 the estimate is $153,402,995. For 1951 the estimate is $165,001,288.

Mr. HORAN. What is the biggest item in the receipts?

Mr. JENSEN. The largest source of funds is collection of reclamation funds for fiscal year 1949, $32,388,255. The estimate for 1950 is $59,487,000; and the estimate for 1951 is $62,168,570.

The next largest item is the sale of Bonneville power. Last year it was $26,000,000 plus; for the fiscal year 1950 it is estimated to be $29,000,000 plus and for the fiscal year 1951 it is estimated to be $31,000,000 plus.

Mr. Chairman, I was going to say when the gentleman interrupted me, and I thank the gentleman for his contribution, that our hearings were on a short, tight schedule this year as they were last year. There were many times I felt, as did other members of the committee, that we were not allowed enough time to question department heads and officials and other folks who came in to testify. In fact, our hearings this year were about one-third the number of hours that were spent in the hearings for the fiscal year 1949. If you want rather complete information about the Department of the Interior, and every phase of that Department, you can get it in the 1949 hearings composed of 4,707 pages. There were 424 witnesses who appeared before the committee that year. Most every project is very fully explained in those hearings. So if you want to know something about the Department of the Interior, any branch of it, you can find it in the hearings for the fiscal year 1949.

The report is justifiably critical of several of the branches of the Department. For example, I note on the first page it is stated:

> The committee last year also urged improvement of the material submitted by the Department in justification of its estimates. Some improvement in the material submitted by certain of the bureaus was noted but on the whole the committee request of last year that the justification notes be clear, concise, and insofar as practicable, uniform in treatment was not honored. There were extenuating circumstances, but next year tangible and extensive improvement will be expected without fail.

There are a number of criticisms in this report. I may say however that I had nothing to do with writing the report because I was not consulted when the report was written and neither was the gentleman from Pennsylvania [Mr. FENTON]. The report was completed and printed without either of us having a chance to look at it until it was made public, which is quite out of the ordinary, although I am not too critical of that because there have been many other things that were much more distasteful in the handling of this one package bill, which I will speak about at a later time.

There are a number of things in this bill that I felt could and should be reduced, in fact amendments were offered to reduce some of the items in this bill in the subcommittee, also in the full Committee of Appropriations, but they were all rejected. At the proper time I shall offer a few amendments to this bill which I know are justified and I hope they will be adopted.

There are many departments and branches of the Department of the Interior. Generally speaking, the officers and employees of these different branches and departments are interested in their work, but a few of the top officials do very little other than to run all over the country making political speeches on the taxpayers' time. You will notice in going through the report that the chairman has seen fit to criticize, and I think justly so. I hope there will be some improvements made.

The Bureau of Land Management is a very important branch of the Department of the Interior.

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

Mr. JENSEN. I yield to the gentleman from Nebraska.

Mr. STEFAN. How many employees are there in the Department of the Interior?

Mr. JENSEN. Around 60,000, as I remember.

Mr. STEFAN. Did you go into the question with the security officer whether or not the employees have been checked for loyalty?

Mr. JENSEN. We did that 2 years ago, but very little has been done about it this year or last year. We were rushed every minute. We were on a strict schedule. Our chairman was ordered by the gentleman from Missouri [Mr. CANNON] to follow that schedule, and if you were not through asking questions, of course, that was just too bad.

Mr. STEFAN. The gentleman knows that the saboteurs captured on Long Island had a list of strategic places in the United States that they planned to bomb, and I thought perhaps you went into the question of loyalty like we do in other departments of Government.

Mr. JENSEN. I might tell the gentleman that we have got our eyes on a few of the boys in the Department. I am happy to say that a few of them chose to get out before they were investigated or brought before the bar of justice.

I want to talk about a few items in the bill. We have 180,000,000 acres of public land in America, and we spend annually the large sum of one-fifth of a cent an acre for soil and moisture conservation on that 180,000,000 acres. My friends, that is nothing less than criminal.

When the Director of Indian Affairs, Mr. Nichols, who was Director just a few short months and all at once found himself out in the cold, testified before the committee, he said he had traveled all over the world and he thought the first thing that we should do to help the Indians was to give them a good education and good health. Now, Mr. Nichols is a very able man. I think he would have done a wonderful job if he had been permitted to stay as Director of the Indian Bureau, but you see he had a mind of his own. He was honest, straightforward, and said what he thought. I asked him this question: "You say you traveled all over the world. Now, did you ever in all your travels find healthy, happy, well educated people where the soil was poor?" He said, "No, I must admit I never have."

"Well," I said, "then do you not think the first thing we have to do for the Indians, especially the Navajos and the Hopis, is to build up their soil so that they can become healthy and happy?" Then we can also bring education to those people because then they will have income from the production of farm products to carry on their educational program. He then admitted that soil conservation, the building of our soil, good land did come first, because he admitted he had never seen a happy, healthy, well-educated people where they had poor, run-down, badly eroded soil.

So here we are spending the large sum of one-fifth of 1 cent an acre on public lands for soil and moisture conservation, while we are wasting billions of dollars for other things that are not necessary, as is good soil for our own welfare and for the welfare of those who come after us.

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

Mr. JENSEN. I yield to the gentleman from Nebraska.

Mr. CURTIS. In reference to the soil conditions as pertaining to the land occupied by the Indians, what has been the practice in recent years in the way of the Federal Government's encouraging them to keep sheep, goats, and other livestock on these lands? Have they encouraged that as a soil-building measure, or has the sheep population gone down? Has the gentleman's committee gone into that?

Mr. JENSEN. The Grazing Service limits the number of cattle and sheep that can be grazed.

Mr. CURTIS. I understand that.

Mr. JENSEN. But we are not seeding enough; grasses build up this soil. It is going down. The soil on our public lands is being depleted every day at a rapid rate, much of it is already beyond redemption.

Mr. CURTIS. Perhaps I can make my question a little more plain. Referring only to the Indian reservations, I have heard reports that the Bureau of Indian Affairs in some instances has discouraged the Indians from owning goats and sheep and everything else that not only produce food but improve the soil.

Mr. JENSEN. That is quite a long story. There was a former Commissioner of Indian Affairs, Mr. Collier by name, who about 15 years ago decided the Indians should get rid of most of their goats and buy sheep. That was on the Navajo and Hopi Reservations. So they did. Then they did not have the milk they and their children should have. Then, along came the Grazing Service and said, "You have too many sheep, you have to sell half of them." So they made the Indians sell half of their sheep. From that day to this, and I will leave it to the gentleman from New Mexico [Mr. FERNANDEZ] if it is not a fact, from the day the Indians were forced to dispose of a lot of their goats the standard of living of the Indians has gone down, down, down.

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

Mr. JENSEN. I yield to the gentleman from Utah.

Mr. GRANGER. I want to compliment the gentleman not only on his remarks with reference to soil conserva-

tion on public lands but also because he has always been an outstanding and intelligent advocate of soil conservation and flood control. I have heard him before our Committee on Agriculture. I think one of the crying needs of our time is to have more attention and more money spent on the conservation of the soil. The gentleman from Iowa is certainly one of the outstanding exponents of this great program.

Mr. JENSEN. I thank the gentleman. I can say as much for him. I appreciate working with him in the important job we have to do in conserving our soil.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the next Governor of the great State of Michigan, an able, honest legislator and patriot.

Mr. ENGEL of Michigan. It might interest the gentleman to learn that Soil Conservation District No. 1 was organized some 10 years ago in my district, at Grand Haven, Ottawa County, Mich. Ottawa County is on Lake Michigan, with the great sand dunes. They have planted 1,400,000 pine trees on the sand dunes and other lands. Today you can see the pine trees growing 4, 5, 6, and 7 feet tall on what is nothing but white sand.

Mr. JENSEN. I thank the gentleman. It is surprising what can be done in a very few years in building up our soil and stopping erosion if the people are determined to do it and it costs so little compared to the profits derived. I am proud of the farmers and the people of my district, the Seventh District of Iowa, for the great job they are doing in conserving the soil. I think the record will show we have more miles of terraces and more acres of contoured land in my district than any district of the United States.

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

Mr. JENSEN. I yield.

Mr. FERNANDEZ. The gentleman asked me a question with respect to the Indian livestock program. Former Indian Affairs Commissioner Collier not only reduced the number of goats but reduced the number of sheep and other stock to the extent that he set a trend which we have been unable to stop. In 1939 the Navajo Indians had 29,000 head of cattle. Today they have only 9,000. It is not because Collier reduced them to that extent, but because there is a trend which we have not been able to stop and they are in that situation because of the trend which was established.

Mr. JENSEN. That program has set the Navajo and Hopi Indians back at least 25 years.

Mr. Chairman, the thing that is very disturbing too at this very minute and which is giving the folks all over the Missouri Valley a great deal of concern is the terrible floods now raging in that valley. Even though the Missouri Valley covers one-sixth of the area of the United States the leadership saw fit to take about $10,000,000 out of this appropriation for the Missouri Valley which amounted to almost one-fifth of the amount of reduction in the entire bill while barely touching any other item in the bill for reclamation. In addition to that the democratic leadership saw fit to reduce the flood-control items in the civil-functions bill by more than 25 percent. On August 3, 1947, the day after Congress adjourned and all we Members of Congress were safely out of town. President Truman froze 50 percent of all the flood-control funds that Congress had appropriated. What happened, floods occurred all over the country. Then he accused the Eightieth Congress of being at fault for that job. Right this minute terrible floods are raging, in North Dakota, South Dakota, Nebraska, and Iowa. I have a clipping in my hand from the Council Bluffs (Iowa) Nonpareil which I am going to read to show you just what is happening in western Iowa, eastern Nebraska. Listen to it and then you will know just why I am so concerned:

MISSOURI CREST HIGHEST SINCE 1943—FLOODWATERS ROLL INTO LOWLANDS; SEE 22-FOOT RIVER STAGE

The highest crest of flood waters in the Missouri River since 1943 is moving down or southwestern Iowa.

Northward, it has overflowed thousands of acres of lowland, started taking toll of livestock.

A stage of 22 feet is forecast for Council Bluffs Friday. This is an increase of one-half a foot from the high forecast made last week end.

This means water above official flood marks for at least 5 days. It will be a severe test for many levees, drainage officials indicated.

The long crest of the river is apparently in the Yankton, S. Dak., area where a rise of only four-tenths of a foot was reported in the last 24 hours, the weather bureau said.

The river reached 19.2 feet here Monday. This is two-tenths of a foot over the official flood mark.

* * * * *

TWO LEVEE BREAKS

Two levee breaks were reported just north of Council Bluffs.

The Paxton levee west of Crescent broke Sunday night or Monday morning. Water was flooding the Findley Frost farm through a levee hole 100 to 150 feet wide.

A break in the Pigeon Creek levee overflowed the old Hanthorn lake bed. Waters were backing through the old Boyer River bed and over farmland of M. A. Smith.

Flood waters from the two breaks were expected to join and begin flooding land to the east.

Bottom-land farmers between Crescent and Honey Creek were moving livestock and furniture Monday morning. Levees were being built up on Honey Creek ditch and near Hoffman's saw mill, west of Honey Creek.

Just north of Council Bluffs, the river was flowing over the road near the Tyson farm, said Peace Justice Frank Larsen. It was covering adjoining wheat fields. This land is outside of the levee area.

Army engineers reported two additional breaks near the Blair bridge. About 320 acres were overflowed by a break in the Mencke levee on the Nebraska side, 2 miles above the bridge. Still another 320-acre area was inundated by a break in the Rand levee on the Iowa side just below the bridge.

BLENCOE THREATENED

Blencoe was threatened with floodwaters in its city streets Monday. Mayor Wayne Gotschall said the water had swept around the upper ends of the levee there and was within half a mile of the city limits. He plans to ask Gov. William Beardsley for National Guard "shovel battalions" if the situation becomes worse.

West of Whiting, the Sedig dike along the Missouri River broke and water rushed over 1,600 acres of land. Back waters coming through the Adams and Gard Lakes backed across Highway 366 at Onawa.

PMA officials were attempting to release all sealed corn in the flood's path and around Blencoe shellers were delivering free corn which is not under seal.

Farm facilities evacuated themselves and their livestock in the area southwest of Blencoe around Pickle City. Army engineers are advising all farmers west of Highway 75 from Blencoe to the Harrison County line to be prepared to move before Wednesday.

The Sioux City Board Club's Elmwood golf course, across the river in South Dakota, was "pretty well covered," an official reported.

Seventy-five volunteers, headed by Marion Lockwood, chairman of the Dakota County flood-control committee, patrolled the 4-mile dike protecting South Sioux City.

The volunteers, many of whom, Lockwood said, have not "closed their eyes in three nights," dumped 1,000 sandbags along the river Sunday night, working under the powerful lights of a portable electric plant.

Nearly 5,000 acres of farm land were reported flooded in Dakota County, Nebr., across the river from Sioux City. About 10 families have evacuated the area and others are preparing to move.

A crest of 18 feet is expected at Sioux City Tuesday morning.

* * * * *

After a high of 90° Sunday, highs in the low 50's were predicted for Tuesday, which will be partly cloudy, windy and cool.

Monday was a gray day, mostly cloudy with light showers and mercury reading in the mid 50's. Northwesterly winds blew between 25 and 35 miles an hour here.

Some hail and a half inch of rain were unofficially reported Monday morning at Hamburg.

We tried to get a valley-wide soil conservation and flood prevention adopted in the last session of the Eightieth Congress. That Congress authorized a survey to be made of the Missouri Valley in its entirety to determine what we could do to prevent floods and to build up our soil. But the head office of the Department of Agriculture saw fit to carry on a greater research program which would cost $3,500,000,000 over a period of 30 years instead of the $1,000,000,000 program which we authorized. To this very day we have not been able even to get a bill before a committee of Congress to consider either report. That report which was submitted by the Soil Conservation and Forest Services was to cover the whole Missouri Valley and would have done a grand job. Had it been put in operation last year it would have lowered the flood crest considerably. So what have we been getting? We have been getting a good run-around and a good smack in the face—we folks who need flood control so badly in the Missouri Valley. I refer you to my speech of April 5, page 4871 of the CONGRESSIONAL RECORD.

My people are getting pretty sick and tired of it, and all the folks in the Missouri Valley area see the handwriting on the wall and know the purpose behind the whole thing. The whole purpose is to force, by hook or crook, a Missouri Valley Authority on the people of that great Missouri Valley, so that a few boys appointed by the President can run the

people of that valley to suit themselves. Most of the people in the Missouri Valley can see through this Socialist trick and will fight it to the last ditch.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. JENSEN. I yield myself one additional minute, Mr. Chairman.

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

Mr. JENSEN. I yield.

Mr. CURTIS. I am grateful for the gentleman's interest in the Missouri Valley. He has done a lot of work on it. I want to point out that the work of the Bureau of Reclamation in the Missouri Valley is also flood control.

Mr. JENSEN. That is right.

Mr. CURTIS. It is in that area where the arid and semiarid lands meet, and the same structure is both flood control and irrigation, and there is flood control in this chapter. I also want to commend the gentleman's fine work in soil conservation, because the more conservation we have of our soil the more service we will get out of these dams that the Government is building, and the longer they will last.

Mr. JENSEN. Soil conservation is also flood prevention.

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

Mr. JENSEN. I yield to my friend who is having plenty of flood worries just as myself right now.

Mr. LEMKE. I want to suggest that about one-quarter of my State has been under water all the way from 2 to 10 feet, and more, and that a great deal of feed and seed has been destroyed. Also roads and bridges, and therefore we will need an appropriation, because these people cannot take care of it now. It has been a real disaster, and I hope that some of the millions taken out of this bill may be put back somewhere so as to help out in this disaster.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has again expired.

Mr. JACKSON of Washington. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, at the outset I would like to pay my tribute to the distinguished chairman of our committee, the gentleman from Ohio [Mr. KIRWAN], who has done an outstanding job as chairman of this committee. He has taken a real interest in the development of our great natural resources. I wish to say the same about my colleague, the gentleman from Arkansas [Mr. NORRELL], as well as my colleagues on the other side of the aisle, the distinguished ranking minority member, the gentleman from Iowa [Mr. JENSEN], and the gentleman from Pennsylvania, Dr. FENTON.

It also should be pointed out that our clerk, Claude Hobbs, has been of invaluable assistance in providing the kind of technical aid that is so necessary in perfecting a bill of this kind.

Mr. Chairman, I know that many Members of this House are businessmen or have had business experience. I am sure that many of them have had the experience of deciding just how much they are going to lay aside for the wear and tear of their plant and equipment, and just how much they were going to invest in the development of new equipment, in order to prepare for the growth of their business.

In a sense, when we in the House of Representatives consider the budget for the Department of the Interior, we are making just that sort of decision for the greatest producer in the world—Enterprise U. S. A. This tremendous productive enterprise has 150,000,000 stockholders. We are acting on their behalf, as a sort of board of directors. We are deciding for them how much we should invest in the capital equipment of our Nation—that is, its natural resources.

Now, as directors of Enterprise U. S. A., there are a couple of considerations we simply cannot avoid. One of them is that we simply must plan for a growing enterprise—there is no alternative. No sensible businessman turns his head away from the facts. It is a plain fact that the population of our country grows by about two and a half million persons every year.

It is a plain fact that about 800,000 more people are looking for jobs every year.

It is a plain fact that unless we plan to have this enterprise called the United States produce more every year and employ more people every year, then we must plan to see the produce and dividends for each of its stockholders dwindle every year, and the rolls of the unemployed grow.

Now any businessman realizes that plant and equipment do not spring up in a day. If he wants to expand his business, he plans as far ahead as he can, and he begins building months before he wants to increase his production.

The Department of the Interior, in preparing its budget, and your committee, in considering that budget, have looked ahead to America's future needs, knowing that some of our resources, such as hydro-electric power, that remain to be—and that need to be more fully developed—take years of planning and construction before they can be put to work for Enterprise U. S. A. Much of our farm and range land is worn out and ought to be retired. To replace this land, and to meet the demands of growing population, will require the reclamation of great areas of land that will be fertile if we can bring water to it. This, too, takes years to accomplish. Some of our resources—such as our soil and our timber—are being wasted because we are not taking care of them properly. If we fail to undertake programs to care for these resources, then we are guilty of waste—and the waste is probably much greater than the cost of, say, an erosion control or a sustained-yield forest program.

Now as businessmen, and directors of Enterprise U. S. A. we ought to take a careful look at the financial strength of our business—to see just how much we can afford to invest in the development of our plant and equipment. But we have also got to answer the question—"Can we afford not to invest in a growing America?" "Can we afford to let any of our resources go to waste?"

Enterprise U. S. A. is a little different from most businesses—it's got a bigger borrowing power than most businesses—because it can borrow just as long as its stockholders—the American people—have confidence in it as a growing enterprise. A deficit in dollars is bad—but we have learned that we can survive it.

But a deficit in resources is something a great deal more serious. Sometimes it can never be overcome—if the resources run out completely. Sometimes it can be remedied—but it might take years—and billions of dollars to do it.

We might think, just for a moment, what a deficit in resources might have meant to our war-production effort, not many years ago. Half of our aluminum production during the war came out of the Pacific Northwest. The greatest atomic reactor in the country was located in the Northwest—solely because of the great sources of electric power available from Grand Coulee and Bonneville Dams and the abundance of water from the Columbia River. What if we had not undertaken the construction of these mighty dams years before the war? What if they had not been waiting—ready to pour out millions of kilowatts of energy? Could we have sat around for 3 years or 5 years—in the middle of the war—while we built a Grand Coulee and a Bonneville?

I think it is clear that we directors, in considering whether or not we can afford resource-development programs, we have got to realize just what a "deficit in resources" really means to this enterprise, and we have got to ask ourselves, "Can we afford to even leave open the possibility of a resource deficit?"

Now your committee, in recommending this Interior budget to you, has taken into consideration the financial strength of Enterprise U. S. A. We have realized that this "budget for resources" had to be fitted in with a "budget for defense," and "a budget for veterans," and many others, and that all of these budgets have to fit as closely as possible the ability of our stockholders to invest in our enterprise. We have made an over-all cut in the budget of about 7 percent. We have made every cut only after the most careful consideration, asking ourselves, "Can we afford not to make this investment in our future?" as well as "Can we afford to make the expenditure?"

We have realized that, in a program as large as Interior's, there is bound to be some waste. And where we have found waste we have tried to cut it out. But I firmly believe that you do not get rid of fat and waste by across-the-board percentage cuts. The fat on the bureaucratic body does not lie in an even layer near the skin. It collects in pockets that lie beneath the surface. You have got to put the bureaucratic body through a careful examination to see where the pockets of fat are located. If you do not, you are liable to cut a tendon or some much-needed muscle by wielding a "flat-bladed percentage kitchen knife" when what you really need is a surgeon's scalpel.

You will note that we have made the largest cuts in the Bureau of Land Management, the Bureau of Indian Affairs, the Bureau of Reclamation, and the Park Service.

Now there is one thing that is quite clear and explicit about this Enterprise U. S. A.—speaking of it in terms of the Federal Government. It is not in business for its own profit. It is in business solely because of the profits and benefits it—and it alone—can give to its stockholders, the American people. The business of the Interior Department is to care for the Nation's capital resources, so that they will be available for use by the stockholders. Under our economic system the major portion of the profits can—and should—accrue to stockholders who are themselves engaged in competitive enterprise. I will show, in just a moment, in the case of Federal investments in power development, how these investments bring returns many times their own size—in terms of the Nation's wealth.

But since we are spending the stockholder's money, I think that we directors should be aware that much of the money we are spending is due to be returned to the Central Treasury. Every year, part of the investments we have made in the past are flowing back to the Treasury. As directors of this enterprise, we ought to look at the precise figures.

Out of an expenditure for fiscal year 1951 of $621,000,000, which your committee is recommending, $462,000,000, or 75 percent, is wholly or largely recoverable; that is, 50 percent or more of the outlay made by the Government will, over a period of time, be returned to the Federal Treasury. So three-quarters of the Interior budget should not be considered a one-time outlay, but merely as an investment which will bring returns to the Treasury as well as adding wealth to private businesses.

During the current fiscal year, 61 percent of the Interior budget is largely or wholly recoverable.

Now, when a businessman wants to make an investment, one of the things he looks at is the record of past earnings. What is this record for the Interior Department?

In the current fiscal year, the receipts attributable to the Interior Department are estimated at about $153,000,000. For fiscal 1951, they are estimated at over $165,000,000. Both of these represent a return to the Treasury of about one-quarter of the outlay for the year.

In our subcommittee, we have tried to be hard-headed businessmen about this budget, and we have tried to place the emphasis on the expenditures which will be largely or wholly recoverable, in time, to the Federal Treasury, and on those which are now bringing in large receipts to the Treasury. The largest item in the budget, for example, is the Bureau of Reclamation, almost exactly half of the entire Interior budget. One-hundred percent of this is largely or wholly recoverable, and will return to the Treasury in time. In addition, the Reclamation funds are expected to have total receipts for this year of over $62,000,000.

Another large item is the Bonneville Power Administration, $46,500,000 in cash, plus $22,000,000 in contract authorization. All of this appropriation is recoverable. Total receipts for BPA are estimated at $33,000,000 for fiscal 1951, although a substantial part of this will go to the Reclamation fund. This does not include huge benefits to private industry, which I will describe in a moment.

Mr. Chairman, the report of the Appropriations Committee, which is available to all of the Members, sets forth in detail our findings on specific items in this budget. It would be repetitious for me to cover them again, and time does not permit it. I would, however, like to touch briefly on one item with which I am particularly familiar—and that is our investment in the development of power.

It seems to me there is a good deal of confusion about who benefits from our investment in power development. There is a good deal of talk about socialism, and a fairly widespread impression that it is only the Government that benefits. We in the Northwest have found that hydroelectric power has been the backbone of the development of private industry. I do not think I need to tell my good friends from the Tennessee Valley what power can mean to industrial development. They have seen money rolling into everybody's pockets down there since the Tennessee Valley Authority started in developing their valley.

We have seen the same sort of thing in the Northwest. Because of the great amounts of low-cost power available from Bonneville and Grand Coulee Dams, we have atracted to our area great manufacturing plants who depend on power—particularly plants which use electricity to process metals.

The story is simply and graphically told in the history of 11 plants which located in Washington or Oregon primarily because of the power available. Five of these plants produce aluminum ingots—half of the Nation's supply, in fact. The other plants make chemicals, fertilizers, and other metals. Together, the 11 plants represent an investment of $200,000,000. Since 1939, their products reach a total value of $925,000,000. Their total pay rolls in that period amount to $137,000,000. In 1949 alone, they produced $155,000,000 in goods, employed about 7,500 workers, and paid out $27,000,000 in pay rolls. That is what they have meant to the Northwest alone.

But their production has meant employment, profits, and pay rolls in other parts of the country as well. In Iowa, Alcoa has a $20,000,000 aluminum rolling mill which employs 2,000 men, and which depends for part of its raw material on the Alcoa Vancouver aluminum plant. The Reynolds Metal Co. was able to open a rolling mill in Chicago and put 2,500 people to work by virtue of its aluminum reduction plants in Troutdale and Longview in Oregon and Washington.

These 11 plants have helped to support the local tax burdens—and in some cases, have succeeded in lowering the taxes paid by the citizens around the plants. Taxes in 1942 and 1943 on a 64-acre farm near the Troutdale aluminum plant in Oregon were $275. That was before Troutdale was built. Two years later, with Troutdale in operation, the assessed value of the farm had gone up, but its taxes were only $179.

That is the kind of industrial development that follows the development of large, low-cost sources of hydroelectric power. It adds to pay rolls, profits, and employment. Its success and popularity can best be measured by the fact that in the Northwest the demand for power still outstrips the supplies. Great quantities of resources are being wasted because the power is not available to exploit them. Many of our lumber companies in southern Oregon could be making hardboard and pulp out of "wood waste," but because they cannot get the power they are burning a lot of their waste or leaving wood material in the woods. We are beginning to find out that electric-furnace methods can refine a good deal of low-grade ores so that they will be commercially usable. But until we can get the power to develop them these ores will have to remain idle.

The investments required to develop large quantities of electric power are immense. Many of them can only be made by the Federal Government. But these are investments in the wealth of the Nation; they are not outright expenditures. The actual dollar outlay is returned to the Treasury, but the real wealth does not accrue to the Government. The real wealth is to be found in the hundreds of millions of dollars I described before, that appears as the produce of private enterprise, the additional hundreds of millions of dollars that have been paid by private concerns in pay rolls to private citizens.

In short, we in the Northwest have found that these Federal investments in power development have not hampered our private enterprise; they have been the firm backbone of our industrial development.

In conclusion, Mr. Chairman, let me impress three major points upon the members of this committee:

First. Because the Interior budget is essentially an investment in the capital plant and equipment of an expanding Enterprise U. S. A., we must ask ourselves whether we can afford not to make these investments.

Second. While a dollar deficit is serious today, a resource deficit will certainly be calamitous tomorrow.

Third. Without a fund of natural resources continually at its command in increasing quantities, how can our private-enterprise system—this great Enterprise U. S. A.—expect to prosper and grow in the future?

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

Mr. JACKSON of Washington. I yield to the gentleman from Tennessee.

Mr. PRIEST. I have been tremendously impressed by the very thoughtful statement made by the gentleman. I was particularly impressed by his statement with reference to the effect of the development of hydroelectric power on an expanding enterprise.

Recently I have been again over most of the area in the Tennessee Valley. I doubt very much, as the gentleman emphasized, if there is any spot on the American continent or anywhere else in the world today where free enterprise is better entrenched and is in better financial position, with greater possibilities of expansion, than in that Tennessee Valley area.

I think the gentleman has brought to our attention some very significant points in connection with the total effect of these developments such as he has mentioned in his own area and in the Tennessee Valley, with reference to the assistance and the strengthening they give our free enterprise system.

Mr. JACKSON of Washington. I thank my good friend from Tennessee.

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

Mr. JACKSON of Washington. I yield to the gentleman from Utah.

Mr. GRANGER. Coming from the West, much of the interest I have in the legislation here is bound up in the Interior appropriations. I want to express my gratitude to the members of this committee for the job they have done. Like everyone else, I suppose, I feel that they could have retrenched in places other than the places they did retrench. However, looking over the committee, which is a cross section of this country and represents fairly, I think, the thought of the Congress, I feel very grateful to Mr. KIRWAN, who comes from the great State of Ohio, and who is not necessarily interested in reclamation and the problems which concern us in the West. I feel that he has been a great friend of the West, as have the other members of this great committee.

I am wondering if the gentleman has any figures there on repayments for reclamation projects. I wonder if the gentleman can tell us in cases where the projects are actually completed. As I understand it, you have them in all stages of construction and completion but where they are actually completed are they being repaid as we claim they are and the money being put back in the Treasury of the United States?

Mr. JACKSON of Washington. In reply to my good friend, the gentleman from Utah, I will say these projects are being repaid. The total receipts for this fiscal year I believe aggregate some $153,000,000. The Bureau of Reclamation is the largest contributor. To my knowledge, to answer the gentleman's question specifically, all of these projects are paying back. Some of them are paying out in a shorter period of time than the others.

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

Mr. JACKSON of Washington. I yield.

Mr. ANGELL. I compliment the gentleman for the excellent presentation he is making and also commend him for the work he has done while he has been a Member of the Congress to preserve the great natural resources of the Northwest from which section of the country both of us come. Is it not a fact that in the Bonneville project which the gentleman has mentioned in his discussion the payout schedule is some 10 years ahead of schedule? That is, that they are paying back the funds to the Federal Government 10 years faster thus far under the repayment schedule for amortization than was originally decided upon and that eventually every dollar with interest which the Federal Government has invested in that great project will have been repaid?

Mr. JACKSON of Washington. It is my understanding that the power feature of the Bonneville investment will be paid back with interest and that they are ahead on their pay-out schedule. Just how many years I do not know.

Mr. ANGELL. My understanding is that it is some 10 years.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Washington. I yield.

Mr. MILLER of California. I congratulate the gentleman on his fine statement as well as the other members of the committee, the gentleman from Ohio [Mr. KIRWAN] and others who have spoken. I would like to pose this question for the gentleman. Can we afford to remain static in this program or must we continually and progressively go forward? I have in mind the fact that some of the funds for surveys and investigations are curtailed somewhat in this bill whereas I also know the plans that we made for the great Central Valley which we felt were adequate some years ago now have proven to be inadequate due to the great increases in population in the West. I wonder what the gentleman thinks on that score.

Mr. JACKSON of Washington. We have tried to strike a balance as the chairman of our committee pointed out. We really should be spending $2,000,000,000 on the resources of America in this bill. But unfortunately considerations with which we are all familiar make it impossible. We have, however, I believe, gone forward on the assumption that the very basis of our economy is an expanding one and that we cannot stand still if we hope to survive. That is what we are trying to do.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado [Mr. ASPINALL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ASPINALL. Mr. Chairman, I think that it is admitted by all of us that an effective approach to a sound and efficient management program in Government is one of the major accomplishments of this administration. In making this statement I do not wish to minimize any of the accomplishments that have been made heretofore. Neither do I desire to leave the impression that it is my thought that there is no further need in such respect. However, the fact remains that more has been done in this particular recently, than in a long, long time.

The President's budget took into full account the need for economy while at the same time recognizing the dangers of cutting too deeply into Federal expenditures necessary for continued development of our country.

In a day when the people of the Nation are deeply concerned over the financial situation in our Government, and are demanding economies whenever and wherever it is possible to bring them about, there is a likelihood that Congress and its committees may unintentionally promote a program which is penny-wise and pound-foolish. I am deeply concerned regarding some of the cuts that have been made by the Committee on Appropriations wherein such cuts appear to have resulted in amounts far below those prepared by the budget. In my opinion there are many specific items which should be reconsidered and restudied. Some of these are to be found among the proposed appropriations for the Bureau of Land Management for the Department of the Interior. One is an item of $1,651,530 for the grazing administration; and another is an amount of $844,220 for land classification. Still others have to do with appropriations necessary to carry forward the entire Bureau program of disposal and management of the public domain.

It is not my intention at this time to offer any amendments to the bill before us. However, I do wish to call to the attention of the members of this committee that by following the proposals as now set forth in the bill, we are more than likely precipitating a program which in the end will cost our Government more money and will permit of less efficiency in this particular agency of Government.

My own State of Colorado contains 25,000,000 acres of public-domain lands that through careful management and selective disposal can reap large revenues for the State and Federal Governments.

We are especially aware in Colorado of the importance of safeguarding the watershed areas of public-domain lands. Our irrigated farmlands will suffer seriously if lack of management on watershed areas fills irrigation reservoirs with silt. We have spent millions of dollars for soil-conservation work, construction of dams, and flood-control work. However, many of the benefits of this work are lost if we do not furnish sufficient money to manage properly the vast areas of public-domain land that are an important segment of the watersheds in the West.

I mention also the item of land classification for this is closely connected with any of the management programs of the Bureau. There are millions of acres of public-domain lands that have not been classified for use. What are they good for? We don't know. The Government cannot manage them until they know what treatment is required or to what use they should be put. Money for land classification should be restored in full to this appropriation. Without money to classify them, these public lands cannot be turned into productive acres for the people's use.

The people are seeking opportunity to develop the public lands. This is evident in the greater number of applica-

tions received for oil and gas development. In my own State of Colorado we are especially concerned with the need for adequate help in the land office to handle the expected volume of oil-shale cases. Failure to provide sufficient land-office personnel will slow down this development. I seriously ask your reconsideration of the Bureau of Land Management appropriation.

This agency needs increased personnel to properly manage and protect the public domain and to carry increasing loads of land-use applications.

Mr. FENTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, the Bonneville project, as you know, is situated on the Columbia River and lies within my district on the Oregon side and I am deeply interested in the Bonneville Power Administration and the excellent record it has made under the direction of Administrator Paul J. Raver.

The item in this appropriation bill, H. R. 7786 for construction, operation, and maintenance for the Bonneville Power Administration appears on page 219 of the bill as follows:

BONNEVILLE POWER ADMINISTRATION

Construction: For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, to remain available until expended, $41,500,000, of which not to exceed $17,000,000 is for liquidation of obligations incurred pursuant to authority previously granted; and, in addition, the Administrator is authorized to enter into contracts for the purposes of this appropriation in an amount not to exceed $21,750,000: *Provided*, That unexpended balances of prior year appropriations, including unused balances of related contract authorizations, for the foregoing purposes shall be transferred to and merged with this appropriation.

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of the Bonneville transmission system and of marketing electric power and energy, $5,000,000.

ADMINISTRATIVE PROVISIONS

Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law, including personal services in the District of Columbia; purchase (not to exceed 17 of which 12 shall be for replacement only) and hire of passenger motor vehicles; purchase (not to exceed 2) of aircraft; and printing and binding. Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

In the committee report, page 162, this appropriation is discussed, as follows:

BONNEVILLE POWER ADMINISTRATION

Construction: The 1950 appropriation for construction by Bonneville Power Administration amounted to $26,284,500 and $16,239,500 of contractual authority. The 1951 estimate is $42,000,000, of which $17,000,000 is for liquidation of previously authorized contractual obligations, and additional contractual authority of $21,750,000. The committee recommends approval of a direct appropriation of $41,500,000 and contractual authority in the amount of $21,750,000. This would provide a net increase of approximately $14,000,000 in obligational authority for the fiscal year 1951. This increase is to continue the transmission construction program already approved and to provide additional transmission facilities needed to market power from new generating facilities presently under construction and approaching completion in the near future.

Operation and maintenance: The 1950 appropriation for operation, maintenance, power marketing, and general administrative expenses was $4,000,000. The 1951 estimate for these activities is $5,250,000. The committee recommends an appropriation of $5,000,000. The requested increase of $571,975 for maintenance of transmission system and $295,150 for operation of transmission system is approved, owing to the fact that the Administration will be operating a larger system in 1951. Also, there are certain items of deferred maintenance which need to be corrected. The reduction of $250,000 in the 1951 estimate should be applied against the total increase requested for power marketing and general administrative activities, since the estimates for the latter do not appear to be adequately justified.

Mr. Chairman, the hydroelectric-power projects on the Columbia River under the operation of the Bonneville Power Administration have proven themselves to be excellent investments for the United States Government. They are self-sustaining and are returning revenues to the Federal Government sufficient to repay all costs, together with interest, maintenance, and expenses.

As regards the financial side of the picture, Bonneville has continued to show an excellent record of financial pay-out of all power facilities in accordance with law. Not only have they met pay-out requirements, but they have exceeded these requirements. For instance, at the moment Bonneville Dam financial requirements are 10 years ahead of schedule, reducing the pay-out period, if further payments are made on schedule, from 50 years to 40 years. Pay-out requirements of Grand Coulee Dam and of the Bonneville transmission system have likewise been exceeded by substantial percentages. During the fiscal year 1949 the total operating revenue of the Bonneville Power Administration was $27,821,029, representing an increase over 1948 of 13.5 percent. Surplus net revenues for the same year, after deduction of all expenses of operation and maintenance, provision for depreciation, interest, and other deductions, was $10,665,769. Total gross operating revenues from the beginning of operations to June 30, 1949, were $157,687,195, and, after all required expenses have been met, this has left a surplus net revenue of $42,735,034. This is a clear demonstration that all moneys expended in the Pacific Northwest for power facilities represent only a loan that will be paid back with interest. It also represents an increase in wealth of the whole Nation, and, as such, the Federal Government will be repaid many times over its investments in my area.

I would like to say a word about some of the things that have been done by Bonneville in order to insure efficient operation and a financial picture such as I have described at power rates that are the lowest in the country. Many things have been done to achieve this goal, and one of these is advances in engineering developments that have resulted in decreases in construction costs, as well as operation and maintenance costs. For instance, by keeping constantly abreast of engineering developments and by moving into fields previously unexplored, it has been determined that insulation requirements of certain electrical equipment could be reduced, resulting in net over-all savings. In 1940, the average costs of large transformers were $7.25 per kilowatt of installed capacity. In 1949 these same costs were $3.81 per kilovolt-ampere of installed capacity. This, despite the fact that over-all costs of equipment nearly doubled over that period. The costs of steel towers have been reduced by the use of a tower design made by Bonneville engineers and which upon test proved to be entirely satisfactory for high-voltage transmission lines. These are only examples of many such things that have been done in order to insure that the Federal Government gets the utmost in value for every dollar invested.

Yes, the people entrusted with this job in my area have done an excellent job of using the facilities that were given them. We need additional facilities, and it is my hope that the power resources will be provided us as now scheduled, to prevent deterioration of our economic prospects by virtue of a lack of the most essential ingredient—power.

Mr. Chairman, I represent in the House the Third Congressional District in which the Bonneville Dam project is situated. My parents, as ox-team pioneers, traversed that great northwestern country almost within the sound of the Columbia River and having spent my life in the Pacific Northwest, I have developed a deep and abiding interest in the abundant natural resources of that area. During my service here I have deemed it a privilege and an honor to devote much of my time to the conservation, development and full utilization of these great natural resources in the Columbia River basin which are the key to the economic welfare of that great region.

During my service I have seen the Bonneville and Grand Coulee projects through the development stage. Bonneville, as you know, is completed and the Grand Coulee Dam is near completion. We have in addition now under construction the McNary Dam on the Columbia and in the early stages the Chief Joseph Dam on the same river. The Columbia River and its tributaries has the greatest potential storehouse of electric power of any waterway in the Nation, some 20,000,000 kilowatts, of which less than 10 percent having been developed. The remainder of this great source of energy and power is flowing to the sea without let or hindrance with a resulting loss of untold millions of revenues which could come into the coffers of the United States.

The Bonneville plant during the war turned out 570,000 continuous kilowatts, which is equivalent to 8,800,000 barrels of oil. The 15-unit completed Grand Coulee plant is equivalent to 28,000,000 barrels annually. When McNary Dam is completed the oil saving will be about

15,500,000 barrels annually. The existing usable steam generation in the Pacific Northwest is about 275,000 kilowatts and when this capacity is running to meet low-water conditions, 5,000,000 barrels will be consumed. If this displacement energy were developed, the oil saving would be, in round numbers, 290,000,000 barrels annually, or about 95 percent of the total European consumption, or a quarter of our own prewar consumption. I cite these facts to show the importance of undeveloped hydro power in our future economy.

Unfortunately, we have no large deposits of coal or of oil in the Pacific Northwest, but the enormous pool of hydroelectric power stored in the Columbia and other rivers compensates for this loss. The McNary Dam project alone will provide the necessary energy for industries which have aggregated a total investment of $100,000,000 and supply employment to 100,000 residents of the Northwest. It is estimated that benefits to navigation from this great dam will reach a million dollars a year and it will reduce pumping costs for lands adjacent to the pool approximately $300,000 a year. The power alone generated at this huge project will return to the Government $17,500,000 a year to produce which 3,000,000 tons of coal or 11,000,000 barrels of oil would be required. It is significant to recall that hydroelectric power is not expendable like oil, gas, or coal, and that as long as the sun shines and water falls this great source of energy will work round the clock in the interests of the great industries of the Pacific Northwest.

I am proud to say that I have been a vigorous advocate of the development of these great resources of the Northwest not alone because they spell prosperity for the area but because they are wise investments for the Nation as a whole. The power developments are returning every dollar invested together with interest and maintenance and other costs properly allocated to the projects. This Nation in the exercise of wisdom, instead of curtailing the development of these great revenue-producing projects, should make available the necessary funds for full development as rapidly as the demand for electric energy requires.

On a number of occasions in the past I have addressed the House on the matter of the power-supply situation in the Pacific Northwest. These reports were given in support of appropriations to be made for hydroelectric generating plants and for transmission facilities critically needed if that region were to make reasonable approach to a solution of this very serious problem. My purpose now is to give a further report as regards this situation at the present time.

Before proceeding further, I must acknowledge the work of the many Members of the House and commend them for what they have done toward the solution of the power-shortage problem in the Pacific Northwest. I wish to thank those Members very sincerely for what they have done in this regard.

For the past 2 years this region has been increasingly short of power. A few months ago I would have said that the last winter had been the most crucial period to date. I must now say that so far, this winter has been the most crucial to date. The situations are very similar in that there has been inadequate capacity to carry the maximum loads and, although over-all water supplies turned out to be better than minimum, there has still been insufficient power available to carry the loads that have developed. This has been very detrimental to the region not only by reason of the necessity for voluntary load curtailment but also by reason of the fact that certain new industries which desired to commence operations could not do so because the required power is not available. By mutual agreement among the power operators, no new loads above 500 kilowatts are being accepted in the Pacific Northwest because there is not power available to serve them. Many existing businesses and industrial plants have had to rearrange their operations to reduce power consumption during peak hours and, in some cases, it was actually necessary to cut back production to conserve power.

This last requirement has been very definitely true this winter with regard to the aluminum industry. For a period of about 6 weeks, between October and December, so-called interruptible power supplies to the aluminum plants were cut off because of the threat that occurred at that time that a low-water period was in the offing. Fortunately, early in December the water situation improved, and these supplies of power were restored. It should be pointed out, however, that curtailment of aluminum operations by virtue of this interrupted power supply was responsible for increased unemployment, but for that matter the whole power situation tends in that direction, because curtailment in any degree must necessarily be reflected in employment figures.

This restoration of interruptible power to the aluminum industry, made early in December, was not the complete picture, however. This winter has been most severe throughout the Pacific Northwest area, and this has resulted in peak loads beyond those estimated. During January it became necessary to cut off interruptible power deliveries during the evening peak loads for a good part of the month, and sometimes it was necessary during the morning peak loads. On January 31 it was necessary to cut off interruptible power for most of the day. The highest peak load on the Bonneville Power Administration's system occurred on January 4 and was 2,106,000 kilowatts. The peak load for the previous year occurred on January 4 and amounted to 1,698,000 kilowatts. It is significant that in January 1950 at the highest peak period, the Bonneville Power Administration was delivering 408,000 kilowatts more than in the corresponding period for the previous year, whereas only 324,000 kilowatts of generating capacity were added during the year. This has been possible by the simple expedient of overloading the machinery as far as it was reasonably possible to do so, but operating conditions were certainly not of the best. In 1949, during the high-peak period, frequency sagged to 59 cycles. In 1950 frequency sag was 59.4 cycles at this peak period. I should further point out that a decrease in frequency occurred a number of times over the peak periods in January 1950. What this means is simply that the load was greater than the ability of the generators to supply it, causing them to slow down, and this further results in unsatisfactory operating conditions throughout the area. May I again emphasize that this was the result of the load on the system at that time. It does not take into account the load that could have been served had there been facilities for generating and transmitting the power. I should further point out that during these heavy-load periods, every available resource in my region, either steam or hydro, was operating at its utmost capacity, leaving absolutely no reserve. This is not only an intolerable operating situation but is an exceedingly dangerous one. It leaves nothing to take care of load fluctuations that constantly occur and, if trouble developed with any of the generating equipment in the area, it is difficult to predict what the result would be, except that whatever it was it would not be good.

As I indicated previously, three new generators were installed at the Grand Coulee plant during 1949, and it is planned to install three additional units in 1950. It is further planned to install the last three units in this plant during 1951, but even with these additional installations the power-shortage situation will still prevail. A dependable power supply will become available only if construction of hydroelectric projects is maintained in accordance with the so-called schedule S that has been worked out between the Bonneville Power Administration, the Corps of Engineers, and the Bureau of Reclamation. Even assuming the most rapid construction of new plants physically possible under normal procedures, the region's total requirements for power cannot be met in full on a dependable basis until the winter period of 1957–58. Until that time, cumulative load growth will exceed additions to firm generating capacity. In the interim period, if poor water conditions should occur, it will make it impossible to serve the potential loads in the area. I might further point out that in calculating potential capacity to serve expected loads, there is included imports from Canada, as well as all of the available steam capacity in the region. If construction proceeds on schedule, it is expected that by the 1957–58 period there will be available capacity to serve all potential loads, with a small margin of reserve. This is the forecast at this time of people who are experts in these matters, and represents their conservative judgment as of now. However, it is entirely possible that the shortage period may extend beyond that on the basis of later forecasts, because the present expectations do not extend this shortage period beyond that forecast several years ago.

There are a number of projects now under construction that will come into operation within the next few years. The Hungry Horse project is scheduled to go into operation in December of

1952. McNary Dam and Detroit Dam will come into operation in 1953, and, as I mentioned previously, additional generation will be installed to complete the Grand Coulee powerhouse. These facilities will add 1,200,000 kilowatts of new capacity to the area by 1953, which to many must seem to be a tremendous amount of power to take care of all foreseeable needs. This is not the case, however. This new generation will be absorbed as rapidly as it comes into operation, and will still leave a situation much the same as we are facing now due to the rapid increase in loads that has taken place and will take place between now and that time. Appropriations have been requested by the Corps of Engineers this year to start construction of Chief Joseph Dam that is scheduled to come into operation in 1956, with final installations being made in 1961, and this project will add another million kilowatts to available supplies by 1961. It is imperative that construction of this project be maintained on schedule, along with others included in schedule S.

The growth in power requirements are the result of an extremely rapid growth in population, coupled with expansion and electrification of farms, businesses, and industries in the area. In population growth, the Pacific Northwest has far outstripped the United States as a whole. In the period between 1940 and 1949, which is the major development period of the Bonneville Power Administration, the population of my State of Oregon has increased 59.3 percent. The population of our neighbor State of Washington has increased 48.7 percent. The Pacific Northwest average increase in population is 44 percent, compared with the United States average of 13 percent. We confidently expect a continued upward swing in population, and it is predicted that the increase for the next 10 years will equal that of the last 10 in number of people. Population increase, however, is only a part of the reason for growth in the region's nonindustrial power requirements. More electricity than ever before is being used by all classes of customers. Farms and businesses are rapidly finding new uses for power, and home consumption is steadily increasing.

Increases in industrial uses of power have likewise been rapid. The number of Northwest production workers has increased over 50 percent between 1939 and 1947, and value added by manufacture in the region increased from $454,000,000 in 1939 to $1,655,000,000 in 1947. It is expected that this trend will continue and that industrial use will more than double within the next 10 years, assuming that generating capacity is added as scheduled.

Along with the need for more generating capacity, an equivalent increase in transmission capacity will also be needed. The Bonneville Power Administration has included in their 1951 budget, requests for authorization of nine additional circuits that will be needed to transmit the additional 1,200,000 kilowatts of power that will come into operation between now and 1953. As new capacity is added, additional transmission lines will be needed. The major part, in fact approximately 80 percent of Bonneville's 1951 requests, are for major grid lines that are needed to carry the power to load centers to integrate projects and to relieve presently overloaded facilities.

The situation as regards generating capacity is closely paralleled by that of transmission capacity. There is no reserve at all. This is demonstrated by the fact that during the past year, five major power interruptions were experienced in the area, during which all major components of the Northwest Power Pool separated. The immediate cause of these were such things as lightning striking a transmission line, but their seriousness is a direct result of a badly overloaded transmission system that is constantly on the brink of instability. In one such instance, two lines that were originally designed to carry approximately 110,000 kilowatts, each were carrying 300,000 kilowatts when lightning struck one of the lines. The net result was a complete pool break-up because, when such overloaded line was interrupted by reason of the lightning stroke, this load was thrown on other lines already overloaded and they in turn were interrupted by automatic devices necessary for line protection. It is extremely important that these necessary transmission lines be provided in order to spare my region these costly service interruptions.

Mr. Chairman, I sincerely trust that these appropriations in this bill for construction, maintenance, and operation of the Bonneville Power Administration will not be disturbed. In fact, if any changes should be made in the allocation it should be by increasing the amounts rather than decreasing them. These projects are among the few operations of the Federal Government that are carried on with a profit to the Government and which pay their own way. As I have pointed out approximately 50 percent of the potential hydroelectric power in the United States is locked up in the Columbia River and its tributaries and only about 10 percent of this great pool of energy is now developed and put to useful purposes. The program for additional construction of hydroelectric projects should be carried on at an increasing speed in order to make available hydroelectric energy so vital to the economy of this great region in the Pacific Northwest and to fill the industrial, agricultural and domestic needs which are not being met by the generating capacity now available. This accelerated program can be carried out by the Federal Government without loss on a pay-as-you-go basis with full reimbursement to the Federal Government.

I want to thank my colleagues for their support of my efforts in the past to secure the needed appropriations for carrying forward this program of resources development in the Columbia River area.

Mr. FENTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, about 3 weeks ago I spoke at some length on this particular chapter of the appropriation bill. I am not going to take up very much time today. Rather, I would yield my time to some of the Members who have not had an opportunity to speak on the bill.

However, I do want to make a few observations.

I listened to my very dear and charming chairman, the gentleman from Ohio [Mr. KIRWAN], and while I can agree substantially with most of his remarks, I must confess that I do not think the great United States is such a bad place to live in.

I enjoyed the remarks of my colleague the gentleman from Iowa [Mr. JENSEN], as I did the remarks of my colleague the gentleman from Washington [Mr. JACKSON]. While we do not agree on policy, there are a great many things on which we are in accord.

I was very much interested in the remarks of the gentleman from Washington [Mr. JACKSON] regarding the aluminum production. I am glad that he has an aluminum plant out there which, through cheap power, I might say, is able to take on 2,500 employees in his district. I am glad that he said the object of this great hydroelectric plant and the reclamation policy is for cheap power. Up until this time all we have heard is that they were afraid of brown-outs there, but today he has admitted on the floor that it is the cheap power they are interested in.

I have an aluminum plant in my district. It is capable of employing 3,500 men, but at the present time the anthracite region is in a very distressed condition. It is one of the topmost distressed areas in the United States. Yet that aluminum plant, which happens not to be in the good graces of the United States Government, the Aluminum Co. of America, is held down to about a thousand men, when they could readily employ 3,600. So this story has two sides to it.

I do come from the East, and I may say to my good friend the gentleman from Utah [Mr. GRANGER], that I have not for 1 minute tried to thwart the progress of the West. I believe my membership on this subcommittee has been such as to prove that I have tried to develop this great America of ours.

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

Mr. FENTON. I yield.

Mr. JENSEN. I certainly agree with what the gentleman has said. The gentleman has certainly been fair in everything he has done for the development of the West, and everything else that pertains to this subcommittee. I want to say this: that the gentleman is a physician by profession, and he has been a most valuable member of that committee in looking after the health problems of the Indians; not only the Indians but the Eskimos in Alaska. He has done wonderful work. He was also chairman of the Subcommittee on Mines and Mining of our committee during the Eightieth Congress. He traveled over 12,000 miles looking into the laboratories and mines and other problems, and he learned a great deal about them, and he has been very valuable because of that.

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

Mr. FENTON. I yield.

Mr. GRAHAM. Mr. Chairman, I, as a colleague of the gentleman from Pennsylvania [Mr. FENTON], want the membership to know how much we appreciate his work, and what he has done on this great committee. It has been stated that he is a doctor by profession. He comes from one of the blighted areas of America, the anthracite-coal region. Ours is a great industrial State. The district in which I live is the fourth industrial district in Pennsylvania, and the seventh in the world. We contribute nearly 12 percent to the national income. This man who stands before you modestly, quietly, yet efficiently, has done more, in our judgment, than any man we have ever had in this committee in recent years. I am glad to pay this tribute to him.

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

Mr. FENTON. I will have to yield to my friend from Utah.

Mr. GRANGER. I hope the distinguished gentleman did not misinterpret any clumsy language I might have used. Certainly, it was my intention to pay the gentleman a very well-deserved compliment, and it was not criticism at all.

Mr. FENTON. Not at all. I certainly appreciate the gentleman's remarks.

Mr. Chairman, on April 6—3 weeks ago—I addressed the membership of the House in the general debate on this one-package bill. I outlined to you the routine and the mechanics of this one-package bill and the treatment afforded most of the members of the Appropriations Committee.

But I will not take up too much time today in the debate on the Interior Department appropriation bill. I shall gladly yield the most of my time to others who would like to talk on it. However, I would like to make a few observations which I have gathered in listening to the debate for the past few weeks.

You may recall that in my remarks on April 6, I dwelt at considerable length on the hospital situation in regards to our armed forces and the Veterans' Administration. Well, after 3 weeks or more there is still indecision as far as the Army hospitals are concerned and a defiant refusal of the VA to take over the Army hospital at Valley Forge. In the meantime, our veterans are still "hanging on the limb" waiting their turn for hospital admission.

One arm of our Government wants to get rid of hospitals. Another arm of our Government does not want to take them over and so the veteran is being kicked around. And let me say right here and now that this is not a political statement. It comes from one who, as a battalion surgeon of infantry in World War I, saw scores and scores killed in action and who treated hundreds on the field of battle. It sickens me to think that there are 2,785 veterans in Pennsylvania alone on the waiting list for hospitalization out of a total of 22,993 for the country as a whole.

In Pennsylvania our veterans hospitals are filled to capacity—that is 4,900 out of 5,138 beds occupied continuously—including the beds allowed for VA patients at Valley Forge which was discontinued as of February 15, 1950—and almost 2,800 men relegated to a waiting list. The Lord pity them while two bureaus of this great Government argue and quibble.

A little ray of hope, however, has just come to our attention. I bring it to you today so that you might know that the people of Pennsylvania are solidly behind the proposition that our veterans must be taken care of. Gov. James Duff has asked the Secretary of Defense to sell to the Commonwealth of Pennsylvania the Valley Forge Hospital if the VA refuses to take it over. I am sure sufficient beds would be turned over to the VA in the event of the Commonwealth of Pennsylvania securing the hospital. It would help out immensely until the new general medical hospitals at Altoona, Erie, and Wilkes-Barre are opened sometime this year, and the NP section of the hospital at Lebanon becomes available later this year.

Yes; here is an opportunity for this administration to act and not do so much talking about helping our veterans who need hospitalization—whether they be World War I or World War II veterans or Spanish War veterans; whether they be service connected or nonservice connected—they are veterans who fought to preserve this country.

Now this brings me to a portion of this chapter that has to do with this Government's mishandling of medical matters. If the handling of the medical service of the Indian Bureau and the present stupid work of the VA and our Defense Department is any criteria of the way socialized medicine or Government medicine would be to our people, then "Heaven help us."

I listened with a great deal of interest to the debate for several days on the chapter of labor and social security, and I want to congratulate the members of that subcommittee for the presentation of certain items in that chapter. But let me say to you that all the money in this world will not produce cures in heart conditions, arthritis, cancer, multiple sclerosis, insanity, or any of the well-known killers over night or perhaps many years to come. The medical profession has not been standing still. They have, down through the years, been working night and day studying all those problems. Scientists all over the country and philanthropists have been continually at work. The United States Public Health Service has done a fine job. The people of this country have given voluntarily for many years.

Certainly we are all in favor of the Government assisting financially in all those problems and it certainly helps and I hope quickens the day that cures for all those diseases will come. But I also hope and pray that those in government, having charge of the programs, will never conclude that they have all the brains and get as arbitrary as some people in this country who think that they can solve all those problems—with money. That goes for Members of Congress and even the Social Security Administration—yes, even the United States Public Health Service.

Mr. NORRELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, I am gravely concerned with the need for judging our Federal expenditures in relation to financial returns and to the industrial and economic life of our Nation. This administration is doing a real management job. The President's budget this year represented a most businesslike weighing of costs and benefits, especially in the conservation field.

The committee's report on the budget, however, in some instances has eliminated funds which are seriously needed for good Government management and maximum net return to the Treasury. I refer specifically to the amounts for the Bureau of Land Management in the Department of the Interior.

A total of $6,756,800 was allowed for this agency—that amount represents a reduction of $1,893,200 below the estimate in the President's budget. At this time I will not attempt to analyze each item, but I do want to call your attention to certain aspects of this agency's program which warrent additional funds, namely, its cadastral surveying program, and second, the range management and improvement program on the public domain.

In review I want to mention that the Bureau of Land Management exercises jurisdiction over the largest area of Federal land of any agency—180,000,000 acres in the continental United States and 290,000,000 acres in Alaska. In addition, it is responsible for the leasing of minerals on most Federally owned lands, totalling 700,000,000 acres, and on about 50,000,000 acres of privately owned lands in which the United States Government has mineral rights.

Careful management of these lands has resulted in increased revenues to the Government and the public-land States, of which Utah is but one. No Federal agency or business firm can continue to carry an increasing work load as this agency is doing without sufficient funds to employ adequate personnel. The Bureau of Land Management has made a record for itself in speeding up the processing of applications for public-land use, but there is still a backlog of veterans' applications to be processed. Applications for land use have more than doubled in the last 3 years, during which time personnel has decreased. This agency needs funds to increase its personnel to handle this greater volume of business. In my own State of Utah, the land office is swamped with oil, gas, and homestead applications. Delay in processing these gas and oil applications impedes development of much needed oil supplies and consequently affects employment opportunities in private enterprises all over the country. Furthermore, the Government loses money with every month's delay in awarding these leases.

I want to make special mention of the need for Bureau of Land Management funds to make cadastral surveys, and I want to point out that the Budget

approved $1,024,410 whereas the committee allowed only $743,000. This cut is of major concern to me because many Western States, such as my own, are losing revenue every day these surveys are delayed. Until the land is surveyed, the State cannot receive title and cannot obtain full revenue from its school lands.

I also want to call your attention to the range-reseedings and range-management projects. It will be impossible for the Bureau of Land Management to practice range conservation as it should be practiced with the sums allotted in the committee report. There are not sufficient range men in the area to protect the grazing resources from misuse and deterioration. One-half of the public-domain lands are in a serious to critical state of erosion. This land cancer we call erosion spreads from Government lands to private lands. We have talked much and thought much of conservation; but when we are denying funds for range-conservation programs, we are neglecting to take remedial measures to protect our natural land and water resources.

The grazing capacity of the range has been increased many times in areas where conservation programs have been followed. Besides adding to the forage supply, and consequently to the revenues collected, the heavier plant cover cuts down the movement of water over the ground surface and reduces erosion. The Bureau's reseeding work on the range in my State has been successful to the degree that the State has joined hands with the Federal Government under cooperative agreements, using available State and Federal funds in a combined program. In many areas, private funds have been contributed in substantial amounts so that more acres can be planted.

In conclusion, I just want to say that the Bureau of Land Management's conservation program is one which is needed to develop oil and gas leasing by private enterprise, to carry out important survey programs which are essential to State rights, to protect the natural resources, and to increase the grazing capacity on public domain lands. I am hoping that we may consider these items carefully and recommend that when final action is taken the appropriations be raised above their present level.

Mr. JENSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. D'EWART].

(Mr. D'EWART asked and was given permission to revise and extend his remarks and include certain quotations from hearings before the Public Lands Committee.)

Mr. D'EWART. Mr. Chairman, I thank the committee for this opportunity to address a few remarks to this committee concerning this bill. During my service in Congress I have been on the Public Lands Committee. I am, therefore, intensely interested in every phase of this legislation, and I hope when the bill is read for amendment under the 5-minute rule to address my remarks to several points. This afternoon I wish to speak very briefly on one matter of national policy, that of dealing with concessions in the national parks.

Since the end of the war the Committee on Appropriations has time and again brought up the matter of the lack of legislative policy in regard to concessions in national parks. They have requested, I believe first in 1947 that the Committee on Public Lands write a policy regarding concessions. Also, the Interior Department has time and again indicated the need for more legislation in regard to this matter. Law is almost nonexistent as regards policy for park concessions; present legislation simply gives the Department of the Interior the right to regulate and maintain the parks; it does not go much beyond that. Our committee has, over the last 5 years, held extensive hearings on park concessions. We have held them here in Washington. We have had Mr. Davidson, Assistant Secretary of the Interior, Mr. Drury, Director of the National Park Service, and at hearings out in the national parks we have had concessionaires and people who visit the parks, appear before us.

I may say at this point that there is a wide difference of opinion among not only those who visit the parks but those in the Department of the Interior as to the proper policy that should be followed in connection with park concessions. I think Mr. Davidson perhaps represents one point of view. He believes all concession facilities, and I think I am indicating his thought correctly, the hotels, the bath houses, and the lunch counters, and so forth, should be owned by the Federal Government. On the other hand, there are many in the Department of the Interior and many in the Park Service and on the Public Lands Committee who do not go along with that policy.

We believe that those facilities should be built and operated by private enterprise, wherever possible.

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

Mr. D'EWART. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman knows that these concessionaires or many of them have spent millions upon millions of dollars to build hotels, cabins, recreational facilities and so forth for the visitors. They only have about 4 months of the year in which to collect any revenue.

Mr. D'EWART. That is correct.

Mr. JENSEN. Generally speaking, the concessionaires have done a most wonderful job in taking care of the people who visit these parks at a rate that most people can pay.

Mr. D'EWART. That is correct. Our committee recognizes that. Last year, 1949, some 31,864,180 people visited the national parks and monuments of this country. There are at the present time facilities to accommodate only half that number of people or about 15,000,000.

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

Mr. D'EWART. I yield to the gentleman from Tennessee.

Mr. PRIEST. Mr. Chairman, I am interested in the subject the gentleman is discussing about the concessionaires in our national parks. I am interested in it from this viewpoint and I want the gentleman's opinion on it: In some of our national parks, particularly where there are mountains, and rather high mountains, there are concessions on top of the mountain for shelter and food. People sometimes climb the mountain, spend the night and come back the next day.

The question is this: I have thought for some time we should require of a concessionaire on the top of a mountain that he provide, or that we provide on behalf of the Government, some sort of shelter facilities where a fire could be built for persons who may get wet and cold climbing the mountain and who reach the top without any place to go unless they go into some of the facilities of the concessionaire. Most of the time these are filled. I have one or two experiences along the line of where a large group of people became very cold in a drizzling rain going up the mountain, then were unable to find facilities on top to warm themselves and dry their clothes because all of the concessionaire's facilities were filled.

Mr. D'EWART. I think our committee recognizes in its study that we must have three classes of facilities in our national parks; one for the deluxe trade who are willing and able to pay a large price for accommodations; second, for the ordinary person of medium income, and, third, for those who walk in or go in by bicycle or in an old car, who are not able to pay more than a minimum but certainly have a right to visit these parks. We recognize those three groups and we recognize that facilities for the last group must be provided.

Our investigation has shown that the concessionaires are willing and able at this time to spend some $29,000,000 or more, if it is necessary, to provide large additional facilities which are needed in the national parks to accommodate the thirty-odd million people who will visit them this year. In studying the question we have found there are only two courses to follow: Either the Federal Government must write a policy of building all of these facilities, deluxe and all the others, or we must write a policy that will encourage private enterprise to provide the facilities.

Mr. Chairman, I would like at this point to include in the RECORD a number of references, taken from our committee files showing the need of legislation that would establish a national park concession policy:

REFERENCES BY DEPARTMENT OF INTERIOR TO LEGISLATIVE DETERMINATION OF NATIONAL PARK CONCESSION POLICY

I have already explained these policies to the House Public Lands Committee, as you know. I explained to the House Public Lands Committee that the Department recognizes that franchise and entrance fees are basically matters of congressional policy. I explained further that the Department, of course, will be guided by any decisions of the Congress affecting the administration of the parks but that, in the meantime, the Department feels obliged to pursue the policies described in order to fulfill its obligation under existing law to provide the public with needed facilities. (Letter of November 1, 1948, from

Assistant Secretary Davidson to Secretary Krug.)

Some of the recommendations (of the Concession's Advisory Group) are adopted herein as the policy of the Department; others, however, involve considerations on which it is believed that guidance from Congress should first be sought. (Concessions Policies of the National Park System, November 1, 1948, Approved by J. A. Krug. Secretary of the Interior, pp. 1–2.)

We feel that it is necessary for the Congress to pass on matters of that kind (franchise fees and entrance fees) because there is obviously a difference in what this advisory committee has recommended and what the Appropriations Committee seems to want.

Now that is an impossible situation for a department, trying to carry out the laws of Congress, to be in. It was for that reason that we wanted to present it and have a full discussion of the matters of this kind with the committee. It was those general principles we did want to discuss, and we want to discuss them with this committee, which is our legislative committee, before we conclude these long-term contracts.

However, I would assume that since the law now charges us with the responsibility of negotiating and executing contracts, and we will set forth the policy we think should be incorporated in those contracts—that it is then our duty to go on and execute contracts after having presented these matters to this committee of the Congress.

Of course, if there are some laws which you start through, we will see if matters cannot be delayed. (Assistant Secretary Davidson testifying before House Public Lands Subcommittee, Hearings on H. R. 2312, May 21 to June 16, 1948, p. 126.)

In connection with Mr. Barrett's statement, I would like to make it clear that we do intend and want to submit the general principles to this committee. (Ibid. p. 128.)

The majority of the recommendations in the advisory group's report are adopted as the policy of this Department, as indicated in this policy statement. Others, however, involve considerations on which it is believed that guidance from the Congress is necessary. (Ibid., pp. 130–131.)

Whether the viewpoint that visitors to the parks should be required to pay something more toward the cost of their administration and protection than those persons who do not visit the parks, or whether the viewpoint expressed by the concessions advisory group should be adopted, is essentially for the Congress to determine. (Ibid., p. 131.)

Through the waiver of franchise fees, funds should be made available, if necessary, for improvements, rehabilitation, and additions, and for the amortization of new facilities. This is one of the problems which we feel that the Congress should give us some advice on. (Ibid., p. 136.)

NOTE.—It is clear from his subsequent testimony that the only "advice" that Assistant Secretary Davidson would heed would consist of a change in the law. This is evidenced by the following colloquy on the resolution passed by the subcommittee directing the Secretary not to disturb existing concessioners' operations under extensions of expired contracts pending further study by the subcommittee and recommendations by it of policy-fixing legislation.

"Mr. MILLER. I would like to ask the Secretary a question here. It is the intent of the Secretary to follow the spirit of the resolution which we have just passed, not to disturb the contracts for 1949, or will you disregard the desires of the committee?

"Mr. DAVIDSON. I think I made my position clear in my original statement.

"Mr. MILLER. You can answer 'Yes' or 'No' without any trouble.

"Mr. DAVIDSON. I specified in my original statement that the Congress has enacted certain laws directing us to provide facilities in the national parks for the accommodation of the people. If the Congress passes laws changing that, or saying that we should not do that, we will, or course, respect the laws of Congress.

"Mr. MILLER. Then unless we pass this through both Houses you have no intent of respecting the wishes of this body?

"Mr. DAVIDSON. I am afraid if we in any way disregard the laws of the Congress——

"Mr. MILLER. You have answered it." (Ibid., pp. 232–233.)

"The CHAIRMAN. Are you making any recommendations for legislation, Mr. Drury?

"Mr. DRURY. Yes; we have quite a list of matters, Senator, upon which we expect to make recommendations, some of them relating to management of the national park areas. There will be, undoubtedly, as a result of this report and policy statement, a proposal on this matter of the ultimate public ownership of concessions facilities. That undoubtedly will be embodied in legislation." (Director Newton B. Drury, National Park Service, testifying before Senate Committee on Interior and Insular Affairs, January 31 to February 7, 1949, pp. 281–289.)

Davidson, August 4, 1949:

Page 530: "This is a matter that the committee should properly consider."

Page 535: "Problem of financing these facilities is one which must be met by Congress."

(c) (Unprofitable operations should be abandoned): "It is up to the committee to decide whether this suggestion should be adopted."

Page 563 (financing): "I have pointed out that I think this committee should consider whether our policy is too liberal."

Page 574 (What is proposed by Department?): "That is the question we are presenting to you as the Congress, to tell us what you think should be done."

Page 575: "We hope that this committee will prepare and produce such legislation that it feels is desirable to provide the necessary facilities to take care of the traveling public in the parks."

Bottom of page: "If the committee comes to the conclusion that private capital cannot be raised to provide these facilities then we may be able to present such recommendations as the committee would ask us to on that subject."

Page 620 (on offering value to old and new concessioners): "Whether it is right or wrong I think is a matter for the committee certainly to decide and to tell us what they want us to do in the future."

Page 630 (appreciate hearing): "So we can see where we are heading, etc."

Page 653: Mrs. Bosone: "Mr. Davidson, has said 'whatever the committee wants is agreeable to him.'"

Davidson: "Thank you."

Chairman: "Yes, if the Congress will fix a policy, then the Secretary will follow that policy."

Davidson, August 11 (renewal of contracts): "That is a particular kind of policy on which I want a determination, on which we want a determination from this committee and the Congress as to how we should handle that everywhere."

In making this study, I think the members of the Public Lands Committee, and a good many people in the Department of the Interior, are agreed, that six principles must be recognized if we are to have the necessary funds provided by private enterprise to give necessary park facilities for the accommodation of the public:

First. A certain security of investment. A person will not invest money without some assurance of return of capital.

Second. An opportunity to realize a fair and reasonable profit.

Third. In fixing rates and charges, they shall be judged by comparison with similar enterprises outside the park, giving thought to the length of the season and other limitations.

Fourth. Franchise fees should be based on probable value to the private investor of the privilege that is granted in operating the facility.

Fifth. A right to renewal when the service has been satisfactory to the public and to the Federal Government. When that service has been satisfactory to the Government and to the concessionaire, certainly there should be right of renewal.

Sixth. A recognition of possessor interest, that is, a right to operate that facility as long as they have a balance of equity in the investment in which they have placed their money.

So, our committee has made this study. They are directing their staff to draft a bill in cooperation with the National Park Service that will encourage private enterprise to provide these facilities that are needed in the national parks to accommodate these millions of people who have a right to expect that they will find a place to eat, a place to sleep, and shelter such as is necessary within our national parks.

It is not all national parks and monuments that need these facilities within their borders. Wherever it is possible these facilities should be provided outside of the national parks, but many of them are so large, so extensive in their areas, that hotels and camping grounds and other facilities must be maintained inside the parks for visitors.

As I have said, we must reach a decision. Will the Federal Government take over and nationalize these concessions, or will we encourage private enterprise to go in and do this job? I think that the Congress, and I believe our committee, and I believe most of those within the Park Service, would like to see private enterprise do this job under adequate regulations; accommodations that are necessary for health, pleasure, and recreation when they visit the area.

Mr. Chairman, I would like to include at this point in the RECORD the statement of Don Hummell, president and general manager, Lassen National Park Co., as showing the difficulties under which park concessioners labor at this time in trying to negotiate a contract with the National Park Service, a satisfactory contract which will encourage private enterprise to build the facilities necessary for the accommodation of park visitors. I can assure you this is not an isolated example.

[Hearings before the Subcommittee on Public Lands of the Committee on Public Lands, House of Representatives, on June 12, 1948]

STATEMENT OF DON HUMMELL, PRESIDENT AND GENERAL MANAGER, LASSEN NATIONAL PARK CO.

Mr. HUMMELL. I am Don Hummell, president and general manager of the Lassen National Park Co., a concessionaire in Lassen Volcanic National Park. My statement today will attempt to show the position that some of the concessionaires find themselves in as a result of the change of policy. I will make this as succinct and brief as I can.

In 1933 the United States Government through the National Park Service gave our company a temporary permit to build facili-

ties in Lassen Volcanic National Park for the accommodation of visitors. That was a very small operation, as most of the visitors to the park were fishermen or campers. The road has just recently been completed and there was no real index as to what the travel in the park would be. After operating for approximately 2 years and having one remaining year to go, and as the travel exceeded expectations there was additional investment required in the park.

I proceeded to Washington and contacted the Branch of Concessions of the National Park Service, a Mr. Charles Gable, since deceased. When I was shown the contract that I was to sign, and being just fresh out of law school, I was considerably apprehensive because it seemed to be all on one side. I called attention to the fact of the number of instances where the Secretary's decision was final and the Secretary had complete discretion. At that time I was told by Mr. Gable that that was the language that had been used for some 30 or 40 years and that nothing that I could do or say, or nothing that he could recommend, would change that language, and in his words I had to rely on the good faith of the United States Government. He said that all the other contracts had similar language, and that they had operated under those contracts for some 30 years, and the policy of the Government was that if you performed satisfactory service your contract would be renewed.

On the basis of those assurances, I signed the contract for 10 years. That was to expire in May of 1946.

Pursuant to the contract that I signed in 1935, we put in additional facilities and reinvested all of our earnings, as there has never been a stock dividend to the stockholders in our company since the day it was organized. Every cent of earnings plus everything that we could borrow went into the construction of facilities in the park. The members of the company were on the pay roll only for short periods of 3 months and then sought other jobs during the winter so as not to burden the company with too much overhead. Our services, I believe, were satisfactory to the parks. We have never had any indication to the contrary.

Then the war came along and as the members of the company were of military age we found ourselves in a difficult position of not being able to comply with our contract in that we had no management, so with the good offices of the National Park Service we talked with the National Parks Concessions, Inc.

Mr. BARRETT. Were you in the service?

Mr. HUMMELL. Yes, sir.

Mr. BARRETT. For how long?

Mr. HUMMELL. Four years.

Mr. BARRETT. What branch of the service were you in and where did you serve?

Mr. HUMMELL. Army Air Forces. I served in north Africa, India, China, and the Philippines.

Mr. BARRETT. Were your partners also in the service?

Mr. HUMMELL. My partner was deferred for his work in the State Department, but he was of military age. We made a contract with National Parks Concessions, Inc., to get us out of our dilemma that we were in, in that we were not able to provide management for our firm. This contract was made, according to my understanding, not with the idea that any profit would result, because we did not expect profit, but to aid us in that we were engaged in the more important duties connected with the war. There was the further necessity of attempting to provide public service during the war years in Lassen Volcanic National Park.

I was quite disturbed the following year to hear that the company would not continue its operation and was exercising its right to get out of the contract at the end of that year. However, they were curtailing their activities in one of the other parks and allowed us to hire directly the manager which they had furnished under the contract, and we continued his services on a salary basis without real or apparent direction from us.

At the end of 1944 this company called their manager back to their service and we were left without a manager. I received that word when I was in China, and immediately asked the Army for relief. I was granted a 30-day leave to return to the United States, and did return.

Upon my arrival in the United States I contacted a man who was a school teacher and the principal of a school in Piedmont, Calif., and who had worked one season with the National Park Concessions, Inc. I had a short discussion with him and gave him the authority to write checks on our bank account, and gave him the keys to the place and sent him up, and I returned to China.

In 1946, toward the end of January, I returned from overseas and was released from the Army. As our contract was expiring in May of that year I immediately proceeded to Washington, D. C., to negotiate a new contract. I was met with a very friendly attitude in the National Park Service and sat down with the members of that organization and negotiated a contract. We wrote it, I signed it, and we sent it in for approval, which in the past had always been a mere formality. All the problems had been worked out with the National Park Service. I returned then to the park to get things ready as the facilities had been seriously depleted during the war. There was no maintenance and there was a totally inadequate staff. Much of our equipment had been taken during the war years when people could not buy blankets and could not buy sheets and could not buy pots and pans, and most of those things had disappeared with our previous guests.

It was about 2 months later that I received a copy of a letter from the Secretary of the Interior which was directed to Mr. Drury, the Director of the National Park Service. This letter said in substance that regardless of the obstacles that appeared insurmountable, every effort had to be made to extend facilities in the national parks to take care of the increased travel which was expected through the cessation of rationing. On the basis of that information, and on the fact that I had negotiated a contract with the National Park Service and we seemed to be in complete accord, I went to the bank and advised them of the position that I was in and that we needed additional capital. They looked at my operating statement and asked me what the terms of the new contract were, and I told them they were in substance what we had always operated under, and I borrowed additional sums.

Then through the War Assets Administration, and by the fact that I was a veteran, I was able to get adequate equipment which I otherwise would not have had an opportunity to purchase. I spent altogether that year about 8 months visiting one War Assets camp after another, buying houses and tearing them down to get the lumber to build additional tent platforms and using every facility which I had available through my veterans preference to get equipment to continue the operation. Those operations were established and as far as I knew everything was satisfactory until the Chapman memorandum came out in June.

Then I was informed that it was the policy of the Secretary of the Interior to hold up all contracts until such time as these basic policies were worked out. I now find myself in the position of having incurred obligations, made representations to the bank, used all my veteran's preference, after having in good faith sat down with the National Park Service, and they certainly were in good faith, and had been the agency that we had always dealt with.

Now, I am told that my company's assets are supposed to be broadcast to the public to see if somebody else would rather come in and operate them. I am in a position where I cannot even meet that competition on equal terms, for although we have invested some $137,000 in the park I have a book value of around $45,000. I am entitled to earn 6 percent on my net worth, or $2,700, and any man who comes in there is going to have to take it over on an appraised value, and he will be able to earn 6 percent on whatever the appraised value of the assets is.

Those assets, in my opinion, will not be appraised under $200,000 because of the increased cost of construction.

That, in brief, is the situation I now find myself in, along with the other members of my company.

Mr. BARRETT. The situation then resolves itself down to a point, Mr. Hummell, that after 4 years' service in the Army you find yourself confronted with the proposition whereby the Government that you served during the war years is willing to say to some third person, "We will allow you 6 percent on approximately $200,000," or somewhere in the neighborhood of $12,000 a year, whereas they say to you, "Mr. Hummell, you have to be satisfied with an income of $2,700." Is that about it?

Mr. HUMMELL. In substance, that is the position I find myself in; yes, sir.

Mr. BARRETT. It is kind of tough.

Mr. HUMMELL. It is not pleasant.

Mr. BARRETT. It does not seem fair, equitable, right, or in the interest of justice, or in the best interests of the Government.

Mr. D'EWART, do you have any questions?

Mr. D'EWART. No contract has been offered to you at the present time?

Mr. HUMMELL. No, sir; it has not.

Mr. D'EWART. Short nor long?

Mr. HUMMELL. Well, I am operating under an extension which expires the 31st day of December of this year.

Mr. D'EWART. And you have invested $137,000?

Mr. HUMMELL. With my associates; yes, sir.

Mr. D'EWART. How much have you had to borrow?

Mr. HUMMELL. Well, we have borrowed practically from the day we started at one phase or another. We put in an original investment and then borrowed and reinvested all our depreciation and earnings. I owe in excess of $53,000 now.

Mr. D'EWART. If you sign the proposed contract you would be allowed 6 percent on $137,000; is that right?

Mr. HUMMELL. No, sir; I would be allowed 6 percent on my net worth, which is $45,000.

Mr. D'EWART. On $137,000, minus depreciation?

Mr. HUMMELL. Yes, sir.

Mr. D'EWART. You would be allowed no income on what you borrowed?

Mr. HUMMELL. None other than what interest I pay, which is an expense of operation.

Mr. D'EWART. That is an expense of operation, but you are not allowed to earn anything on the money you borrow?

Mr. HUMMELL. No, sir.

Mr. D'EWART. Why do you borrow if you cannot earn any money on which you borrow?

Mr. HUMMELL. I am sure I could not answer that, Congressman. I cannot see any rhyme nor reason, if the plant is there and serves the public, why you should not be able to earn money. I thought that was the basic philosophy of building a company, was that you attempted to build up your business, and you borrowed money when you did not have sufficient capital of your

own, but you expected to earn on that borrowing or otherwise you would have no way of ever paying the principal back.

Mr. D'EWART. I do not see any encouragement to anybody to enlarge their facilities by borrowing when you cannot earn on that borrowed money. It certainly is a way to discourage enlarging these facilities.

Mr. HUMMELL. I am also in a very awkward position with my bank. I made statements to the bank, on the assurance of having dealt with the National Park Service and having always had a very friendly relationship with the National Park Service, and they having lived up to their statements. All of a sudden I find myself in the position of going back to the bank, particularly if the Government now releases in fact a request for bids. I am going to have some tall explaining to do to the banker. There is one thing sure—I will never get another loan.

Mr. D'EWART. I believe that is true of others who have tried to open up concessions, unless they are a Government-owned corporation.

Mr. HUMMELL. Mine is in no different position than any of the others.

Mr. BARRETT. That is only half of it. You are not going to get another loan, and if this thing goes through you are not even going to pay off the loan you do have.

Mr. HUMMELL. That is right, sir; I am not in a position to pay it off if this goes through.

Mr. D'EWART. Out of the 6 percent that you are going to get, what do you have to pay?

Mr. HUMMELL. Well, I have to set up any reserve for depreciation, any reinvestment in the park, any return to stockholders, any interest on obligations. All of that must come out of the 6 percent or the $2,700 a year.

Mr. D'EWART. Just where is the money coming from to repay this loan?

Mr. HUMMELL. I think your guess is as good as mine on that. I do not see where it can come from. Under this theory, I do not see where it would come from.

Mr. D'EWART. And if you should sign one of these proposed contracts where would the money come from to pay the loan?

Mr. HUMMELL. It would be impossible to repay it, and I might say here that I do not see where I could in good conscience sign one of these contracts because I can work the next 20 years and come out with less than what I have now.

Mr. D'EWART. In other words, you are not only not going to be able to pay this old loan, but you will be precluded from ever borrowing again and paying off any new loans?

Mr. HUMMELL. That is correct.

Mr. D'EWART. Even if you did sign the new contract.

Mr. HUMMELL. That is correct.

Mr. D'EWART. How does that encourage you to enlarge your facilities?

Mr. HUMMELL. It is not very encouraging.

Mr. D'EWART. That is true of all who attempt to take on a concession in a park. You are not giving us an individual example. You are giving us an illustration of the thing that has developed and faces the organization in all the parks.

Mr. HUMMELL. In view of the statement of policy that we have been given in the proposed contract, I think we would all be in exactly the same position.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. NORRELL. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, as a new Member of the House, and a member of the Committee on Public Lands, I should like to pay my respects to the gentleman from Montana who just preceded me. Mr. D'EWART is an untiring worker. I do not know of any member of our committee who more regularly attends committee meetings than does the gentleman from Montana. He and I quite often disagree. However, I want to say to him that he is a real statesman, a hard worker, and an excellent gentleman. He is considerate. He has a thorough analysis of every problem that comes before our committee. It is my hope that at some time I can be at least partly as good a legislator as the distinguished gentleman from Montana.

Mr. Chairman, at this point I would like to call the attention of the House to the fact that though an appropriation of $17,758,000 is recommended for the conservation and development of mineral resources, little work is being done to develop the vast peat resources of the United States.

In items for the Bureau of Mines an increase of $90,000 is provided for lignite research and an increase of $80,000 is recommended for the anthracite research laboratory. An increase of $200,000 is recommended for research and demonstration work in synthetic liquid fuels.

I think that every effort should be made to develop all of our natural resources. It is therefore necessary to undertake research in the effective utilization of peat. Legislation to authorize this work is now pending before the Committee on Public Lands where hearings have begun. I hope my bill is favorably reported to the House and that the United States will begin to seriously investigate the potential value of our 15,000,000,000 tons of peat, about half of which is found in Minnesota.

I would also like to point out that imports of peat continued to rise in 1949, totaling 94,747 short tons, an increase of about 21 percent over the 1939 prewar figures. These imports of peat for last year were valued at $3,184,409. At the same time the already limited American production decreased slightly.

From this we can see that further research and demonstration is imperative if we are to reap the benefits of this great untapped resource. I hope that next year will find an appropriation for this work, just as we are now considering funds for lignite, anthracite, and liquid fuel research. These resources are enough alike so that research could be done at the same time, thus saving taxpayers money.

Mr. NORRELL. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I wish to comment on the work of the Bureau of Indian Affairs and the funds recommended in the bill now before us for carrying out the Bureau's functions. Those of you who do not represent areas embracing Indian reservations, or having a large Indian population, may not be familiar with those Federal activities administered through the Bureau of Indian Affairs. As compared with other bureaus of the Federal Government, the Bureau of Indian Affairs may be described as a government within a government because of its extensive and varied activities. Through these activities the Indian is afforded similar services provided his non-Indian neighbor through the many activities of other Federal agencies, either by direct assistance or through State and local governments.

Because of historical relations existing between the United States and the various Indian tribes, the Federal Government, as trustee, administers the affairs of Indians by numerous treaties and laws through the Bureau of Indian Affairs. As a result of this trusteeship, large segments of our Indian population would be denied benefits accorded non-Indian citizens were it not for the functions of the Bureau of Indian Affairs.

The bill now before us recommends appropriations totaling $76,293,000 for the work of this Bureau. This represents a reduction of $9,703,375 below the budget estimates of which approximately $2,500,000 pertains to health, education, and welfare services, $1,500,000 to the development and management of resources, $4,600,000 to capital improvements, including the construction of schools, hospitals, road, and irrigation systems, and $1,000,000 for administering these programs.

The House Committee on Appropriations is to be commended for its action in approving substantial amounts for health, education, and welfare services. Except for the elimination of funds to be used in the State of California, which I am informed would result in the discharge of Indians with active tuberculosis from hospitals, close Sherman Institute, a nonreservation boarding school enrolling overage non-English-speaking Navajo and Papago Indians and deny Federal assistance to local school districts in the education of Indian children who live on nontaxable Indian-owned land, the House committee recommended the full amount of the budget estimate for health and education activities. While recognizing the need for these services, other than in the State of California, the committee at the same time eliminated funds from the estimates for the operation of vessels which serve hospitals and schools in Alaska by transporting supplies and materials to isolated stations in the Territory of Alaska, where commercial shipping is either not available or is too expensive.

Also eliminated from this bill are funds for an apprentice-training program proposed for the Navajo and Hopi Indians in conjunction with the Navajo-Hopi rehabilitation program authorized by recent law. This phase of the rehabilitation program is to acquaint untrained Indians with certain fundamentals in the trades and crafts before and while they are engaged on work projects. This type of education and training appears to me to be an essential factor in the success of the off-reservation resettlement program to reestablish Navajo and Hopi Indians permanently and satisfactorily at off-reservation locations where permanent employment opportunities exist. The Congress last year provided funds for placing Indians in off-reservation jobs and the Bureau of Indian Affairs has rightly recognized the need for appren-

tice training to insure the success of this program.

It is not difficult to visualize the situations that exist on Indian reservations where no law enforcement program is carried on or where enforcement is attempted with insufficient law enforcement officers. Reports from several sources indicate that the budget estimate for this purpose would not provide adequate protection against disorder and crime on Indian reservations. I am informed that the Bureau has been requested by the Senate Appropriations Committee to submit revised estimates for this work.

Although the items in the field of community services which I have discussed are of utmost importance to isolated segments of our Indian population, the development and management of resources in these areas are equally important to the economy and well-being of the individual and the Nation. Groups populating these areas are primarily dependent upon forest and range lands, irrigation and road systems, agricultural and industrial enterprises, and soil and moisture conservation practices for a livelihood. The development and utilization of these resource facilities cannot be ignored if a stable economy is to prevail among the people in these areas.

In addition to the reduction of $4,680,400 for the construction of buildings and utilities, road and irrigation system, the House committee denied contract authority for construction work in the amount of $6,500,000, of which $5,275,000 was for construction work proposed in connection with the Navajo-Hopi rehabilitation program and $1,000,000 for the construction of a hospital authorized by Public Law 438, Eighty-first Congress. Restoration of the contract authority should be made it seems to me in order that construction can go forward on the hospital authorized by Public Law 438 and to avoid the elimination of projects proposed in the rehabilitation program which would disrupt and delay this program twice approved by the Congress.

I am informed that the position of the Bureau of Indian Affairs is, and I quote:

1. Another serious reduction in the budget estimates is the reduction of $1,035,000 for general administrative expenses. Increasing program activities, resulting in increased administrative requirements from the headquarters office level to the smallest field office, have overloaded the administrative staff to such an extent that the effectiveness of the Bureau's program activities is endangered. Of the $15,181,564 increase provided in this bill for the Bureau of Indian Affairs, only $109,831 is for administrative management purposes. This will throw the Bureau's functions so far out of balance as to make it virtually impossible to control and administer activities efficiently and economically. Operating under such adverse conditions the Bureau could not be expected to meet present budgetary, accounting, and other administrative requirements much less give attention to the modernization and improvement of work methods and procedures.

2. As compared with 1950 appropriations, adjusted to include the proposed supplemental appropriations to meet pay increases authorized by Public Law 429, and the supplemental appropriation for welfare of Indians contained in the recent Urgent Deficiency Appropriation Act, the House committee allowance provided increases totaling $15,181,564. It may appear that this substantial increase would provide adequately for the Bureau's regular activities. However after providing $11,353,470 of this increase for the long-range program for the rehabilitation of the Navajo and Hopi Indians, and $1,737,500 for the liquidation of prior year contract authorizations, a comparatively small increase of $2,090,594 is available for allocation to the many regular activities of the Bureau. An analysis of the Bureau's many functions and the far-reaching effects of its work in relation to the present and future development of isolated and backward areas of the Nation appear to fully justify the approval of the Budget estimates for the Bureau as submitted to this Congress by the President.

I hope that the membership of the House will give careful and earnest consideration to this whole matter before final determination is made on this chapter of the bill.

Mr. JENSEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Chairman, I have requested this time so that I may point out what I believe to be an oversight on the part of the committee in regard to funds for Indians in California. There was deleted from the recommendations of the Bureau $2,647,871, which was all of the money that was recommended for Indian affairs in California. On the testimony of four or five Indians and an attorney, I believe from here in Washington, that money was deleted.

I have prepared amendments to reinstate those funds. However, I do not intend to offer them when the proper time arrives because of the fact that the evidence which should have been before the committee, but which was not of record during the recent hearings, could not be presented in a matter of 5 minutes, as stipulated under the 5-minute rule. I have conferred with the chairman of the Appropriations Subcommittee the gentleman from Ohio [Mr. KIRWAN] and also personally appeared and testified in behalf of the restoration of these funds before the Senate Interior Subcommittee on Appropriations. The subject is being fully covered in the Senate and I have every reason to believe that there would be no objection raised in that body to the reinstatement of these funds in the bill as recommended by the Bureau of the Budget.

I merely want to call the attention of the Committee to the fact that the deletion of the funds has totally deprived California and its contract for the education of Indians of $800,000 for the construction of a school building on the Indian reservation that has not a single acre of ground accessible for school purposes.

It deletes $322,000 for the education of 2,300 Indian children. It destroys all supervision over Indian contracts, such as logging contracts, and so forth, that total well into the millions of dollars. The supervision is needed.

Again, I am calling the attention of the Committee to these facts so that in conference it will be understood that there is something more in the Senate record than was before the House committee. The situation is very disturbing to the Department of Education of California, to all the county superintendents of schools who have Indian reservations, and to the tribes themselves and their advisers.

As set out in a pamphlet entitled "Program for Termination of Indian Bureau Activities in the State of California," which was submitted to the Commissioner of Indian Affairs in June of 1948, we have a plan for the granting of complete rights to Indians in that State. It should be done uniformly, and the supervision of these contracts should be carried out in an orderly manner.

I appreciate the intention and the desires of many of the members of the committee when they took their action, but I believe it was ill-advised because all of the facts were not before the committee.

Mr. JENSEN. Mr. Chairman, I yield the balance of the time to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I wish to make a statement relative to the Bureau of Reclamation's program for the Colorado-Big Thompson project contained in the General Appropriation bill, 1951, under chapter 7, Department of the Interior.

It pleases me deeply that the House Appropriations Committee saw fit to provide the full amount of the estimate for the irrigation production facilities on the Colorado-Big Thompson project. This project is essential to assure an adequate supply of supplemental water to irrigate 615,000 acres of land in the northeastern part of the State. In addition to supplying water for the lands, the project is designed to produce electrical energy for use on the project for pumping purposes and to provide more adequate supplies for rural and municipal use on both the eastern and western slopes of the Continental Divide. The project's power system is now interconnected with the Wyoming system to the north and with the Missouri Basin system in the far northeastern corner of the State. Many municipalities and rural cooperatives are receiving benefits of Federal power from this interconnected system, with the present source being power plants in Wyoming. Supplies are inadequate, and the completion of the generating and transmission facilities on the eastern slope of the project are essential to assure more adequate supplies.

I was indeed disappointed at the action taken by the House Appropriations Committee in deleting funds for the contruction of the Estes-Leyner-Plains 115-kilovolt line and the Leyner substation, and also, the elimination of the extension of the Flatiron-Brighton line eastward toward Hoyt and Brush, Colo. These lines are an essential component of the Colorado-Big Thompson project and do not represent new starts, but an extension of the existing system to provide the necessary outlet for power which will be soon available at the eastern slope power plants. The Estes-Leyner-Plains line and Leyner substation will provide an

interconnection with the facilities of the Colorado Public Service Co. in order to make available to the company surplus power from the project and to permit the interchange of energy with the company in order to firm up the project's power supply during times when hydroelectric generation is not sufficient. It will also provide a secondary source of power to the Brighton-Hoyt-Brush transmission line.

The extension of the Flatiron-Brighton line from Brighton to Hoyt and Brush, Colo., in no way duplicates present facilities. It is not a new feature but an extension proposed to deliver the additional power to be generated on the eastern slope to the Hoyt and Brush area. An existing line now runs from Estes to Flatiron and eastward to Brush. The capacity of this line, however, is not adequate to carry the additional power, which will soon be available, to the large rural area in the northeastern part of the State. I have been advised that the construction of the extension from Brighton to Brush will provide the necessary capacity at the most economical cost to the project. It will also provide a secondary source of power to existing customers and make service available to an REA by construction of a substation at Kiowa, Colo.

I sincerely believe that the elimination of these transmission lines from the program for the fiscal year 1951 will serve no other purpose than to delay essential service to rural customers who have been anxiously waiting for the completion of the Colorado-Big Thompson project. Additional generating capacity will be available, but service will be limited to those customers now being served within the limited capacity of the present transmission lines.

I submit for the consideration of the Members of the House that the reductions made in the estimate for the Colorado-Big Thompson project are serious and should be restored to permit the construction of these essential extensions of the transmission system.

At this point in my remarks on this important rural electrification and water conservancy project for Colorado and the Nation, I am including the statement I made before the Interior Subcommittee of the Senate Appropriations Committee on April 25, 1950.

I urgently requested the committee to reconsider and restore the funds for the Colorado-Big Thompson project which were eliminated by the House Appropriations Committee.

It is my contention that the House committee was unjustified in eliminating these funds from the Bureau of Reclamation appropriation. The committee maintained that the funds were for "certain new power facilities," basing its decision on the declared policy of the President's budget message for 1950–51, that appropriations should be limited to continuation of work on projects started in prior years.

An investigation will reveal that these funds were to be used on projects already under construction.

The statement follows:

STATEMENT OF HON. WILLIAM S. HILL, MEMBER OF CONGRESS, SECOND DISTRICT, COLORADO, BEFORE THE INTERIOR SUBCOMMITTEE, SENATE APPROPRIATIONS COMMITTEE, APRIL 25, 1950

Mr. Chairman, I wish to call your attention to an injustice which has developed with respect to the construction of needed and planned rural electrification facilities in my district, the Second District of Colorado.

In his statement in the budget message for 1950–51, the President said, in part: "The activities of the Bureau of Reclamation and flood-control program of the Corps of Engineers, involving the construction of dams, power facilities, canals, channels, and levees, will be limited in 1951 to continuation of work on projects started in prior years."

In view of this policy laid down by the President, the House Appropriations Committee cut $928,000 from the Colorado-Big Thompson project in my district. The committee denied authorization of funds for the Estes-Leyner-Plains 115-kilovolt line and substation totaling $160,000; the Leyner substation, $264,000; and the Brighton-Hoyt-Brush portion of the Flatiron-Leyner-Brighton-Brush 115-kilovolt line and substation, $504,000. In explaining its elimination of these funds, the House committee maintained they were for certain new power facilities.

Because of this unjustified interpretation of the President's statement with reference to the Colorado-Big Thompson, I urge your reconsideration of this reduction in funds. Upon further investigation, I am confident that you will discover that the funds requested by the Bureau of Reclamation in this instance are for the continuation of existing projects and are not new starts. Interruption of the outlined construction program will curtail the plans for providing rural power for thousands of ranchers and farmers who have no other source of power available. If the funds are not provided, it means the Government is failing to meet an obligation to these rural people.

As a consistent proponent of a sound, progressive rural-electrification program wherever needed in the Nation, I have been greatly disturbed by the President's budget statement. It is similar to the one he made in 1948–49. If further misconstrued, like in the Colorado-Big Thompson case, it could result in the complete disruption of the rural-electrification program. This program has been beneficial to the people and has been no burden to the taxpayers, since it is self-liquidating.

Therefore, I urge this committee to restore these funds and permit the continuation of the Colorado-Big Thompson project as planned and under construction by the Bureau of Reclamation.

Mr. NORRELL. Mr. Chairman, I have no further requests for time.

CHAPTER VIII—EXECUTIVE AND INDEPENDENT OFFICES

The CHAIRMAN. Under the order of the House, chapter VIII is now subject to general debate.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that debate on this chapter be limited to 1 hour, 30 minutes to be controlled by the gentleman from California [Mr. PHILLIPS] and 30 minutes by myself.

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

There was no objection.

Mr. THOMAS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I do not want to take up too much of the committee's time, and I will briefly summarize the bill. It includes about $8,000,000,000 of appropriations, and $510,000,000 in contract authorizations.

Before I discuss the bill I would like to say something about the membership of this subcommittee that I have the honor and privilege and pleasure of serving with. On the Democratic side we have the distinguished gentleman from Tennessee [Mr. GORE], who is also a very hard worker, an able parliamentarian, and a man of great human understanding with a wealth of good old common horse sense that can be called good judgment.

There is the gentleman from Alabama [Mr. ANDREWS], who is always present at the hearings. His contribution in committee work is outstanding. Of course, when we come down to the difficult task of trying to allocate and prorate the funds to the various governmental agencies, his good judgment is always of monumental strength to the remainder of his colleagues on the subcommittee.

I might say that this subcommittee has as little partisanship in it as it is humanly possible to have in the consideration of estimates for 33 governmental agencies which are independent in character. Most of these agencies operate as commissions, made up of both Democrats and Republicans, and we also conduct our committee hearings along nonpartisan lines.

The ranking minority member of our subcommittee is the gentleman from South Dakota [Mr. CASE]. I might add that the House is in imminent danger of losing his services. In fact, I understand that we will lose his services at the next election, because he is going over to another body. Of course, the other body will be the winner, because they are getting one of the outstanding men, not only of this House, but one of the outstanding men in public life in this country. Of course, their gain will be our loss. The service that he has rendered in this House to his great State of South Dakota has been nothing short of phenomenal. He has really carried wood and water for those fine people, and I know that they appreciate his outstanding ability and his tireless efforts in service, just as the membership of this House appreciates it. I know that you all join me in wishing him the best of success in all of his many undertakings.

The other Member on the Republican side is our distinguished friend, the gentleman from California [Mr. PHILLIPS]. The gentleman from California [Mr. PHILLIPS] is unquestionably one of the outstanding men of this House. He is a man of fine judgment and boundless energy. Sometimes I think that the gentleman from California [Mr. PHILLIPS] does not mind working 15 or 16 hours a day. Even though he puts in those hours, he seems to enjoy it. He, too, has rendered great service, not only to his district in California but, being the only

minority representative on this committee from California, naturally he has had to carry the whole weight for his great State, and he has certainly done an outstanding job.

Let me say again, it is worth repeating, there is absolutely no partisanship on this committee. We have done a fine job, we believe, and certainly, if we have done a good job for you gentlemen, it must be partly attributed to our staff too, Mr. Duvall and Mr. Skarin. I do not know of two finer gentlemen in our entire staff. They are hard workers. They know what the answers are. They have made our work much easier. The budget estimate for 1951 for these 33 independent agencies was approximately $8,500,000,000. After some 2 or 3 months work we effected cuts in appropriations and contract authorizations totaling $501,000,000. We have not crippled any essential service of Government, and I believe most of the agencies will agree to that even though dollar-wise—this subcommittee has made cuts more than 100 percent greater than any other subcommittee.

I think it is worth while to mention here briefly that there are two agencies as now provided for in the bill that are going to have to be revised provided certain legislation is enacted; one is the selective service, which at the time we considered their budget estimate, was in the process of liquidation, but which if Congress continues selective service for another year will require more funds and necessitate reconsideration by our committee of the item now in the bill. They are no more than a liquidating agency for fiscal 1951. The other agency I have in mind is the Displaced Persons Commission. It is our understanding that the House and the other body are now in conference on that legislation and a conference report will be brought back in due time. Assuming that is true, we will then have to reconsider what we have done for the DP Commission.

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

Mr. THOMAS. I yield.

Mr. GRAHAM. It so happens I am one of the conferees on that bill. I may say that we expect to have our report ready in about 2 weeks.

Mr. THOMAS. If we are through with this bill at that time, I may say to the gentleman from Pennsylvania that the matter can be taken care of on the Senate side and in conference. We will have ample opportunity to do it that way.

I am not going to take up the time of the House in going through all these agencies now; we will do that when the bill is read under the 5-minute rule. The big money in this bill goes to three agencies: The Veterans' Administration, the Atomic Energy Commission, and the General Services Administration.

For 1951 the Veterans' Administration funds in the bill total about $5,800,000,000 as against appropriations totaling $6,330,000,000 for 1950. The primary reason the 1950 figure is in excess of the 1951 appropriation is that we have recently given the Veterans' Administration a deficiency appropriation for 1950 of $720,000,000 for use in connection with the item for readjustment benefits, recent increases in enrollment for trade and vocational training and other training below the college level being the primary reason for this increase.

Another agency requesting a large appropriation is the Atomic Energy Commission. This year they requested about $1,043,000,000. That is divided between cash and contract authority. The agency is doing a tremendously important job, and every Member here knows how valuable their work is. It will not serve any useful purpose to go into its plans. I want to point out, however, that the Committee has urged, is urging, and will continue to urge upon the Commission in spite of the very important work, to be as economical as possible. We reserve to ourselves as your representatives the right to carefully scrutinize their expenditures. We have placed some limitations on them in here. Sometimes we felt they have spent too much money in spots where they should not have spent it in connection with their town operations. For instance, there is the little city of Oak Ridge, a town of between 32 and 35 thousand people in the great State of Tennessee, a Government-owned and operated town. The Government repairs the houses, it owns the houses, it paints the houses, it maintains the security of the town, it gathers the garbage, it paves the streets, and it runs the transportation system. But for the life of us we have not been able to understand why they had to pay a town manager $180,000 a year when the duties are in most respects comparable to a city manager's job which would not pay more than from $25,000 to $35,000.

In addition to the Government running the transportation system at Oak Ridge it owns all of the trucks, busses, and automobiles, and pays the salaries of all the drivers, all of the mechanics, it buys all of the tires, the gasoline and oil and pays a fee of $90,000 for doing perhaps a $15,000 job. Bear in mind that the taxpayers of the United States pay the salaries of the policemen, the firemen, the school teachers and of all the maintenance and operating people in the town.

The third agency to which I have referred is the General Services Administration. This is a new activity established by the Federal Property Act of 1949. Actually it represents the consolidation of a number of old agencies, consisting primarily of the former Bureau of Federal Supply, the Federal Works Agency, the National Archives, and the liquidation of the affairs of the War Assets Administration. The committee considered total estimates of $861,883,000 and has included in the bill $836,126,000 for the several activities making up this agency. In effect, we have made a saving of $25,756,000. We feel that the General Services Administrator is in a position to effect real economies and increase efficiency in these activities and we have confidence that he will do so.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PHILLIPS of California. Mr. Chairman, I yield 20 minutes to the gentleman from South Dakota [Mr. CASE].

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

Mr. CASE of South Dakota. I yield to the gentleman from North Carolina.

Mr. KERR. Mr. Chairman, I wish to concur wholeheartedly in the nice things that the gentleman from Texas [Mr. THOMAS] said with reference to our colleague the gentleman from South Dakota, FRANCIS CASE, who has been away part of the time recently and has not been with us as much as we would like. We understand he is leaving us and we shall miss him from this body.

I have been associated with the gentleman from South Dakota [Mr. CASE] in committee for a number of years and I want to make the statement that there is a no more industrious Member of this House than is the gentleman from South Dakota, FRANCIS CASE. His judgment is good, he is as sound as a lawyer, he is one of the first Members of this Congress. We shall miss him, of course, when he leaves us, but I wish for him always the things that he wants most in life and the things that will make him happy.

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

Mr. CASE of South Dakota. I yield to the gentleman from Alabama.

Mr. ANDREWS. Mr. Chairman, I have had the pleasure of serving in committee for 3 years with our distinguished friend from South Dakota [Mr. CASE]. I am thoroughly familiar with his work. I know of no harder-working Member in the Congress of the United States than is the gentleman from South Dakota, FRANCIS CASE. I too shall miss him when he leaves, but I certainly wish him the best of luck.

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

Mr. CASE of South Dakota. I yield to the gentleman from Utah.

Mr. GRANGER. Mr. Chairman, the first time I had the opportunity of meeting the distinguished gentleman from South Dakota was when we were in the Marine Corps on Mare Island. I have always had a great interest in the gentleman and have watched him on the floor. As a very proud ex-marine I want to pay my compliments to one of the hardest workers that we have ever had in the Congress of the United States. His interests have been largely my interests, and many of us from the West have relied on his good judgment to be the spokesman, and in many ways our leader, in getting the things that were beneficial especially to the West. Certainly, as a westerner, I regret that he is leaving this body, and I wish him every success in the world in any other aspirations he might have.

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

Mr. CASE of South Dakota. I yield to the gentleman from Tennessee.

Mr. PRIEST. I realize, knowing the extreme modesty of the gentleman, that

these are perhaps embarrassing moments to him. But, I simply want to concur in what has been said here by these gentlemen. There is no clearer thinker in the House of Representatives than FRANCIS CASE, and he certainly shall be missed in this body. Whatever his fortunes may be, and we hope they will be good in the future, we shall all be pulling for him.

Mr. CASE of South Dakota. Mr. Chairman, I certainly am thrown off balance by having these requests to yield made. No one can hear such remarks about himself without having some sense of embarrassment. Perhaps it is accentuated by the fact that no one knows, at least I do not have any firm knowledge, what is going to happen to me in the direction to which some of these remarks have alluded. But, I do assure each and every one of you that I deeply appreciate the kind remarks you have made. It happened that I was coming through the door when the distinguished chairman of our subcommittee was making his remarks, and they were so glowing and so far beyond my deserts that I hesitated to come on in. I thought perhaps I should stay outside in the lobby. But, I do appreciate them, and I can assure each and every one of you that my thoughts and my feelings are going to be with the Members of the House of Representatives, and particularly with those of you with whom I have labored in the Committee on Appropriations and in these other matters of interest to the West.

Mr. Chairman, in reporting the chapter of the appropriation bill that deals with independent offices, it has been my privilege to work with as fine a subcommittee, and as able a subcommittee, myself excluded, as there is among the subcommittees of the great Committee on Appropriations. And we have had the benefit of a very able and experienced staff in William Duvall and Homer Skarin. Their services have been invaluable.

It is no accident, Mr. Chairman, that this Appropriation Subcommittee has made the heaviest percentage reductions of any of the chapters in the bill reported. It is due, I believe, to the intelligent and persistent attitude of my colleagues on the committee. Our chairman, the gentleman from Texas [Mr. THOMAS], the gentleman from Alabama [Mr. ANDREWS] the gentleman from Tennessee [Mr. GORE], and my Republican colleague, the very able and experienced legislator from California [Mr. PHILLIPS], have been diligent in their attendance at the hearings of the committee, have been intelligent in their questions, and have not simply sought to fill the printed record. They knew what they wanted to get, and they went after it. So, with a bill which is very difficult to make economies on, we have been able to recommend substantial savings.

This morning there was in my office a man from my home State, a banker, who said, "I do not understand, when you come to these appropriations, why you just cannot make a 10 percent cut and really cut these appropriations?" "Well", I said, "I am glad you brought up that question because," I said, "I recognize that that is the feeling of the average person throughout the country." He said, "Why do you not make a 10 percent cut or a 25 percent cut and balance the budget?" I said, "The bill I happen to work with illustrates just why you cannot do it that way." We have in the independent offices bill a section, for instance, which deals with the Veterans' Administration. Over $4,500,000,000 of the amount of money that goes to Veterans' Administration goes to pay for adjusted compensation or pensions which are obligations of the Government by existing law.

A veteran is determined to have a certain percentage disability, service-connected. Under the law he is entitled to receive a compensation of a certain amount. When you have the facts as to how many of them there are with a certain entitlement under the law, all you can do then is use the multiplication table and provide the money to discharge those obligations.

Then we have the salaries that are involved in the 30-odd agencies that get their money out of the independent offices bill. Those salaries are established on a pay schedule that is law by previous acts of the Congress. Within the past couple of days the subcommittee has been hearing some supplemental estimates where we have been asked for about $20,000,000 to make up the pay increases for the current year on salaries that have been increased by acts passed by the Congress. Some 17 bills were passed by Congress last year that increased the pay obligation of the Government.

The Supreme Court has held that when an employee is working for the Government at a fixed rate of pay determined by the Classification Act and by his rating, it is an obligation of the Government to pay him so much money. The only way you can reduce that obligation is either not to employ him or to discharge him. It is beyond the power of the Appropriations Committee to discharge him. That is up to the agency involved. So the Appropriations Committee has its hands tied when it comes to personnel. The only thing we can do is say we will not appropriate over so much for personnel; in many instances we have done that. That is partly responsible for the reductions which are proposed in this chapter of the bill. It will mean some vacancies cannot be filled.

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

Mr. CASE of South Dakota. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The committee could cut some of those appropriations at Oak Ridge, could they not? If I heard correctly, you are paying a city manager $70,000 a year.

Mr. CASE of South Dakota. That was a management fee, not an individual's salary. But the committee did make cuts in that direction. On that manager proposition, the money that is requested in the bill this year is less than it was a year ago. That is largely due to the investigation the committee instituted a year ago into the management of these cities that are operated by the Atomic Energy Commission.

I have just returned from spending some time in my State. As I have talked with the rank and file of the people there, I have found there is nothing that concerns them more today than their alarm over the increase in Government spending. They are anxious that the Congress do something about it. I have been saying to them, "If you want the Congress to do something about it you must ask that Members of Congress stand up when these authorization bills are passed and oppose them, so that we do not create these additional obligations."

Probably the bill will be gone into in greater detail when we take it up for amendment under the 5-minute rule, but there are two or three features of the bill I do want to mention now. One is that this bill for the first time deals with the General Services Administration. Various activities such as Procurement of Supplies and Strategic Materials, the Bureau of Community Facilities, the Public Buildings Administration, the Surplus Property Administration, Archives, and so forth have been consolidated into what is now called the General Services Administration.

There are two possibilities for this new agency of the Government. One is that it shall become a great empire, because it does deal with some large activities of the Government. The other is that it shall become a coordinating agency of the Government which will bring together property management for the Government and prevent overpurchases and overlapping in procurement.

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

Mr. CASE of South Dakota. I yield to the gentleman from California.

Mr. POULSON. I was very much interested in the statement by the distinguished colleague from South Dakota that we should be very careful in the authorizations that we make for the spending of money. There is a project before our Committee on Public Lands. Unfortunately it passed in the other body. That project would cost over a billion dollars. That is one of the mistakes. That is one of the things we should avoid. We should be careful about these projects and about any authorizations because then it becomes an obligation of the Congress to go along and authorize for the project. Is that not true?

Mr. CASE of South Dakota. Certainly we need to be careful about such authorizations. If we are ever to have economy we have to stop passing some of these vast authorizations of questionable feasibility.

There are, of course, two classes of authorizations. One of them is permissive and the other is mandatory. With reference to the salary pay schedules which are mandatory we have our hands tied. The authorizations of the other kind are always persuasive. Once the authorization is passed, of course, the Congress is expected to make some appropriation for it.

Mr. Chairman, as I said the General Services Administration offers us the

possibility of doing something to eliminate overlapping in procurement. I was very much interested in the statement by Jess Larson, the head of that agency, that in their investigation of the supplies of the various agencies they had found a great deal of overprocurement. For example, Mr. Larson spoke of an examination into the personal property field where the warehouse of one agency contained a supply of fluorescent light tubes which would last the agency for 93 years at the rate they had been used the previous 6 months. He also stated they had ruled filler paper which would last them 168 years at the current rate of use and they had enough loose-leaf binders to go with this filler paper for 247 years. That was only one agency. That merely illustrates the importance of the work that can be done by the General Services Administration in determining whether or not there is overprocurement.

There is another agency with which we deal in this bill which should be called to the attention of the committee. That is the Maritime Commission. I dislike to say this but in the 12 years that I have been a member of the Committee on Appropriations I have never heard a hearing which did as little credit to an agency as that presented by the Maritime Commission this year. Members of the House know that the head of the General Accounting Office, the Comptroller General, is Mr. Lindsay Warren, who was for many years a distinguished Member of this House and a man in whom we have a great deal of confidence. His comment on operations of the Maritime Commission was the most scathing that I have ever heard come from his office. For instance, in dealing with the payment of operating subsidy differentials the Comptroller General called attention to the fact that the law requires whenever the subsidies are in excess of 33⅓ percent the Commission shall possess convincing evidence that the difference between the foreign and domestic cost is in excess of 33⅓ percent. Then the Comptroller said in his report:

> Actually not only was no such evidence presented to the Commission as a body in the cases discussed in this report but it was not even in the possession of the staff of the Commission making the recommendations.

That is just a sample of what he said repeatedly with respect to the operations of the Maritime Commission.

When we discussed this with the Maritime Commission we found ourselves baffled by the fact that a new Chairman of the Commission had to say in most cases that he had been Chairman for only a few months and consequently did not know of these transactions. We were baffled by the fact that there was a difference of opinion between the members of the Commission and the general counsel. The general counsel apparently had taken one position at one time and another position at another time. No one seemed able to defend the actions of the Commission. It was evasion from start to finish.

Finally we asked the Commission to make direct comment upon some points that the Comptroller General had brought out, and in reply we got a letter which was properly characterized by one member of the committee as "insulting." In effect, the letter said, "So what?"

The only thing I can see Congress can do about these matters is to limit the appropriations, as we have proposed in some instances, and to bring the situation to the attention of the executive branch of the Government and say, "Here is one place you want to clean house if you want to avoid some scandals that will harass the administration for a long time to come."

The chairman of the committee has made reference to the activities of the Atomic Energy Commission and the great part they have in this bill. I will not at this time go into the discussion we had with them about the developments in the field of nuclear energy and their responsibility in the production of the hydrogen bomb; but, necessarily, when we were dealing with an agency which deals with as sensitive a subject as that, and mostly behind closed doors, the committee found itself handicapped in trying to assess the dollar value of the projects that were proposed. When an agency is doing new things, it is very difficult for it or for the appropriations committee to determine whether or not it needs this dollar or that dollar, or what final costs will be.

We discussed this problem with the Atomic Energy Commission a year ago. At that time I expressed the hope that they would find some device by which the committee and the Congress could get some assurance that the money they asked for and the money they paid out on different projects was required. We had no measuring stick, no yardstick by which we could determine what it would cost to build a factory or a plant that would be described by a letter and a number. If you tried to get a more revealing description, we ran into very technical and scientific matters. The Commission itself said that it had no past experience in building many of its projects. I suggested that even so, the Congress ought not be at the mercy of a round-figure estimate for some of these things, that they should be based on something firmer than guesses.

This year they told us that last September, following the discussion we had with them a year ago, they had created a finance division, and they had placed that under a comptroller general, and that this was the device intended to assure that the money requested would have real meaning. Even so, when we came to questioning about the basis-cost estimates we found ourselves getting unsatisfactory answers.

The general policy of the Atomic Energy Commission is to let its work by contract; a contract with a private firm to operate a city or to build a plant, with a university to carry on a research project, or with some big scientific firm to carry on a production project. Most of those projects are let on a cost-plus-fixed-fee basis. The contractor places his estimate on the job; naturally it is a safe estimate from the contractor's point of view. It is reported to his opposite number on the staff of the Atomic Energy Commission. He in turn relays it to the new finance division, the comptroller. But we found that this controller has little or no authority except to see that disbursements are charged against the proper accounts. He has no real authority to curtail or control charges. He is a glorified accountant, keeping books on a disbursement of three-quarters of a billion dollars without any real authority to curb waste or extravagant expenditures.

In my opinion, the Atomic Energy Commission has a great job to do in its research and development and production. I think it is doing a good job, in the main, but I do think it is operating with as little regard for sound business management as any agency could. It needs tightening up; it needs a little more hard-headed management; it needs more practical construction engineers in its set-up with real authority to step on excessive costs and charges by its contractors.

I realize that my time is exhausted. In closing, I want to express the hope that the Atomic Energy Commission will apply to its fiscal responsibilities some of the intelligence and earnest endeavor which I have seen it apply to its scientific problems. It can be done.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. VURSELL. Mr. Chairman, we are informed by the members of the Appropriations Committee that the $29,000,000,000 included in this bill for the various departments, represents a cut of close to one and one-half billion dollars below the amount requested in the President's budget. Many of us believe this bill could and should be reduced by at least another one and one-half billion dollars. In fact, it is my belief that with the cooperation of the President the budget could be reduced by a total of approximately $5,000,000,000.

For instance, we have been informed that Federal pay rolls provided for in the budget will run close to $7,000,000,000. It is my belief that we could reduce the amount of money for Federal pay rolls in this bill by $2,000,000,000, and probably bring greater efficiency in government by such reduction.

Mr. Chairman, as I pointed out last week in the debates, there is provided in expense alone for various Federal employees, and the total telephone and telegraph expense for employees provided in this bill reaches the colossal sum of $65,000,000. These amounts should be cut for a saving of $40,000,000.

In addition, I believe that close to a billion dollars could be trimmed out of this bill by freezing Federal employment and revamping the provisions for shorter annual and sick leave. We could also save a lot of money by reducing annual and sick leave of the thousands of Federal employees serving overseas who get over a hundred days leave with pay a year. There are many, many instances

throughout this bill where we could reduce spending on many fronts.

If we could reduce the President's budget request by $5,000,000,000 it would save the citizens of the State of Illinois alone approximately $387,000,000. That is a lot of money.

Mr. Chairman, a $5,000,000,000 reduction would save the taxpayers of the 15 counties I represent in Illinois $8,739,000. For instance, it would save the taxpayers of Jefferson County $1,184,000; Hardin $116,000; Hamilton $213,000; Gallatin $213,000; Edwards $186,000; Clinton $523,000; Clay $538,000; Wayne $484,000; Saline $1,126,000; Pope $101,000; Marion $2,036,000; White $1,198,000; Washington $341,000; Johnson $186,000; Massac $294,000.

Mr. Chairman, regardless of whether or not we can reduce this budget $5,000,000,000, the greatest responsibility resting upon this Congress is that we resolve here and now that we shall make a tremendous effort to reduce it to the lowest possible amount.

We must stop spending more than we take in or it will wreck the financial solvency of this Government in the near future. If we allow this to happen we cannot defend ourselves against a foreign foe and all will be lost.

I urge the Members on the Democrat side to join with and help us to reduce this budget and, thereby, the cost of government, in an effort to stop deficit spending and to maintain the financial solvency of our Government.

Mr. Chairman, the Reader's Digest in December 1949 published an article on Government spending under the following head, "Is this the time to spend billions more?"

The following figures printed by the Digest should astound the Members of Congress and the American people.

These figures show that President Truman, in 5 years, has spent many billions more than all of the Presidents have spent from Washington up to and including 8 years of the Roosevelt administration.

Here are the figures:

| | |
|---|---|
| Washington | $34,088,486 |
| Adams | 34,262,668 |
| Jefferson | 72,424,289 |
| Madison | 176,473,964 |
| Monroe | 147,237,899 |
| Adams | 65,427,017 |
| Jackson | 152,969,968 |
| Van Buren | 122,325,242 |
| Harrison and Tyler | 108,904,678 |
| Polk | 173,477,220 |
| Taylor and Fillmore | $179,631,529 |
| Pierce | 255,154,244 |
| Buchanan | 272,933,490 |
| Lincoln | 3,252,380,410 |
| Johnson | 1,578,557,645 |
| Grant | 2,253,386,743 |
| Hayes | 1,032,268,037 |
| Garfield and Arthur | 1,027,742,757 |
| Cleveland | 1,077,629,089 |
| Harrison | 1,412,315,899 |
| Cleveland | 1,441,674,174 |
| McKinley | 2,093,918,514 |
| Theodore Roosevelt | 4,655,450,505 |
| Taft | 2,799,211,854 |
| Wilson | 46,938,260,143 |
| Harding | 6,667,235,429 |
| Coolidge | 18,585,549,115 |
| Hoover | 15,490,476,636 |
| Roosevelt (8 years) | 67,518,746,001 |
| Total | 179,620,113,645 |

Think this over:

| | |
|---|---|
| 32 Presidents in 156 years spent | $179,620,113,645 |
| 1 President (Truman) in less than 5 years has spent | 191,081,394,191 |

(The extraordinary expenditures of the war years from 1941 to 1945 have been excluded.)

Mr. Chairman, there is only one way to reduce the Federal pay rolls, reduce wasteful spending in every department of Government that now exists and that is to reduce the appropriations. This is the only way we can reduce taxes. The people of my district and yours are crying out to the Members of Congress to reduce Government spending and reduce their tax load. I want to give them this relief they are entitled to, and I want to prevent this Nation from being spent into financial bankruptcy. The time is getting short in which we must act.

This bill before us gives us the opportunity to carry out our responsibility to the people and reduce the cost of Government. I hope a majority of the Members of Congress will face up to their obligation and join with us who are making an effort to protect the financial solvency of this Government.

Mr. PHILLIPS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I notice that the committee states that the budget estimate for 1951 was $8,458,000,000, but that it recommends to the House an appropriation as shown on page 199 of chapter VIII of only $8,024,000,000. That brings to mind a little event that is happening at this very moment.

Mr. Chairman, I believe Members of the House will be interested to know that Maj. Gen. Harry H. Vaughan made a gala flight to Paris today in the President's personal plane, the *Independence*.

The White House jester and 5-percent greeter apparently is in need of a bit of Paris in the spring and the glamour of night life, so to speak, especially after the conviction this week of his old friend John Maragon.

The White House plane has an assignment to pick up the Premier of Pakistan and his wife in London Sunday, and bring them to Washington for an official visit. That is all right as far as it goes.

But why should the taxpayers have to pay the cost of carting Harry Vaughan to Paris? This is another brazen example of White House disregard for spending the people's money.

But maybe Harry wants to look over the French style of deep freezers or do some perfume business for his pal Maragon, who has been more or less restricted by a Federal jury—and the big boss said, "Yes, Harry, take my plane and have a good time on the banks of the Seine."

Mr. ANDREWS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. PHILLIPS of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am going to take the floor at this time for the purpose of saying something that I have too seldom had an opportunity to say in connection with these appropriation bills: I have been pleased with the way this Subcommittee on Appropriations approached the solution of its problems, and the efforts that it made for economy. I believe that of all the subcommittees that have reported on general operations of the Government, this subcommittee has done the most conscientious job of cutting.

I especially want to commend the members of the Committee, ALBERT THOMAS, of Texas; GEORGE ANDREWS, of Alabama; ALBERT GORE, of Tennessee; FRANCIS CASE, of South Dakota; and JOHN PHILLIPS, of California; and I should not forget Bill Duvall, the clerk.

The thing about this situation that bothers me is that FRANCIS CASE, on the Republican side of the committee, is going to leave the House of Representatives this year, I hope and believe to become a Senator from the great State of South Dakota. It bothers me because FRANCIS CASE is one of the outstanding Members of the House of Representatives—keen, sharp, intelligent, probably as good a parliamentarian as there is on the floor of the House, always active in the interest of economy in government, and yet one who has always believed in being absolutely fair to the interests of the people that he represents. The loss by the House due to his leaving will be the gain of the Senate of the United States. He will be, in my opinion, an outstanding Member of that body.

Mr. PHILLIPS of California. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. PHILLIPS of California. Mr. Chairman, this subcommittee brings its recommendations to the floor, covering as much territory as does the appropriation for independent offices, with a feeling of satisfaction, and I think also of regret that the associations of the year and of the committee are about to be ended, especially as is the fact in this case. There will be changes in the personnel of the Congress which will affect several of the subcommittees, and particularly and seriously the subcommittee now before you.

I would express my regards and my appreciation to the majority side and to our chairman, the gentleman from Texas [Mr. THOMAS] who has one of the most able minds in the Congress. He has the ability to take pages of figures a day or so before the hearing when these have been delivered to the subcommittee, and almost to memorize them, so that during the hearing he can question an agency without reference to the tables and justifications; to the gentleman from Alabama [Mr. ANDREWS] with whom I have now served for 4 years; to the gentleman from Tennessee [Mr. GORE] and, then, the Member from South Dakota concerning whom so much has been said this afternoon.

It is a fact that in a body like ours we get accustomed to working with people, we get accustomed to depending on people, and it is only when those people for some reason or other leave or even suggest they are about to leave that we suddenly realize the gap that will be left by their absence. I do not need to repeat what has been said about the gentleman from South Dakota [Mr. CASE], but

I do wish to say that I have worked intimately with him on this committee for the last several years, and I know from personal experience that while we will miss him here, our loss will be a gain to the other body. There comes a time when every man in public life must make the hard decision whether to continue in the established routine of his present work, or whether to offer his experience, his knowledge, and his ability in that body in which he can be of the greatest and most lasting service to his own people. The necessity for that decision came this year to my California colleague, the gentleman from California [Mr. NIXON], and it has come to my subcommittee colleague, the gentleman from South Dakota [Mr. CASE]. Our good wishes go with him to the other body.

The bill we bring before you is a difficult one because of the number of agencies involved. Our chairman in his few remarks spoke about the 30 or more agencies for which we appropriate, yet he could not demonstrate the differences that exist between the budget items or the fields which the operations of the agencies cover.

Take the Atomic Energy Commission with its highly confidential information; its budget is submitted under circumstances which compel us almost to write a blank check; yet, there is the necessity of checking them in routine operations to make a comparison of those operations with the ones we do not want to place in the record. Take the Veterans' Administration with its billions of dollars spent in all fields of work supervising the benefits that the Congress has given to veterans. Take the National Advisory Committee for Aeronautics, one of which you rarely hear, mentioned by both the gentleman from Texas [Mr. THOMAS] and the gentleman from South Dakota [Mr. CASE] this afternoon. Here is an agency started in 1941 with an authorization of $2,800,000 and which, year after year, without further authorization, has come before the committee, for more and more money until this year it asked for $62,000,000 and was given by our committee $56,390,000.

We have housing, we have the Securities and Exchange Commission, we have Civil Service, we have the Federal Communications Commission, we have the Tariff Commission, the Power Commission, the ICC, the new General Services Administration, the National Capital Park and Planning Commission, the expenses for the President, the Executive Mansion, the Franklin D. Roosevelt Memorial Library, the Smithsonian Institution, and we go down in a list of agencies, large and small, to some 30 or more.

I would speak of the Veterans' Administration and its present attitude toward the hospitalization of veterans. This is primarily in the hands of the Congress, and yet it has seemed to many of us that with the increasing cost of construction, and the increasing cost of the administration of the hospitals, it behooves the Veterans' Administration to use every hospital that is presently built in the Nation and which can be used. In my particular section of the country there is a hospital—the Corona Hospital—that has been used by the Navy, and I am quite sure the same situation exists in other areas, where the Veterans' Administration will not use the hospital. Why? Because they say it is not satisfactory for a general hospital. In that I concur, but there are domiciliary patients, there are tuberculosis patients, and there is great need today that the Veterans' Administration immediately do two things.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ANDREWS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PHILLIPS of California. I thank the gentleman from Alabama.

First. The VA must explore again the whole program of hospitalization so that it may use every available institution in the United States and not propose to spend $18,000,000 to build a complete new hospital while within a short distance there is an adequate hospital which has already cost the taxpayers $17,000,000, which requires only the adjustment of patients between hospitals to be one of the most satisfactory in the United States.

Second. There is a very great need of the Veterans' Administration for a reexploration of the veterans' census. The figures that the Veterans' Administration is using by States is the census several years old, while the veteran population has moved not only westward, but internally in the United States, and has made all those figures out of date.

I will speak briefly on two other subjects. The one is to supplement what the gentleman from South Dakota said regarding the problem of employment, of civil service, and of rating. What the gentleman said was true, but there is also involved the fact that we need in the Federal Government a reexamination of the ratings given people in the Government service as well as the numerical personnel of the Federal Government.

It has been brought out by our subcommittee, as the other members of the subcommittee will recognize, that by giving a title to someone which is a little higher-sounding, and by taking into consideration the number of employees under some minor executive, it has been possible little by little to raise the salaries in Government out of comparison here and there with the salaries paid for the same work in private industry. Those things come with a Government which has grown as fast as ours. No criticism need be directed on the broad scale, but it is time in this Government that we apply ourselves to an examination of such details, for the benefit of the taxpayer. It will be impossible for us to continue spending at the present scale and on a deficit basis.

Second, I think I may take a little credit for the subcommittee when I say that for 4 years we have worked with a little problem in the District of Columbia known as the Marshall Heights residential area under the supervision of the National Capital Park and Planning Commission. We have consistently said to them that we would not appropriate money so that a minority group, a group of Negro residents of the District of Columbia, should be forced out of their privately owned homes and prohibited from making improvements to their homes because that area is desired by other people to build more expensive properties. We have consistently refused to concur with the Commissioners of the District of Columbia and the Commissioners of the National Capital Park and Planning Commission.

I saw this morning a matter which the subcommittee may take a little credit for, that the Commissioners of the District of Columbia have finally decided to leave these home owners, who bought their homes, who built their homes, and who desire under the American tradition to live were they own their property and not be put off and have some Government housing project substituted—the Commissioners have finally agreed to remove the restrictions, and I think the freeze order will soon also be removed.

Mr. Chairman, I express again my personal appreciation to the other members of the subcommittee for the many courtesies and the very great pleasure of working with a committee which brings to the floor a chapter of a bill which has in it so little controversy after it is out of our hands. I express my personal regret that we will not have the gentleman from South Dakota with us carrying a very large share of the minority load of the subcommittee next year.

Mr. ANDREWS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I take this time to ask the gentleman from Michigan [Mr. RABAUT] for the information of the Members and so that their attention may be called to it, if it is not true that the general debate on the chapter on Civil Functions will take place on Tuesday as soon as the House goes into the Committee of the Whole for that purpose?

Mr. RABAUT. The gentleman is correct. It is the only place in the program where there has been an inversion of the order. Civil Functions is listed as No. 9 in the report accompanying the general appropriation bill for 1951, but it is really going to take tenth place as far as the general debate which will take place on Tuesday is concerned.

Mr. TABER. I think the Members ought to know about that so that those who are interested will be sure to be here. All general debate on the bill itself has to be closed by Tuesday night?

Mr. RABAUT. All general debate closes by Tuesday night on all of the chapters.

Mr. PHILLIPS of California. If the gentleman will yield, is it still part of the program that we are to have the Consent Calendar and the Private Calendar and also the District Calendar on Monday and Tuesday, in addition to general debate on the remaining chapters?

Mr. RABAUT. May I refer the gentleman to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. The District Calendar will not be called. There is one suspension from the Committee on the District of Columbia which is on daylight saving

for Monday. But the regular calendar will not be called.

Mr. PHILLIPS of California. There was some confusion about that. I was not sure. It is a fact, however, that the Consent Calendar will be called on Monday and the Private Calendar on Tuesday?

Mr. PRIEST. That is correct.

Mr. ANDREWS. Mr. Chairman, we have no further request for time.

The CHAIRMAN. Under the agreement general debate on chapter IX will be postponed until Tuesday next.

CHAPTER X—DEFENSE ESTABLISHMENT

General debate on chapter X is now in order not to exceed 2 hours, 1 hour to be controlled by the gentleman from Texas [Mr. MAHON] and 1 hour by the gentleman from Michigan [Mr. ENGEL].

Mr. ANDREWS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have two legislative days to extend their remarks on chapter VIII of the bill.

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

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 247) entitled "An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes."

SUPPLEMENTING THE FEDERAL-AID ROAD ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 565, Report No. 1964) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

WAIVING POINTS OF ORDER ON CHAPTER VIII OF GENERAL APPROPRIATION BILL, 1951

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 566, Report No. 1965) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That during the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, all points of order against chapter VIII of said bill or any provision contained in said chapter are hereby waived.

BALTIMORE-WASHINGTON PARKWAY

Mr. SABATH (on behalf of Mr. MADDEN), from the Committee on Rules reported the following privileged resolution (H. Res. 567, Rept. No. 1966), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution its shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5990) to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENDING RUBBER ACT OF 1948.

Mr. SABATH (on behalf of Mr. LYLE) from the Committee on Rules reported the folowing privileged resolution (H. Res. 568, Rept. No. 1967), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7579), to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

WAIVING POINTS OF ORDER ON CHAPTER VIII OF GENERAL APPROPRIATION BILL, 1951

Mr. SABATH. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 566.

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

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 566

*Resolved*, That during the consideration of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, all points of order against chapter VIII of said bill or any provisions contained in said chapter are hereby waived.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HALE (at the request of Mr. PHILLIPS of California) was given permission to extend his remarks and include an editorial.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in two instances in each to include extraneous matter.

Mr. RANKIN asked and was given permission to extend the remarks he made in the Committee of the Whole and include certain statistics on power rates and rural electrification.

Mr. HAYS of Arkansas asked and was given permission to extend his remarks and include a statement on certain phases of the Marshall plan notwithstanding the fact the extension is estimated by the Public Printer to cost $205.

Mr. BUCKLEY of Illinois (at the request of Mr. PRIEST) was given permission to extend his remarks.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 247. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 3 o'clock and 36 minutes p. m.) under its previous order, the House adjourned until Monday, May 1, 1950, at 12 o'clock noon.

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EXECUTIVE COMMUNICATIONS, ETC.

1418. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a draft of a proposed bill

entitled "A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes," was taken from the Speaker's table and referred to the Committee on Ways and Means.

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. PRICE: Committee on Armed Services. S. 3396. An act authorizing the Secretary of the Army to convey to the State of Kentucky title to certain lands situated in Hardin and Jefferson Counties, Ky.; without amendment (Rept. No. 1961). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1963. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SABATH: Committee on Rules. House Resolution 565. Resolution for consideration of and waiving points of order against H. R. 7941, a bill to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; without amendment (Rept. No. 1964). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 566. Resolution for the waiving of points of order against chapter VIII of H. R. 7786, a bill making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes; without amendment (Rept. No. 1965). Ordered to be printed.

Mr. MADDEN: Committee on Rules. House Resolution 567. Resolution for consideration of H. R. 5990, a bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; without amendment (Rept. No. 1966). Referred to the House Calendar.

Mr. LYLE: Committee on Rules. House Resolution 568. Resolution for consideration of H. R. 7579, a bill to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes; without amendment (Rept. No. 1967). Referred to the House Calendar.

Mr. WHITTINGTON: Committee of conference. H. R. 5472. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes (Rept. No. 1968). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TOWE: Committee on Armed Services. H. R. 7708. A bill to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.; without amendment (Rept. No. 1962). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROOK:

H. R. 8291. A bill to abolish the position of mail handler in the postal service; to the Committee on Post Office and Civil Service.

By Mr. SHAFER:

H. R. 8292. A bill to provide for the acquisition and operation of the Percy Jones General Hospital at Battle Creek, Mich., by the Veterans' Administration; to the Committee on Armed Services.

By Mr. WITHROW:

H. R. 8293. A bill to abolish the position of mail handler in the postal service; to the Committee on Post Office and Civil Service.

By Mr. BARRETT of Pennsylvania:

H. R. 8294. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. R. 8295. A bill to provide for the disposition of internal-revenue collections on articles produced in the Virgin Islands; to the Committee on Ways and Means.

By Mr. HAGEN:

H. R. 8296. A bill to provide an additional amount for the emergency fund for the President for the fiscal year 1950; to the Committee on Appropriations.

By Mr. NICHOLSON:

H. R. 8297. A bill for the safety of life and property by making all commercial fishing vessels subject to the rules and regulations of the United States Coast Guard marine inspection; to the Committee on Merchant Marine and Fisheries.

By Mr. PATTEN:

H. R. 8298. A bill to encourage the conservation and development of the mineral resources of the United States, and for other purposes; to the Committee on Public Lands.

By Mrs. ROGERS of Massachusetts:

H. Res. 564. Resolution creating a select committee to attend the third round of tariff negotiations under the general agreement on tariffs and trade; to the Committee on Rules.

By Mr. COOLEY:

H. Res. 569. Resolution creating a select committee on international economic relationships; to the Committee on Rules.

By Mr. HESELTON:

H. Res. 570. Resolution to amend rule XI of the rules of the House of Representatives; to the Committee on Rules.

By Mr. KEATING:

H. Res. 571. Resolution to amend rule XI of the Rules of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. GWINN:

H. R. 8299. A bill for the relief of certain Polish sailors; to the Committee on the Judiciary.

By Mr. LEONARD W. HALL:

H. R. 8300. A bill for the relief of Joseph R. LaPorta; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 8301. A bill for the relief of Midshipman Willis Howard Dukelow, United States Navy; to the Committee on Armed Services.

By Mr. LYNCH:

H. R. 8302. A bill for the relief of Jai Young Lee; 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:

2096. By the SPEAKER: Petition of G. J. Ondrasek, city clerk, Fond du Lac, Wis., requesting passage of Senate bill 2166, which would bring about payment of defaulted bonds of the joint-stock land banks; to the Committee on Agriculture.

2097. Also, petition of James E. Collins, city clerk, Niagara Falls, N. Y., requesting extension of time to January 1, 1952, for the completion of demolition of Hyde Park Village; to the Committee on Banking and Currency.

# SENATE

## MONDAY, MAY 1, 1950

*(Legislative day of Wednesday, March 29, 1950)*

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:

Our Father God, we thank Thee for the hunger of heart which leads us to this pavilion of prayer where we are united in a common fellowship of yearning and aspiration. We turn to Thee as the true home of our spirits. Our littleness needs Thy greatness, our weakness needs Thy strength. We have found that apart from Thee we fail to do our best and reach our highest, and that unlest we find our rest in Thee and our peace in Thy will we lack poise and tranquillity. In this quiet moment, lead us past all shams and subterfuges to Thyself.

Grant this dear land of ours, in days that are heavy with crisis, the strength of purpose to do justly and to love mercy. Save us from self-interest and self-righteousness. From yielding to melancholy moods that depress others, from the sullenness of temper that drives the sunshine from other faces, from the defeatism that shrinks from the summons to do battle with gloom and with falsehood wherever it is entrenched, good Lord, deliver us. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 28, 1950, 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.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. HICKENLOOPER was excused from attendance on the session of the Senate today.

MEETINGS OF COMMITTEES DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet today during the session of the Senate.

On request of Mr. LUCAS, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to