

there has been some borrowing from the Treasury by the Panama Railroad Company and its successor, Panama Canal Company (\$5,900,000 on September 30, 1953). Of course, the canal itself was built by the sale of United States Government bonds.

10. In the case of the Tennessee Valley Authority, there has been no capital stock but the United States has contributed a paid-in surplus of \$45 million and there have been expended appropriations of over \$1,500,000,000. Any bonds to be issued by TVA were to be issued on the credit of or guaranteed by the United States or sold to the Treasury. There were \$29 million in the hands of the Treasury on September 30, 1953, and none elsewhere.

11. Other currently functioning corporations created by Federal legislation are:

(a) Commodity Credit Corporation—capital of \$100 million paid in by United States and maintained by successive appropriations—Corporation, with approval of Secretary of Treasury, can issue bonds, notes, etc., but any sold in the open market would be guaranteed by the United States—on September 30, 1953, there were nearly \$4 billion of the Corporation's obligations in the hands of the Treasury and none elsewhere.

(b) Export-Import Bank of Washington—capital of \$1 billion contributed by United States—borrowing was originally from RFC, now from the Treasury—\$1,430,000,000 of

obligations in the hands of the Treasury on September 30, 1953.

(c) Federal Farm Mortgage Corporation—capital stock subscribed by United States—the Corporation may borrow, with approval of the Secretary of the Treasury, on bonds guaranteed by the United States—\$400,000 of obligations in private hands on September 30, 1953.

(d) Federal National Mortgage Association—capital and paid-in surplus of \$21 million contributed by the United States—borrowing was originally from RFC, but now is accomplished through HHFA, which borrows from the Treasury—nearly \$2,500,000,000 of such obligations outstanding on September 30, 1953.

(e) Federal Crop Insurance Corporation—capital of \$27 million paid in by the United States—also over \$77 million of expended appropriations—no borrowings.

(f) Federal Deposit Insurance Corporation—capital of \$289 million—\$150 million from the United States plus \$139 million from the 12 Federal Reserve banks (all such investment having been repaid by 1948)—authorized to borrow from the Treasury, but has not done so.

(g) Federal Savings and Loan Insurance Corporation—capital of \$100 million originally, \$77 million as of September 30, 1953, all owned by the United States—borrowing, if any, is from the Treasury.

(h) Federal Prison Industries, Inc.—capital supplied by appropriations—no borrowing.

(i) Public Housing Administration—capital stock and paid-in surplus provided by the United States, \$183 million as of September 30, 1953—contributions to the States, etc., provided for by appropriations and allocations from other United States agencies (amounting to \$190 million as of September 30, 1953)—authorized at one time to issue bonds, etc., guaranteed by the United States but now borrows from the Treasury (\$619 million as of September 30, 1953).

(j) Institute of Inter-American Affairs—no capital stock but paid-in surplus of \$12,500,000 from the United States—also other funds from appropriations either direct or by allocation from other Government agencies (amounting to \$116 million as of September 30, 1953)—no borrowing power under the Federal charter of 1947.

(k) Production Credit Corporations (12)—capital of \$120 million supplied by the United States—no borrowing authority.

(l) Reconstruction Finance Corporation—original capital stock of \$500 million subscribed by the United States—borrowings from the Treasury.

(m) Virgin Island Corporation—paid-in surplus and expended appropriations of \$6,300,000 on September 30, 1953—operates on appropriations by Congress made to a revolving fund—no obligations issued to the public.

## SENATE

THURSDAY, APRIL 8, 1954

(Legislative day of Monday, April 5, 1954)

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

Dr. Leslie D. Weatherhead, minister of City Temple, London, England, offered the following prayer:

O God, the Father of all men, the controller of the destinies of men and nations, we bow before Thee in worship before the duties of another day. Show us clearly that no path is worth following if it leads away from Thee, and that no policy can wisely be promoted if it is hostile to Thy plan. Thou art the way and no other way will bring us to anything but frustration and despair, for Thou dost reign. Thy throne is established forever and Thy judgments can never be overthrown.

Help us, then, to put ourselves wholly into Thy hands, not seeking our own will but only Thine. So may we become sensitive instruments in Thy hands, that this great land may give that leadership which Thou desirest and make her contribution to the welfare of the world.

Grant Thy blessing to our President and to all who hold office, and may we, delivered from all motives of selfish interest, see clearly the path on which we should move forward and find in Thee the courage to tread it all our days.

Through Jesus Christ our Lord. Amen.

## THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 7, 1954, was dispensed with.

## MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 208. An act for the relief of Sister Constantin (Teresia Kakonyi);

S. 532. An act for the relief of Giulio Squillari, Mrs. Maggiorina Barbero Squillari, Rosanna Squillari, and Eugenio Squillari;

S. 939. An act for the relief of Njdeh Hovhanissian Aslanian;

S. 1208. An act for the relief of Andrew D. Sumner;

S. 1209. An act for the relief of Dr. Uheng Khoo;

S. 1231. An act for the relief of Franz Gerich and Willy Gerich, his minor son;

S. 1691. An act to authorize Potomac Electric Power Co. to construct, maintain, and operate in the District of Columbia, and to cross Kenilworth Avenue NE., in said District, with, certain railroad tracks and related facilities, and for other purposes;

S. 1937. An act for the relief of Rev. Francis T. Dwyer and Rev. Thomas Morrissey;

S. 2499. An act for the relief of Hua Lin and his wife, Lillian Ching-Wen Lin (nee Hu);

S. 2534. An act for the relief of Dora Vida Lyew Seixas; and

H. R. 889. An act for the relief of Scarlett Scoggin.

## LEAVE OF ABSENCE

Mr. ANDERSON. Mr. President, I ask unanimous consent that I may be excused from attendance on the sessions of the Senate on Friday, April 9, when members of the Joint Committee on Atomic Energy will visit Brookhaven National Laboratory; and from Monday, April 12, through Monday, April 19, when I have speaking engagements in my home State.

The PRESIDENT pro tempore. Without objection, leave is granted.

## ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## CALL OF THE ROLL

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

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

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

Aiken	Gore	Malone
Anderson	Green	Mansfield
Barrett	Griswold	Martin
Bennett	Hayden	Maybank
Bricker	Hendrickson	McCarran
Bridges	Hennings	McClellan
Bush	Hickenlooper	Millikin
Butler, Md.	Hill	Mundt
Butler, Nebr.	Hoey	Murray
Byrd	Holland	Neely
Carlson	Humphrey	Pastore
Case	Hunt	Payne
Clements	Ives	Potter
Cooper	Jackson	Purtell
Cordon	Jenner	Robertson
Daniel	Johnson, Colo.	Russell
Dirksen	Johnson, Tex.	Saltonstall
Douglas	Johnston, S. C.	Schoeppel
Dworshak	Kefauver	Smith, Maine
Eastland	Kerr	Smith, N. J.
Ellender	Kilgore	Stennis
Ferguson	Knowland	Symington
Flanders	Kuchel	Upton
Frear	Langer	Watkins
Fulbright	Lehman	Wiley
Gillette	Long	Williams
Goldwater	Magnuson	Young

Mr. SALTONSTALL. I announce that the Senator from Minnesota [Mr. THYE] is absent by leave of the Senate. The Senator from Maryland [Mr. BEALL], the Senator from Indiana [Mr.

CAPEHART], the Senator from Pennsylvania [Mr. DUFF], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Idaho [Mr. WELKER], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Ohio [Mr. BURKE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from North Carolina [Mr. LENNON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate. The Senator from Georgia [Mr. GEORGE] is necessarily absent.

The PRESIDENT pro tempore. A quorum is present.

#### EXECUTIVE COMMUNICATIONS, ETC.

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

##### REPORT ON PRODUCTION POOLING PROGRAM

A letter from the Attorney General, transmitting, pursuant to law, a report dealing with the production pooling program as a device intended to aid small business to participate in mobilization for defense, dated April 8, 1954 (with an accompanying report); to the Committee on Banking and Currency.

##### REPORT ON DISPOSAL OF EXCESS PERSONAL PROPERTY, DEPARTMENT OF THE AIR FORCE

A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report covering the disposal of Air Force excess personal property located in areas outside the continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, for the calendar year 1953 (with an accompanying report); to the Committee on Government Operations.

##### FINANCIAL STATEMENT OF AMERICAN LEGION

A letter from the director, national legislative commission, the American Legion, Washington, D. C., transmitting, pursuant to law, the final financial statement of the Legion, for the period ended December 31, 1953 (with an accompanying paper); to the Committee on Finance.

#### AGRICULTURAL POLICY OF VERMONT POULTRY ASSOCIATION, RANDOLPH, VT.

Mr. AIKEN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Franklin D. Rollins, secretary-treasurer of the Vermont Poultry Association, Randolph, Vt., setting forth the views of that association on agriculture.

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

VERMONT POULTRY ASSOCIATION,  
Randolph, Vt., April 2, 1954.

GEORGE D. AIKEN,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: The Vermont Poultry Association authorizes me to state at this time their agricultural policy and they hope you will give it due consideration:

##### "STATEMENT OF AGRICULTURAL POLICY

"We believe that agriculture is one of the fundamental segments of industry in this

country upon whose welfare the Nation depends.

"We believe in a free economy and that the role of Government in such an economy is to provide those services for the people which they, as individuals or smaller groups, cannot provide in a practical manner for themselves.

"We believe that governmental control of economy must be through correction of the fundamental faults rather than through superficial measures such as price supports, subsidy payments, and production controls.

"The poultry industry is a substantial part of agriculture and its welfare is closely tied to that of the industrial economy of the Nation. Therefore, knowing that we reflect the large majority opinion of our membership, we vigorously oppose any policy of price supports, subsidy payments, or production controls on poultry or any other agricultural products.

"The Vermont Poultry Association would like to go on record to support a Government farm program that—

"1. Protects the opportunity of the individual by providing a sound framework of legislation and executive policy;

"2. Provides fundamental facts through practical research on production, health, processing, quality improvement and preservation, and merchandising of poultry products; and

"3. Provides adequate information and dissemination of basic statistics, fundamental economic facts, and current market news, except in those cases where industry is able to provide such services for itself."

Yours very truly,

FRANKLIN D. ROLLINS,  
Secretary-Treasurer.

#### INSPECTION FEES ON CARLOADS OF FRESH FRUITS AND VEGETABLES—LETTER FROM RED RIVER VALLEY POTATO GROWERS ASSOCIATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the executive secretary of the Red River Valley Potato Growers Association, relating to the proposed increase of inspection fees from \$9 to \$12 a carload at terminal markets on fresh fruits and vegetables.

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

RED RIVER VALLEY POTATO  
GROWERS ASSOCIATION,

East Grand Forks, Minn., March 3, 1954.

HON. WILLIAM LANGER,  
Senator, United States Senate,  
Washington, D. C.

DEAR SENATOR LANGER: It has been called to our attention that the United States Department of Agriculture is planning to increase inspection fees from \$9 to \$12 a carload at terminal markets on fresh fruits and vegetables.

It seems incredible to us that the fruit and vegetable industry should be singled out for an inspection rate increase when it is our understanding that some commodities enjoy Federal inspection without specific charge to the producer.

Our growers are concerned about this increase because from time to time they find it necessary to call for a Federal inspection at the terminal market to settle disagreements on grade at terminal markets.

Will you use your influence to try and prevent the proposed increase from going through? It is not justifiable in our opinion.

Very truly yours,

LYLE W. CURRIE,  
Executive Secretary.

#### DAIRY PRICE SUPPORTS—LETTER AND RESOLUTION OF WELLS COUNTY FARMERS UNION, MADDOCK, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Wells County Farmers Union, Maddock, N. Dak., embodying a resolution adopted by that union, relating to the price supports on dairy products.

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

WELLS COUNTY FARMERS UNION,  
Maddock, N. Dak., March 25, 1954.

HON. SENATOR WILLIAM LANGER,  
Washington, D. C.

DEAR MR. LANGER: At our Wells County Farmers Union quarterly convention held at Harvey N. Dak., on March 25, 1954, do recommend the following resolution for you to work on:

"1. Whereas the Secretary of Agriculture has announced that as of April 1, 1954, the support on butterfats will be reduced to 75 percent of parity. We recommend that the Congressmen and Senators of North Dakota oppose this reduction and work for not less than 100 percent of parity.

"2. We also recommend that they work toward the goal of 100 percent of parity on all basic commodities.

"3. We also recommend that they oppose the importation of farm commodities until such time when our commodities reach 100 percent of parity.

"4. We also recommend that they oppose the sale of transmission lines to private enterprises and that the cooperatives maintain preference in all public power and that they support and help all public power sales for the people."

We the Wells County Farmers Union want to thank you for the fine support you have given our farm program in the past.

Yours truly,

CURTIS BERGRUD,  
Secretary, Wells County Farmers Union.

#### NATIONAL WOOL ACT OF 1954—RESOLUTION OF LINCOLN COUNTY WOOL GROWERS ASSOCIATION, KEMMERER, WYO.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Lincoln County Wool Growers Association, Kemmerer, Wyo., favoring the passage of the proposed National Wool Act of 1954.

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

LINCOLN COUNTY WOOL  
GROWERS ASSOCIATION,  
Kemmerer, Wyo.

To the Members of Congress:

The following resolution was unanimously adopted at the 48th annual convention of the Lincoln County Wool Growers Association held at Kemmerer, Wyo., March 18, 1954:

"Whereas the economy of the several Western States is dependent to a large extent upon the woolgrowing industry of the United States; and

"Whereas the present policy of internationalism is making it impossible for the woolgrowing industry to survive; and

"Whereas a healthy woolgrowing industry is necessary to insure our national security; Therefore be it

"Resolved, That we urge the immediate passage of the National Wool Act of 1954."

We will greatly appreciate your help and cooperation in securing the passage of this much-needed legislation.

THOMAS FACINELLI,  
President.

#### ACTIVITIES OF INTERNATIONAL BANK—LETTER FROM EUGENE R. BLACK

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Eugene R. Black, president of the International Bank for Reconstruction and Development, relating to the activities of that bank in 1953 and some of the projects they are working on for 1954.

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

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT,  
Washington, D. C., January 8, 1954.

HON. WILLIAM LANGER,  
United States Senate,  
Washington, D. C.

DEAR SENATOR LANGER: The turn of the year gives all of us an opportunity to assess the achievements of the past 12 months and to plan and prepare for the next. I am, therefore, writing to you now to tell you in broad outline about our activities in the International Bank in 1953 and about some of the projects we are working on for 1954.

The past year has been a busy one for us. We concluded loans amounting to the equivalent of \$256,892,000 for a variety of projects designed to increase productivity in all 6 continents. We borrowed the equivalent of \$98.2 million on the private capital market in United States dollars and Swiss francs. Our \$75 million United States dollar issue last September was the largest internationally underwritten bond issue to be sold since the end of the war. As you know, we are coming to the United States market again with an issue of \$100 million in January.

Our net earnings are growing steadily. For the fiscal year ended June 30 earnings were slightly under \$18.5 million, and for the last 6 months of 1953 they amounted to about \$10 million. At the end of the calendar year our total reserves amounted to approximately \$130 million.

We are starting the new year with good prospects for further lending. In Asia we are studying a number of projects for railroads, roads, electric power, harbor improvements, and some manufacturing industries. In the Middle East we have under consideration projects for port development, roads, and irrigation. In Africa we are examining various plans to assist in the development of railway services, harbors, and hydroelectric facilities. Recently we have had a mission in Australia looking into ways in which the bank could further assist the country's development.

Latin America should continue to be an active scene of operations for us in many fields. In this area we are taking a fresh look at possibilities in Ecuador, which has recently settled its outstanding external debt. We are also discussing a number of loan possibilities in Europe. One of these concerns an interesting project for harnessing Austria's hydroelectric potential. This is one of the most important untapped resources in Europe and seems to us a fitting object of international investment.

I have not attempted to give details of our loan prospects. But I thought that you would be interested in these brief indications of some of the opportunities before us as the new year opens.

Apart from the plans we are making for the future, you will probably have read of several loans we have made in the recent

past. We have lent for hydroelectric power and railroad projects in Brazil, thermal-power projects in Japan, and in support of the Italian Government's comprehensive plan for the development of southern Italy. These 6 loans amounted to nearly \$73 million. I am sending you the announcements separately.

In conclusion, I would like to take this opportunity to send you my best wishes for the coming year.

Sincerely yours,

EUGENE R. BLACK.

#### THE FLEXIBLE MARKET FOR FARM PRODUCTS—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from Gottlob Froeschle, of Hazen, N. Dak., relating to the flexible market for agricultural products.

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

FARMERS ELEVATOR OF HAZEN,  
Hazen, N. Dak., January 9, 1954.

HON. SENATOR LANGER,  
Washington, D. C.

DEAR SIR: As I have been working with farmers as a grain buyer for the last 36 years, my opinion of the flexible market is that it does a lot of damage to our family type farmers.

There is a demand for most of these farmers to pay their debts as soon as their grain is harvested; therefore they have no chance to pick their market, and usually they must sell while the market is the lowest, while the bigger farmers are able to pick their price; therefore the flexible market does a lot of damage to our small farmers.

We should encourage small farming which would be a big help to our Nation to get more people to the farms from the city; this would mean better family living and a great help against juvenile delinquency.

Yours truly,

GOTTLLOB FROESCHLE.

#### MARKETING OF BEEF CATTLE—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from H. M. Ekren, of Kensal, N. Dak., relating to the marketing of beef cattle.

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

KENSAL, N. DAK., January 11, 1954.

Senators WILLIAM LANGER AND MILTON YOUNG,  
United States Senate,  
Washington, D. C.:

Only grain-fed steer prices are used in criteria as propaganda by Nation's press in behalf of packers and labor bosses. One half of cattle population is still cows and heifers. Ninety percent are still marketed in utility stage and is sold as tasty high-priced beef.

Choice utility cows are now a dime; as of 2 years ago 30 cents. A herd with a loan value of \$10,000 then is down to \$3,000 now. Interest 7 percent. Truman's tax collectors got all the cash for foreign nations instead of surplus farm commodities. The balance of farmer's cash went for high priced industrial equipment, on which social security and unemployment taxes for others are included in purchase price.

Loans to farmers are being called, beginners wiped out, chaos is mounting. Industrial commodities are piling up on dealers. This is the beginning of depression and the

tragic part, only the cattle producer must make the sacrifice, so far.

Here is the remedy—immediate floor price of 15 or 16 cents on utility cows net to producer. This will govern all cattle prices at a livable rate to the farmer; he will be able to buy needed supplies, labor will have jobs and loans liquidated gradually at all levels. The price spread will be absorbed by all consumers without more taxes. Save America—save America first.

Sincerely,

H. M. EKREN.

Forty years a farmer, 10 years member North Dakota Legislature.

#### LIBERALIZED SOCIAL SECURITY—RESOLUTION

Mr. LANGER. Mr. President, I ask unanimous consent that a resolution adopted by Aerie 153, Fraternal Order of Eagles, Fargo, N. Dak., relating to liberalization of the social-security law, be printed in the RECORD.

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

FRATERNAL ORDER OF EAGLES RESOLUTION  
FAVORING LIBERALIZED SOCIAL SECURITY

Whereas the Fraternal Order of Eagles was a leader in the campaign for enactment of the Social Security Act and the earlier campaigns for the passage of State old-age pension laws; and

Whereas the Fraternal Order of Eagles, by unanimous vote of delegates in national convention assembled, has urged the liberalization of the Social Security Act so as to extend coverage to all workers and to expand the program to protect wage earners against all major hazards of life and to adjust payments to meet increased living costs; and

Whereas the President of the United States, Dwight D. Eisenhower, in his recent message to Congress, has urged that the Social Security Act be liberalized to provide that—

1. The minimum benefit for retired persons be increased from \$25 to \$30 per month, the maximum from \$85 to \$108.50.
2. Ten million additional persons be included in the security system.
3. The first \$1,000 of annual earnings by retired persons be exempted from the regulations of the Social Security Act.
4. The earnings base for participants in the plan be raised from \$3,600 to \$4,200.
5. The 4 years of lowest income for such beneficiary be discarded in computing benefits; and

Whereas friends of social security, Democrats and Republicans, have endorsed the President's suggestions as a long step forward in providing adequate old-age security for all Americans; Now, therefore, be it

Resolved, That our Aerie endorse the President's proposals for improving the Social Security Act, and respectfully urge the Congressman from our district and the United States Senators from our State to enact such recommendations into law.

Adopted this 17th day of February 1954.

BEN STANGE,

Worthy President, Fargo Aerie No. 153.

Attest:

H. R. HALL, Secretary.

#### PRICES OF CREAM AND EGGS IN NORTH DAKOTA—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Delbert L. Smith, of Ellendale, N. Dak., transmitting cream and egg checks, showing the prices he is receiving in North Dakota.

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

ELLENDALE, N. DAK., March 22, 1954.

Senator WILLIAM LANGER,  
Washington, D. C.

DEAR MR. LANGER: I am enclosing 2 cream and 2 egg check stubs to let you see how our prices are here in North Dakota are doing since January 1 to March 19, 1954. If they drop the parity price to 75 percent as they intend to do, what will we live on here in North Dakota?

Our crops were rusted out last year, that the quality is so poor it didn't bring much money.

Our cows and chickens is all the money we have coming in.

I hope you will fight for 100-percent parity for all you are worth to help us small farmers.

Yours truly,

DELBERT L. SMITH.

Name: Delbert Smith 1-5

Grade	Lbs. cream	Test	B. fat	Price	Amount
Sweet.....	91	34	30.9	\$0.69	\$21.32

Sunset Dairy & Creamery

1/26 No. 660

Grade	Dozen	Eggs	Price	Amount
A large.....	4	4	\$0.38	\$1.65
A medium.....	0	3	.33	.08
B.....	0	5	.33	.14
Net check.....				1.87

Sunset Dairy & Creamery, Ellendale, N. Dak.  
Name: Delbert Smith 3/19

Grade	Lbs. cream	Test	B. fat	Price	Amount
Sweet.....	25	34	8.5	\$0.57	\$4.84

Sunset Dairy & Creamery

3/19 No. 1209

Grade	Dozen	Eggs	Price	Amount
A large.....	10	5	\$0.32	\$3.33
A medium.....	1	1	.30	.32
B.....	0	5	.30	.12
No. 2.....	0	1	.26	.02
	11	12		
	12 doz.			
Net check.....				3.79

Sunset Dairy & Creamery, Ellendale, N. Dak.

#### REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

H. R. 8539. A bill to extend the period of election under the Uniformed Services Contingency Option Act of 1953 for certain members of the uniformed services; without amendment (Rept. No. 1197).

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 8, 1954, he presented to the President of the United States the following enrolled bills:

S. 208. An act for the relief of Sister Constantina (Teresa Kakonyi);

S. 532. An act for the relief of Giulio Squillari, Mrs. Maggiorina Barbero Squillari, Rosanna Squillari, and Eugenio Squillari;

S. 939. An act for the relief of Njdeh Hovhanissian Aslanian;

S. 1208. An act for the relief of Andrew D. Sumner;

S. 1209. An act for the relief of Dr. Uheng Khoo;

S. 1231. An act for the relief of Franz Gerich and Willy Gerich, his minor son;

S. 1691. An act to authorize Potomac Electric Power Co. to construct, maintain, and operate in the District of Columbia, and to cross Kenilworth Avenue NE., in said District, with, certain railroad tracks and related facilities, and for other purposes;

S. 1937. An act for the relief of Rev. Francis T. Dwyer and Rev. Thomas Morrissey;

S. 2499. An act for the relief of Hua Lin and his wife, Lillian Ching-Wen Lin (nee Hu); and

S. 2534. An act for the relief of Dora Vida Lyew Selxas.

#### 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. PAYNE (for himself and Mrs. SMITH of Maine):

S. 3270. A bill to provide that leave accrued by members of the Armed Forces while held as prisoners of war in Korea shall not be counted in determining the maximum amount of leave which they may accumulate or have to their credit; to the Committee on Armed Services.

(See the remarks of Mr. PAYNE when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of New Jersey:

S. 3271. A bill to provide and assist in the extension and improvement of vocational education, provide for a more effective use of available Federal funds, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. DWORSHAK:

S. 3272. A bill for the relief of Angelina Carmen Pelikan; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 3273. A bill for the relief of Cirino Lanzafame; to the Committee on the Judiciary.

By Mr. WILEY (by request):

S. 3274. A bill to amend section 201 (c) of the Agricultural Act of 1949, relative to whey as a product of milk; to the Committee on Agriculture and Forestry.

By Mr. JENNER:

S. 3275. A bill to provide for extension, and suspension in certain cases, of statutes of limitation on false swearing by Government employees with respect to subversive activities and connections; to the Committee on the Judiciary.

By Mrs. SMITH of Maine:

S. 3276. A bill for the relief of Cleophat Robert Joseph Caron; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 3277. A bill to amend the Internal Security Act of 1950 so as to require each department or agency in the executive branch of the Government to submit quarterly reports to the Congress with regard to employees separated as security risks; to the Committee on the Judiciary.

By Mr. HILL (for himself, Mr. EASTLAND, Mr. HOLLAND, Mr. SPARKMAN, and Mr. LONG):

S. 3278. A bill to amend title II of the Social Security Act to provide that ministers

may elect to receive old-age and survivors insurance coverage by treating service performed in the exercise of their ministry as self-employment, and for other purposes; to the Committee on Finance.

By Mr. HENDRICKSON:

S. 3279. A bill for the relief of Rachid Ali; S. 3280. A bill for the relief of Boto Ullah; and

S. 3281. A bill for the relief of Tomid Ali; to the Committee on the Judiciary.

By Mr. KUCHEL (for himself and Mr. KNOWLAND):

S. 3282. A bill to expedite the disposal and removal of federally owned temporary housing in certain communities where such housing predominates; to the Committee on Banking and Currency.

By Mr. BYRD (for himself and Mr. ROBERTSON):

S. J. Res. 147. Joint resolution to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes; to the Committee on the Judiciary.

#### AMENDMENT OF ARMED FORCES LEAVE ACT RELATING TO ACCUMULATION OF LEAVE BY KOREAN PRISONERS OF WAR

Mr. PAYNE. Mr. President, in the Armed Forces Leave Act of 1946 the Congress established a definite policy of limiting the amount of leave which a member of the Armed Forces might accrue and carry over from year to year to a maximum of 60 days.

This provision in the law has worked a hardship on those members of the Armed Forces who became prisoners of war after the beginning of the Korean operations on June 27, 1950. There was, of course, no possibility that those men could use the leave they were accumulating after they became prisoners of war, yet any leave they may have been entitled to in excess of 60 days was written off the books.

This injustice can be corrected by amending the Armed Forces Leave Act of 1946 to provide that leave accrued by members of the Armed Forces while held as prisoners of war since June 27, 1950, shall not be counted in determining the maximum amount of leave which they may accumulate or have to their credit, and by authorizing cash settlement for such leave accrued while a prisoner of war.

On behalf of my colleague, the senior Senator from Maine [Mrs. SMITH] and myself, I introduce a bill to correct this injustice to the Korean prisoners of war by amending the Armed Forces Leave Act of 1946, and request that it be received and appropriately referred.

The PRESIDING OFFICER (Mr. YOUNG in the chair). The bill will be received and appropriately referred.

The bill (S. 3270) to provide that leave accrued by members of the Armed Forces while held as prisoners of war in Korea shall not be counted in determining the maximum amount of leave which they may accumulate or have to their credit, introduced by Mr. PAYNE (for himself and Mrs. SMITH), was received, read twice by its title, and referred to the Committee on Armed Services.

### VOCATIONAL EDUCATION ACT OF 1954

Mr. SMITH of New Jersey. Mr. President, I introduce for appropriate reference a bill to promote and assist in the extension and improvement of vocational education, and to provide for more effective use of available Federal funds.

This bill is in line with the administration's effort to improve and simplify grant-in-aid legislation administered by the Department of Health, Education, and Welfare. I have previously introduced several measures embodying the administration's recommendations for simplifying the various grant-in-aid programs.

Under the bill I am introducing today, the several vocational education acts would be combined into this one draft bill. Instead of the present complicated formulae, the draft bill would provide that Federal funds be distributed for three purposes—support, extension and improvement, and special projects. In each case the formula for distribution is similar to that provided for these purposes in other grant-in-aid legislative proposals for the Department of Health, Education, and Welfare.

The general purposes of the vocational education program are retained. The funds would be administered through the State boards; there is the Federal-State cooperative relationship according to a State-developed plan; more responsibility would be placed on the States than at present; and greater flexibility could be exercised by them in use of the funds so as to meet the differing needs of the various States.

The proposed draft bill would eliminate the permanent appropriation feature of the Smith-Hughes Act and substitute an authorization for appropriations in line with current governmental practices.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3271) to provide and assist in the extension and improvement of vocational education, provide for a more effective use of available Federal funds, and for other purposes, introduced by Mr. SMITH of New Jersey, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

### DIVERSION OF WATER FROM COLORADO RIVER—AMENDMENT

Mr. KNOWLAND (for himself, Mr. HAYDEN, Mr. KUCHEL, and Mr. GOLDWATER) submitted an amendment in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 646) authorizing construction of works to restore to Palo Verde irrigation district, California, a means of gravity diversion of its irrigation water supply from the Colorado River and providing certain benefits to the Colorado River Indian Reservation, Ariz., and for other purposes, which was referred to the Committee on Interior and Insular Affairs and ordered to be printed.

### REVISION OF INTERNAL REVENUE LAWS—AMENDMENTS

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to the bill (H. R. 8300) to revise the internal revenue laws of the United States, which were referred to the Committee on Finance and ordered to be printed.

### CREATION OF CERTAIN UNITED STATES JUDGESHIPS—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (S. 2910) providing for the creation of certain United States judgeships, and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

### HOUSE BILL REFERRED

The bill (H. R. 7371) to provide for the disposal of paid postal-savings certificates was read twice by its title and referred to the Committee on Post Office and Civil Service.

### UPPER COLORADO RIVER PROJECT

Mr. ANDERSON. Mr. President, I have a regular biweekly broadcast to New Mexico. In these broadcasts I try to bring to the people of my State topics which may be of interest to them. The broadcast next week deals with the upper Colorado River project, which is of vital importance to the State of New Mexico, and I therefore ask unanimous consent to have it printed in the RECORD when it is available for release.

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

### ADDITIONAL APPROPRIATION FOR DEPARTMENT OF LABOR—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, it is desired at this time to have the Senate proceed to the consideration of the conference report on House Joint Resolution 461, making an additional appropriation for the Department of Labor. In other words, it is the desire to have that conference report considered at this time, ahead of the conference report on House bill 6025, relating to the Leahi Hospital, in Hawaii, which is the pending business. The conference report on House Joint Resolution 461 was submitted and read but its consideration was deferred.

Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 461) making an additional appropriation for the Department of Labor for the fiscal year ending June 30, 1954, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, at my request, last evening the dis-

tinguished majority leader and the senior Senator from Michigan [Mr. FERGUSON] postponed the request for consideration of this report until I could examine the effect of dropping an amendment which I had submitted in the Senate, calling for an appropriation of \$64,000 for the Hidalgo station. Since then I have checked into the matter.

First, I wish to say I am deeply grateful for the courtesy of the distinguished majority leader and the senior Senator from Michigan [Mr. FERGUSON].

Second, I wish to say I heartily support the conference report.

I understand that following the passage of the bill in the Senate—and if I am in error, I wish the Senator from Michigan will correct me—Chairman TABER, of the House Appropriations Committee, asked the Comptroller General for a ruling as to whether medical and physical examination costs could be paid out of a revolving fund now in existence as a result of previous assessments made against employers. It is my information that the Comptroller General determined that the law permitted the use of this money which is now in the Treasury. Is that correct?

Mr. FERGUSON. That is correct.

Mr. JOHNSON of Texas. The result of the Comptroller General's ruling, then, is to permit the Hidalgo station to open without the necessity of any additional appropriations, and without any special assessments on employers. This is because at present the revolving fund has a surplus of \$2,700,000, and under present plans that surplus will not be exhausted prior to the expiration of the law in 1955. It is my understanding that originally the employers were assessed \$15 per capita for the revolving fund expenditure.

Mr. FERGUSON. That is correct.

Mr. JOHNSON of Texas. Because costs did not run as high as had been expected, the assessment was reduced, and is at present \$6.

Mr. FERGUSON. That is correct.

Mr. JOHNSON of Texas. The actual costs are now estimated to be about \$9. If the medical and physical examination costs are added, the estimate given me is that the cost will rise to about \$10. However, it is contemplated that there will be no increase in the assessment against employers, either for the remainder of this fiscal year or next year. In fact, it is possible that the assessment could be reduced in order to use the surplus in the revolving fund.

Mr. FERGUSON. That is my understanding; and that is why we agreed to strike out the amount which the Senate placed in the joint resolution for the purpose of erecting and maintaining the station. I understand that the station can go ahead without this fund.

Mr. JOHNSON of Texas. Then I would not think it proper for me to insist upon the amendment which the Senate adopted. I should like to state for the RECORD that that is because, first, the Hidalgo station is to be opened; and second, the cost of physical and medical examinations will not require any additional assessments on the employers.

Mr. FERGUSON. That is my understanding; and that was my understand-

ing when the item was omitted from the joint resolution in conference.

Mr. JOHNSON of Texas. I think the Senator from Michigan and his fellow conferees have acted properly. I am grateful to the distinguished majority leader for giving me time to ascertain the facts.

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

The report was agreed to.

#### CONSTRUCTION OF HIGHWAYS— ORDER TO PRINT H. R. 8127, SHOWING THE SENATE AMEND- MENT

Mr. CASE. Mr. President, I ask unanimous consent that House bill 8127, the highway construction bill passed yesterday by the Senate, be printed showing the Senate amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### ATOMIC ENERGY PROGRAM—THE QUEBEC AGREEMENT OF 1943

Mr. BUTLER of Maryland. Mr. President, last evening's edition of the Washington Evening Star contains a very thought-provoking editorial under the heading "Secret Agreement." I am amazed that some comment has not heretofore been made on this editorial. It reviews, though in scant detail, the provisions of the agreement made by the late President Roosevelt in 1943 with Prime Minister Churchill, in connection with atomic energy. The agreement extended not only to the use of the bomb itself for war purposes, but clause 4 provided for the industrial and commercial uses of atomic energy.

For the information of the Senate and the country, I should like to read the last two paragraphs of the editorial, which deals specifically with clause 4 of the agreement:

In this clause there are green pastures for the Bricker amendment advocates. By what possible claim of authority could the President, in 1943, pretend to say how the postwar advantages of the atomic program should be divided between ourselves and Great Britain? How could Mr. Truman pretend, in 1945, to renew this agreement, which he says is in effect today? And if the White House announcement means that a similar agreement is now in effect, from what source does President Eisenhower derive his authority?

It ought to be made clear that the fruits of our atomic program are not the private property of the President, to be divided with our allies as he may see fit to divide them. They have been purchased with billions of dollars of tax money, and the people, through their representatives in Congress, should have some say as to their disposition.

I wholeheartedly agree with this editorial, and I stand here on the floor of the Senate today completely convinced that my vote for the Bricker amendment was the smartest vote I have cast during the time I have been a Member of this great body.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

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

#### SECRET AGREEMENT

Winston Churchill really stirred up a hornet's nest when he revealed in the House of Commons his secret atomic-bomb agreement of 1943 with Franklin D. Roosevelt.

Actually, the secret agreement was made public in 1952 with the publication of the private papers of the late Senator Vandenberg. Apparently, however, the revelation in the Vandenberg papers had been more or less forgotten. In any event, the announcement by Mr. Churchill has met with surprise, confusion, and controversy.

Former President Truman says the 1943 agreement is still in effect. The White House, using guarded language which suggests that there may be some new agreement, says the 1943 agreement is not in effect at the present time. According to the Vandenberg papers and also according to Senator HICKENLOOPER, who at the time was chairman of the Joint Congressional Committee on Atomic Energy, the agreement was canceled in 1948. Mr. Churchill says the late Senator McMahon, who sponsored our Atomic Energy Act, knew nothing of the agreement at the time. Mr. Truman says he renewed the agreement, with Canada included, in 1945. A British Foreign Office spokesman says the British gave their consent to our use of the A-bomb against Japan. What would Mr. Truman have done, it may be wondered, if they had refused to consent? Would thousands, perhaps hundreds of thousands, of American soldiers have been sacrificed in a nonatomic invasion of Japan's homeland?

Perhaps one should not unduly belabor the wartime aspects of this agreement. We needed Britain's help and Britain needed ours. But what earthly excuse could there have been for the fourth provision—a provision presumably extended by Mr. Truman in 1945?

This provides that any postwar advantages (as a result of the atomic program) of any industrial or commercial character shall be dealt with as between the United States and Great Britain on terms to be specified by the President of the United States to the Prime Minister of Great Britain.

In this clause there are green pastures for the Bricker amendment advocates. By what possible claim of authority could the President, in 1943, pretend to say how the postwar advantages of the atomic program should be divided between ourselves and Great Britain? How could Mr. Truman pretend, in 1945, to renew this agreement, which he says is in effect today? And if the White House announcement means that a similar agreement is now in effect, from what source does President Eisenhower derive his authority?

It ought to be made clear that the fruits of our atomic program are not the private property of the President, to be divided with our allies as he may see fit to divide them. They have been purchased with billions of dollars of tax money, and the people, through their representatives in Congress, should have some say as to their disposition.

#### LICENSE OF LEAHI HOSPITAL TO USE CERTAIN UNITED STATES PROPERTY IN HONOLULU, HAWAII

The PRESIDING OFFICER (Mr. YOUNG in the chair). The Chair lays before the Senate the pending business, which is the report of the committee of conference on House bill 6025.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the

Senate to the bill (H. R. 6025) to authorize the Secretary of the Army to grant a license to the Leahi Hospital, a nonprofit institution, to use certain United States property in the city and county of Honolulu, T. H.

Mr. HENDRICKSON. Mr. President, on July 27, 1953, the House passed H. R. 6025, a bill to authorize the Secretary of the Army to grant a license to the Leahi Hospital, a nonprofit institution, to use certain United States property in the city and county of Honolulu, T. H. The Senate, on February 15, 1954, passed this measure, but with an amendment requiring the payment of a consideration of 50 percent of the fair rental value.

In conference the Senate conferees receded from the Senate amendment, and did so on the following bases: First, the license to be granted is revocable at the will of the Army, and the hospital therefore has no certain tenure of the property; in short, it is only a revocable license, at best. Actually, it is a tenancy by sufferance. Second, the hospital will expend a very substantial sum in the improvement of the property, which improvement will be of direct benefit to the United States in the event the property is required for defense purposes at some time in the future; and, last, the fact that the hospital, which is supported mainly out of Territorial funds, is a charitable institution whose primary purpose is to treat patients suffering from tuberculosis.

I am informed that the hospital will spend approximately \$20,000 in improving this vacant land.

The conferees believed that it would be more advantageous if the amendment adopted by the Senate were stricken. In that belief, the members of the conference committee were unanimous.

I should like to say also that the equities in this matter are entirely on the side of the hospital, and I hope no Senator will object to the conference report.

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

The report was agreed to.

#### RECONVEYANCE TO BOULDER, COLO., OF CERTAIN PROPERTY DONATED BY IT

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 2713) to authorize the Secretary of Commerce to reconvey certain property which the city of Boulder, Colo., donated to the Secretary of Commerce for the establishment of a radio propagation laboratory.

#### JUVENILE DELINQUENCY

Mr. HENDRICKSON. Mr. President, I rise at this time to discuss certain investigative problems confronting the Subcommittee to Investigate Juvenile Delinquency, and to inform the Senate of the scheduling of public hearings by the subcommittee.

On April 14 and 15, the subcommittee of which I am chairman will conduct community hearings in Philadelphia,

Pa., in an effort to work with local authorities in a concerted attack against delinquency problems which appear to be worsening in that historic city, which, by the way, is directly across the Delaware River from my home town in New Jersey.

On April 21 and 22 it is our intention to conduct public hearings on the comic-book situation.

The scene of the hearing will probably be New York City, which is the heart of the comic-book industry.

It is in this connection, Mr. President, that the junior Senator from New Jersey would briefly address the Senate.

There undoubtedly have been questions raised in the minds of the comic-book publishers as to the intentions of our subcommittee in conducting such an inquiry.

In clarifying our present position, I would say, first of all, that not all comic books are bad for youngsters to read—far from it.

I join with J. Edgar Hoover's view that comics "which are restrained in presentation, which conform to carefully prescribed standards of good taste and authenticity and which teach a true lesson that crime does not pay, have a real educational value."

Mr. President, it is my further opinion that comic books may well provide a safety valve through which our young people can find a means of "blowing off steam."

It is not with the Donald Duck type of comic book that the junior Senator from New Jersey is the least bit concerned at this time.

What is the type of comic book in which the subcommittee has interested itself on a preliminary basis?

It is the so-called horror and crime variety which has disturbed literally millions of parents throughout our Nation.

The Subcommittee on Juvenile Delinquency has received upward of 20,000 unsolicited letters from people throughout the country.

Approximately 75 percent of these letter-writers have expressed the deepest concern over comic books, television, and the other mass media of communication.

On the other hand, Mr. President, the subcommittee—of which the Senator from North Dakota [Mr. LANGER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Missouri [Mr. HENNING] are also members—has contacted some 3,000 grassroots experts throughout the country—police officials, juvenile court judges, welfare departments, educators, and others who work directly with children. We have asked them various questions about juvenile delinquency, including their views as to the relationship between comic books and delinquency.

Perhaps 50 percent of those solicited felt there was a substantial connection between comic books and juvenile delinquency.

The other 50 percent were of the opinion that there was probably only a relatively minor connection between the two.

In the face of a really vociferous popular concern and a considerable amount of confusion—or at least divided opinion—on the part of those close to the

problem, the subcommittee has decided to make some preliminary determinations about the extent of delinquency as it relates to the influence of comic books.

Mr. President, the subcommittee has not indulged in any flamboyant statements.

Its chairman has not set about indicting comic book publishers, or recommending the establishment of vigilante committees to wipe out Mickey Mouse and Superman.

All we have done is announce that we are interested in the total problem.

The American people have a right to know the facts.

Yet, Mr. President, some would attempt to tie this problem to freedom of the press.

In fact, it has even been suggested to our investigative staff that anyone interested in the question of comic books is tied up with some dark plot to promote a police state.

This is what the junior Senator from New Jersey, as chairman, is interested in determining:

First of all, is there really any significant connection between the juvenile delinquency and comic books? If there is not, then the American people ought to know about it because they are presently concerned.

But, Mr. President, there are evidently vested interests throwing up smoke-screens about their activities which would prevent us even from raising a question concerning the impact of crime and horror comics on the young mind.

It seems to the subcommittee that one does not have to be a fellow traveler to raise questions.

Mr. President, the people of the United States are not going to believe that someone who at a parent-teachers association meeting raises questions about horror comic books is subversive for so doing.

And yet that is precisely the kind of propaganda certain interests are trying to spread about this matter.

If some groups are trying to indict as Communists the thousands of concerned Americans who have been writing the subcommittee because of their apprehensions about horror comics, then the FBI had better get busy, because I would fancy that there are literally millions of Reds in this Nation who we thought all along were either just plain Democrats or Republicans. I make that statement in all sarcasm.

Speaking of the FBI, let me quote a few of Director Hoover's remarks on the subject. That great American said:

A comic book which is replete with the lurid and macabre; which places the criminal in a unique position by making him a hero; which makes lawlessness attractive; which ridicules decency and honesty; which leaves the impression that graft and corruption are necessary evils in American life; which depicts the life of a criminal as exciting and glamorous may influence the susceptible boy or girl who already possesses definite antisocial tendencies.

Mr. Hoover further said:

While comic books which are unrealistic in that they tend to produce fantastic pictures of violence, brutality, and torture may have no effect on the emotionally well-balanced boy or girl, nevertheless, they may

serve as the springboard for the unstable child to commit criminal acts.

Mr. President, J. Edgar Hoover raises questions; a lady at a PTA meeting may raise questions; and the subcommittee is going to raise some questions, and no one is going to stop us because of a desire to protect himself.

The comic-book industry is big business, Mr. President.

Every month in this country between 70 million and 100 million comic books are sold—most of them to American children.

At 10 cents a copy, the 1,200,000,000 copies sold a year, provide a yearly income of \$120 million.

Mr. President, within the framework of our directive from the Senate, the subcommittee is going to continue what we have constantly sought to do, namely, to make an objective investigation and to obtain the facts, no matter who does not like it.

I yield the floor, Mr. President.

#### RECONVEYANCE TO BOULDER CITY, COLO., OF CERTAIN PROPERTY DONATED BY IT

The Senate resumed the consideration of the bill (S. 2713) to authorize the Secretary of Commerce to reconvey certain property which the city of Boulder, Colo., donated to the Secretary of Commerce for the establishment of a radio propagation laboratory.

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

The PRESIDING OFFICER (Mr. WATKINS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENDRICKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HENDRICKSON. Is it in order for me to make a motion, since the first Senator whose name was called did not answer?

The PRESIDING OFFICER. It is not in order.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

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

The bill is open to amendment.

Mr. JOHNSON of Colorado. Mr. President, inasmuch as an objection or a question has been raised with respect to the bill, as to what it may accomplish, I think that perhaps something should be said about its objectives. I am glad to observe the distinguished junior Senator from Oregon present, because I wish especially to discuss with him the bill and the report.

I concur with him in the Morse formula. I think the Morse formula is a sound formula and should be observed, and, in my opinion, the bill observes the Morse formula indirectly. If I may relate how I have arrived at that conclusion, I believe I can convince the Senator from Oregon that I am correct. This is a very simple noncontroversial bill. Briefly, here are the facts: In 1950, the city of

Boulder, Colo., gave to the United States Government, free of charge, a tract of land containing 210 acres. On it there has been constructed a radio laboratory building for the Bureau of Standards. It will be ready for occupancy on May 1 of this year. In addition, the Atomic Energy Commission has erected several buildings near the radio building to house the cryogenic-engineering program which is conducted by the Bureau of Standards for the Atomic Energy Commission. Cryogenic is the subject of refrigeration used especially with reference to methods for producing very low temperatures.

By reason of this very substantial Federal building construction and increased population, the city of Boulder finds that it must enlarge its water-supply system. Therefore it plans to construct a storage reservoir, supply lines, and distribution lines. The reservoir is to be constructed at a site which will make it necessary to utilize a very small portion—about 2 acres—of the land originally granted to the Federal Government. The reservoir, however, will benefit not only the citizens of Boulder but also the Bureau of Standards. This little 2-acre plot which this bill reconveys to the city of Boulder is a considerable distance removed from the buildings which have been erected for the Bureau of Standards, and the Bureau does not contemplate erecting any buildings or making any improvements thereon. The Department of Commerce is well aware of the benefits that will accrue to it if this bill is passed and it has endorsed the measure enthusiastically. It also has been cleared with the General Services Administration, the Department of Justice, and the Bureau of the Budget.

The Senator from Oregon [Mr. MORSE] has objected to the proposed legislation, I understand, on the ground that the so-called Morse formula has not been incorporated therein. I may point out that while the Morse formula is not spelled out in the bill in so many words, nevertheless, it is in the bill in principle, because the Government will receive "consideration" for this 2-acre tract in the way of a vastly improved water supply for its various facilities in the city of Boulder. In view of all of the facts as I have outlined them, I am sure the junior Senator from Oregon will agree that we are complying, in principle, with his famous formula. It is a good formula and one that I am always glad to support. As a cosponsor of S. 2713, and as a member of the committee which reported the bill by unanimous vote, I give him my unqualified assurance that the benefits which the Government will derive from the enactment of this bill will far outweigh the value of the 2 acres of land.

Mr. MORSE. Mr. President, will the Senator yield for a few questions?

Mr. JOHNSON of Colorado. I yield.

Mr. MORSE. I am desirous only of getting information into the Record, because if the conveyance does not violate the Morse formula, certainly I shall have no objections. So I seek this information:

First, am I to understand that this piece of property was donated by the

city of Boulder, in the first instance, to the Federal Government for usage, such as for the erection of Federal buildings on the property, for Federal governmental services?

Mr. JOHNSON of Colorado. That is correct; 210 acres of very valuable land.

Mr. MORSE. The third particular project for which the donation was made was for what use?

Mr. JOHNSON of Colorado. The first donation was for the building of a laboratory by the Bureau of Standards, in which to test the effect of atmosphere on radio transmission and reception.

Mr. MORSE. It is true, is it not, that the Federal Government did not need the entire 210 acres for that particular project?

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. Am I correct in my understanding that the Federal Government, however, is contemplating building other Government structures and other Government projects on the remainder of the 210 acres, save and except the 2 acres which the city of Boulder wishes to have receded to it?

Mr. JOHNSON of Colorado. That is a correct statement also.

Mr. MORSE. Am I correct in my understanding that when the conveyance was made in the first place, there was no reservation placed in the conveyance to the effect that if the property was not used for a particular Federal purpose, it would automatically revert to the city of Boulder?

Mr. JOHNSON of Colorado. There was no such proviso in the grant of this land to the Federal Government.

Mr. MORSE. I think the Senator from Colorado will agree with me that it would have been very helpful if the attorneys had been farseeing enough to have included that kind of reservation in the conveyance, because it seems to me that is the kind of reservation which ought to go into all such conveyances. But it is not for us now to pass judgment on counsel. The fact is that such a reservation was not placed in the conveyance.

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. But it is the argument of the senior Senator from Colorado, and I understand also of his colleague, the junior Senator from Colorado [Mr. MILLIKIN] that these two acres are needed in order to construct a city reservoir, from which to supply the water the Government projects must have, if they are to be enabled to carry on their functions, including the laboratory tests and experimentation now being conducted by the projects, one of which, as the senior Senator from Colorado has stated, has to do with atomic energy.

Mr. JOHNSON of Colorado. That is correct in part. The reservoir will also serve the increased population of that area. Some housing projects have been built adjacent to the area, and a great many persons now live in that vicinity.

The city of Boulder has the responsibility of providing a domestic water supply for the people who work at the Bureau of Standards and at the installation of the Atomic Energy Commission.

Mr. MORSE. But a large number of them are Federal employees, who have gone to Boulder in order to carry on Federal work.

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. Would the Senator from Colorado say that the situation is somewhat analogous to that of the Federal Government establishing a military camp in the area, and that the municipality would, in a sense, supply the camp with the water from a reservoir which would need to be constructed?

Mr. JOHNSON of Colorado. It would be very similar to that kind of proposal.

Mr. MORSE. I may say to the Senators from Colorado that I think there are equities in this case.

I think also that in this particular instance the principle of de minimis is to some extent involved, because this is a reconveyance to the city of Boulder of 2 acres of land, to be put to a use which will be of great value to the Federal Government, by reason of affording a supply of water for the Federal Government projects which are making use of the land for the purposes for which the land, in the first instance, was deeded.

I think also we need to keep in mind that the Morse formula calls for 50 percent of the appraised fair-market value. While I do not have before me any appraisal of the property, it seems that the value probably would be taken up in the value of the services which the city of Boulder will be rendering to the Federal projects by building the reservoir. That is an equity, I think, which is in favor of the Senators from Colorado.

Mr. JOHNSON of Colorado. I should say that the value of the land owned by the Federal Government would be enhanced at least 50 percent by having an adequate water supply.

Mr. MORSE. That leads me to the final question which I desire the senior Senator from Colorado to answer. I should appreciate it if the distinguished junior Senator from Colorado [Mr. MILLIKIN] would also answer, although I have no right to require an answer. I am only speaking for the purpose of making a record of the facts.

I should like to know if the distinguished senior Senator from Colorado is of the opinion that the Federal Government will obtain from the city of Boulder at least the equivalent of—and I judge from his argument that it would be much in excess of—50 percent of the appraised fair-market value of the 2 acres of land, by way of water service which will be supplied by the city to the Government buildings on this land.

Mr. JOHNSON of Colorado. Yes. It is my honest conclusion that the Government itself will gain many, many times the value of the 2 acres by receiving water, which is absolutely essential to the proper operation of the Bureau of Standards installations which have been built there.

The Department of Commerce is well aware of the benefits which will accrue to it if the bill is passed, and it has endorsed the measure enthusiastically.

The bill has also been cleared with the General Services Administration. As we



all know, the General Services Administration is the agency of Government which has to do with the handling of Federal properties.

The Department of Justice has also endorsed the bill.

The Bureau of the Budget has stated that it is in complete accord with the proposal to release the 2 acres for the purpose which has been indicated.

Mr. MORSE. Mr. President—

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

Mr. JOHNSON of Colorado. I yield.

Mr. MORSE. Is it fair to say that the departments the Senator has mentioned have in part based their recommendation on the point of view that they think the Federal Government will be getting value, by way of this water service, for the land which is being deeded?

Mr. JOHNSON of Colorado. Yes, indeed. It is the expressed opinion of all the departments which I have named that they are getting great values, essential and necessary values, by the release of these 2 acres to the city of Boulder.

Mr. MORSE. Will the Senator yield long enough, with the consent of the Senate, so I may ask his colleague whether he agrees with the statements of the senior Senator from Colorado?

Mr. JOHNSON of Colorado. I yield for that purpose.

Mr. MILLIKIN. Mr. President, I am very happy to associate myself with what the senior Senator from Colorado has said. I invite the Senator's attention to the letter of the Secretary of Commerce, who stated:

In locating this reservoir, the city desires to construct it at a site which would make it necessary to utilize the small portion of the land originally granted to the United States Government by the city.

Just ahead of that it is stated:

This reservoir will benefit not only the city but also the National Bureau of Standards.

I have no doubt at all that the value which the Federal Government will receive from the reservoir will be far in excess of the value of the two acres of land. I do not say this with complete positiveness, but I think I am familiar with the two acres which would be submerged by the reservoir, because I attended a school located at Boulder, Colo. According to my memory, that land would not be worth very much.

Mr. MORSE. For the record, I wish to say that, on my analysis of the bill and based on the arguments made by the two Senators from Colorado, the bill does not in fact violate the Morse formula. First, I think it may be said we are dealing with a de minimis matter, but even so, if the principle were still involved, as a matter of consistency I would continue to object. However, I am satisfied that the equities have been met, and that the Federal Government is receiving from the city of Boulder a value not only equal to, but, in my judgment, far in excess of, 50 percent of the appraised fair market value of the land. Therefore I shall not object.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, I call the attention of the Senator from Colorado to the fact that the House has passed a bill on the same subject. Does the Senator desire to make a motion at the proper time that the Senate proceed to consider the bill passed by the House? The two bills are identical.

Mr. JOHNSON of Colorado. If the House bill is at the desk, I think that would be desirable.

The PRESIDING OFFICER. The House bill is on the calendar, Calendar No. 1189, H. R. 7380.

Mr. JOHNSON of Colorado. Will the Senator from California make the motion?

Mr. KNOWLAND. Yes. I had not had a chance to study to see whether the two bills were identical. Does the Senator desire to have all after the enacting clause of the House bill stricken out, and the text of the Senate bill inserted, which would take the matter to conference, or does he merely desire to have the House bill passed, which would in effect mean final action? If the Senate bill were inserted after the enacting clause, the House might accept the Senate amendment, if there were a difference, and accelerate the legislative process.

Mr. JOHNSON of Colorado. The two bills are identical, and therefore I move that the Senate proceed to consider the House bill, H. R. 7380.

The motion was agreed to; and the bill (H. R. 7380) to authorize the Secretary of Commerce to reconvey certain property which the city of Boulder, Colo., donated to the Secretary of Commerce for the establishment of a radio propagation laboratory, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2713 is indefinitely postponed.

#### VESTING OF TITLE TO SCHOOL LANDS IN THE STATES

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1134, Senate bill 2874.

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

The LEGISLATIVE CLERK. A bill (S. 2874) to provide that title to certain school lands shall vest in the States under the act of January 25, 1927, notwithstanding any Federal leases which may be outstanding on such lands at the time they are surveyed.

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

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I should like to have an explanation of the bill.

Mr. BENNETT. Mr. President, the bill is one of a series, by which it is hoped that eventually the public-lands States of the West will be enabled to take title to the school lands which were assigned

to them when they were admitted to statehood.

Under the enabling act by which my own State of Utah came into the Union, 4 sections of each township, namely, sections 2, 16, 32, and 36, were set aside as school lands. But originally it was provided that if those sections contained minerals, title to them might not be vested in the States.

By the act of January 25, 1927 (43 U. S. C., sec. 870), Congress granted title to school sections in place, even though the lands were mineral in character; but the act contained another provision to the effect that title to those school sections would not be granted if they were, at the time of the survey, subject to mineral leases or applications for leases.

In my own State of Utah there are 10,330,730 acres of unsurveyed public lands. Many of those acres actually should belong to the State of Utah as school lands under the original concept.

With the development of the uranium and oil resources of the State, many millions of such acres have recently been made subject to lease, and other leases are being applied for daily.

The purpose of this bill is to correct the obvious inequity which now exists, whereby, if land which qualifies as school land is not leased, even though it may be mineral in content, it may be transferred to the State, but, if a lease is extant or an application for a lease is pending, such land may not be transferred to the State. So the purpose of the bill is to provide that when and if such unsurveyed public lands are actually surveyed and the location of the school sections is determined, they may be transferred to the State, as was originally intended, even though they are now subject to lease or application for lease.

The bill further provides that if the lands determined to be school lands are part of a parcel of land on which a lease has been granted, the State of Utah will share in the royalties with the Federal Government, on the basis of its proportionate holding.

Mr. MORSE. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I am happy to yield.

Mr. MORSE. Is it the Senator's representation to the Senate that all this measure does is carry out the original intent at the time of the original conveyance?

Mr. BENNETT. That is true, except that the attitude toward the mineral contents of these lands has been changed since the original conveyance.

Mr. MORSE. That was a matter of governmental policy, was it not?

Mr. BENNETT. Yes; it was a matter of action by the Congress in 1927.

Mr. MORSE. Do I correctly understand from the Senator from Utah that all this measure purposes is to carry out not only the intent of the Government at the time of the original conveyance, but also the governmental policy as set forth in subsequent legislation?

Mr. BENNETT. That is correct.

Mr. MORSE. On the basis of that fact, is it the opinion of the Senator from Utah that the so-called Morse formula does not apply in this case?

Mr. BENNETT. That has been my interpretation of the situation.

Mr. MORSE. Mr. President, last night I told the Senator from Utah that between then and now I would study the matter. For reasons which I shall explain in a moment, I have not had an opportunity to study it until the last few minutes.

I have gone over the report, and I have listened to the statement of the Senator from Utah. I believe in dealing with my colleagues in the Senate on the basis of their word, too; and I am satisfied that the representation that has been made by the Senator from Utah is a correct one, and that all it is proposed to do in this case is to carry out the original intent of the transfer, as modified by subsequent legislation passed by Congress.

So I do not see that the so-called Morse formula applies, and I have no objection to this measure.

Mr. WATKINS. Mr. President, will my colleague yield to me?

Mr. BENNETT. I yield.

Mr. WATKINS. Mr. President, a moment ago I was asked by another Senator whether this measure applies only to Utah school lands. That is not correct, is it?

Mr. BENNETT. No; it applies to the school lands in all the Western States. I have referred to my State of Utah simply because I had these statistics.

Mr. President, I hope the bill will be passed, since the Senator from Oregon has withdrawn his objection.

Mr. WATKINS. Mr. President, as one of the sponsors of the bill, I wish to be associated with the remarks of my colleague, the junior Senator from Utah [Mr. BENNETT]. This measure will correct a situation that has been very unpopular in my State. We have a difficult situation in connection with our schools, which will be greatly relieved if this land and the income from it and from whatever is in it passes eventually from the United States to the schools of Utah. So we are very happy that this correction can now be made.

Mr. BARRETT. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield for a question.

Mr. BARRETT. Do I correctly understand that the provisions of the bill merely give the States in the West the rights to the minerals and the income from the minerals in school sections, for the simple reason that the only basis upon which the States did not have full title to the school sections was that they were not surveyed?

Mr. WATKINS. That is correct. The 1927 act permitted the passing of title to the minerals, but it made some reservations with respect to the mineral lands on which leases had been made at that time. This measure corrects that situation, so that when title to the land passes to the State, as a result of the survey, the State will have the land, subject to the leases on it; but from that time on, the State will have the income from the leases. Otherwise, all a State would have probably would be bare land, because the leases could run on indefinitely until the operators had exhausted

the mineral content below the surface of the soil.

The bill is not retroactive; but from that point on, the State will get the benefit of the leases. In other words, the State will take the land, subject to the leases, but will be substituted for the United States, and will receive the benefits.

Mr. BARRETT. As I understand, under the various enabling acts the Western States were entitled to these school sections for the benefit of their public schools, and they were to receive the full title and the whole fee of the lands when the sections were surveyed and the corners established; and the only reason why they did not get them was that the surveys were held up because of a lack of appropriations to pay for the doing of the job in the Western States. Is that the situation?

Mr. WATKINS. That is substantially correct. I understand that now the United States will proceed, with the appropriations available, to hasten the surveys of these lands in the States that are affected. I think the States of Wyoming, Utah, California, Colorado, and Arizona are vitally affected by this situation.

Mr. BARRETT. There is no doubt about it.

Mr. WATKINS. We are having a difficult time keeping our schools going, and all available revenue should actually accrue to the schools. That was the intent of the Congress, originally.

Mr. BARRETT. That is correct; that was the intent when the various enabling acts were passed.

Mr. WATKINS. That is correct.

Mr. President, I have prepared a statement explaining my stand on this matter, and I now ask unanimous consent to have the statement made a part of the RECORD, at this point.

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

STATEMENT BY SENATOR WATKINS BEFORE PUBLIC LANDS SUBCOMMITTEE OF SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ON S. 2874

I recommend favorable passage of S. 2874 which was introduced by Senator BENNETT and myself.

It has for its purpose the vesting in the States, under the act of January 25, 1927, title to certain school lands, notwithstanding any Federal leases which may be outstanding on such lands at the time they are surveyed.

Every Senator or Congressman who has entered my State of Utah for the last several years has been assailed by the question, "When is Uncle Sam going to stop stealing money and valuable mineral rights from the schoolchildren of the State of Utah?" That question has been embarrassing and hard to answer.

The reason this question is acutely embarrassing to a representative of the Federal Government is that it is true that the Government has been diverting revenue that rightfully should be going into the permanent school fund of the State of Utah. An official of the State land board in Utah has estimated the diversion at \$800,000 a year, but I have seen no concrete figures to justify such an estimate. In fact, I doubt that an accurate estimate could be arrived at.

But just how is this diversion accomplished?

Utah has 10,330,730 acres of land on which original cadastral surveys have not been completed by the Federal Government. One-ninth of this acreage—or sections 2, 16, 32, and 36 in every township—was granted to the State for support of the common schools in the Enabling Act of 1894. Title to those assigned school sections, totaling some 1,150,000 acres, in that unsurveyed acreage has not passed to the State and will not be so transferred until the survey has been completed and approved.

Meanwhile, the unsurveyed acreage in the State is being leased for mineral exploration by the Bureau of Land Management and the Atomic Energy Commission. The Bureau of Land Management estimates that one-third of the unsurveyed acreage is now under lease for oil and gas exploration. In one county in that largely unsurveyed area, uranium locations were being filed at a rate of 3,000 per month during 1953.

This mineral leasing of unsurveyed school sections means an immediate diversion of leasing revenue for the State of Utah's permanent school fund. If that acreage had been surveyed and title vested in the State, the State could be receiving 50 cents an acre for all school lands under mineral leases.

Actually, the State does receive some revenue from its school sections remaining under Federal control. Thirty-seven and one-half percent of the revenue from oil and gas leases is returned directly to the State. However, this is only 37½ percent of 20 cents an acre, the average annual leasing rental on Federal oil-gas leases. Additional money comes to the State indirectly through the Reclamation Fund, but this money does not go into the permanent school fund established under the Enabling Act. In addition to this immediate diversion, a current interpretation of Federal land laws by the Department of the Interior, results in what could well mean the diversion of millions of dollars from the Utah school fund.

The act of January 25, 1927 (44 Stat. 1026) authorized transfer to the State of surveyed school sections known to be mineral in character. However, section 1 of this act excluded from its operations such lands, among others, "subject to or included in any valid application, claim or right initiated or held under any of the existing laws of the United States, unless or until such reservation, application, claim, or right is extinguished, relinquished, or canceled."

This exclusion is interpreted by the Department of the Interior to apply to surveyed school sections under an oil and gas noncompetitive lease, or on which there is a pending application or offer for a lease on the land at the date of the approval of the survey.

The effect of this interpretation is to prevent transfer of title to the State of any surveyed school section upon which there is a valid minerals lease or an application for such a lease. Furthermore, this barrier to State acquisition of its own land extends until the lease is extinguished, relinquished, or canceled.

In the case of oil and gas or uranium leases, this means that Uncle Sam remains a squatter on those State lands until the gas and oil or uranium is extracted and the lease is relinquished or until the leaseholders conduct sufficient exploratory work to assure them that the lease is worthless.

In short, the Federal Government is placed in the position of telling the people of the State of Utah: "We'll be glad to return your land to you after all its valuable minerals have been extracted."

And this is land granted by Congress in 1894 for support of the common schools.

The land in question, incidentally, is largely without value save for its mineral content.

This explanation is not intended to be critical of the Interior Department in its role

as administrator of public lands. The Department heads obviously are acting on advice from the Department's legal staff, and I have no doubt that their position is well taken.

However, it is difficult to explain to people of the State affected that legal phrasology in a 1927 act designed to protect State interests in Enabling Act land grants is working to deprive the State of revenue from lands theoretically granted at statehood 57 years ago.

Director Edward Woolzley of the Bureau of Land Management recently found himself in the same embarrassing position the Utah State delegation has been in. A reporter from one of the Salt Lake newspapers called him up and asked him how he could justify the Federal Government's diversion of title and revenue from assigned school sections in Utah.

Mr. Woolzley told the reporter that he couldn't justify it and that he was especially sympathetic to Utah, Arizona, and California, which are the three States most affected by this land problem.

"Then what is the solution?" the reporter asked him.

The Bureau of Land Management Director indicated that the solution was a completion of the survey and transfer of title to the States as expeditiously as possible. He also suggested, according to a newspaper report of the interview, that legislation be introduced to transfer to the respective States any existing Federal mineral leases at the time the survey is approved. This, he indicated, would complete the transfer of the land title in conformity with the intent of the 1927 act.

The purpose of the bill under discussion today, therefore, is to carry out that suggestion by Director Woolzley. It gives nothing to the States which have land coming to them under enabling act grants. Instead it is a partial restoration of injustice to public-land States unwittingly caused by the working of an act passed to help preserve State rights to those lands.

I agree with Director Woolzley that the ultimate solution of this problem is to complete the cadastral survey and get the remaining school sections under State ownership as soon as possible. And I believe that the Members of this body are fully aware that I have been seeking to get action on this subject since I came to the Senate. I supported the National Surveying and Mapping Act of 1949. Then on February 6, 1950, I introduced in the United States, S. 2989, to provide an accelerated program for surveying and mapping of the United States, its Territories, and possessions. This measure was revised and reintroduced during the 1st session of the 83d Congress and may come up for consideration before the session is over.

I also recognized the problem of a diversion of State school revenue back in 1950, and at that time introduced S. 3124, a bill providing for the distribution of proceeds of mineral leases on unsurveyed lands. If this had passed, the measure under consideration today would have been unnecessary.

Both of these old measures are still eminently justified, so the action requested in this bill today is only a partial solution of the lands problem as it affects Utah and several other States. The new measure, however, has urgency in view of the accelerated surveying program now being formulated by the Bureau of Land Management.

By surveying only school section lines in unsurveyed townships, the Bureau hopes to stretch available funds and complete the survey of about eight townships in Utah this spring. And if requested surveying funds are appropriated by Congress, the Bureau hopes to survey 50 townships in Utah, 25 townships in Arizona, and 45 townships in California during fiscal 1955. This survey-

ing program will restore nearly 3 million acres of long-overdue land to those three States.

However, without this legislation, the restoration in Utah will be virtually nil, because the proposed surveying work will be done in areas undergoing heavy minerals exploration. Unless this legislation passes, most of these 200 school sections scheduled for survey and ultimate transfer, will remain under Federal control even though granted to the State in 1894 and completely surveyed, and under present laws, they will not be transferred to the State until the minerals are extracted and the lands made completely worthless.

This body has a reputation for being quick to correct miscarriages of justice in its relations with individuals and foreign countries. I hope that we can act just as quickly in this case and remove the Federal Government from the position of diverting money from a modest permanent school fund established by our predecessors of 1894.

The Congress which passed the enabling act under which Utah became a State in 1896, I might add, considered those school lands such a valuable asset to public education that the States are not permitted to use the income from leases or sale of the land granted. Only the interest from income derived from this land may be used in support of the "common schools." Any funds, therefore, derived by Utah or other States from this legislation will go into permanent school funds, which, conceivably, will be used to further public education for years to come.

Mr. Chairman, the report of the Bureau of the Budget carries a recommendation that a subsection (5) be inserted in section 1 of the bill which is reasonable and acceptable to both Senator BENNETT and myself.

I move that the bill be reported favorably.

Mr. KNOWLAND. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. KNOWLAND. I should like to address an inquiry to both the Senators from Utah. I call their attention to the fact that there is on the calendar House bill 7110, Calendar 1188, which presumably deals with the same subject, although I understand in slightly different form. I should like to know the desires of the Senators from Utah. In other words, whether we shall pass the Senate bill and send it to the House of Representatives or whether we shall consider the House bill, strike out all after the enacting clause, and then substitute for the text of the House bill the text of the Senate bill.

The PRESIDING OFFICER. The Chair calls attention to the fact that the only difference between the two bills will be found on page 3, in line 8, where the Senate bill uses the words "royalties and bonuses," and the House bill does not.

Mr. KNOWLAND. Mr. President, I call attention to the fact—I do not know how important it is to expedite final action on the bill—that, of course, if the Senate considers the House bill, strikes out all after the enacting clause, substitutes the text of the Senate bill, and sends the House bill as thus amended back to the House, there probably will be a conference. On the other hand, if the Senate amends the House bill, so as to make it read in the way the Senate bill now reads, the House could concur in the Senate's amendments to the House bill, and that might facilitate final enactment of the bill.

Mr. BENNETT. I think we should proceed in the way which will be most expeditious; and I am perfectly willing to have the House bill amended by inserting the words "rents, royalties, and bonuses" in place of the word "royalties", on page 3, in lines 8 and 10.

Mr. WATKINS. Mr. President, at this time I ask unanimous consent to have printed in the RECORD an explanation of the bill.

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

#### EXPLANATION OF THE BILL

H. R. 7110 provides that title to certain school lands shall vest in the States under the act of January 25, 1927, notwithstanding any Federal leases which may be outstanding on the lands at the time they are surveyed.

When the State of Utah was admitted, its enabling act prescribed that four sections out of every township when surveyed would be conveyed to the State of Utah for the express purpose of the financing of the public school system of the State. These sections were designated by number as 2, 16, 32, and 36 in the State of Utah. Other surrounding Western States have similar provisions (not exact) in their enabling acts. There was in the enabling act a reservation excluding from the effect of this statute those lands mineral in character.

In 1927 an act was passed conveying numbered school sections mineral in character to the States; however this act of 1927 provided that any school land section mineral in character on which there was at the time of survey any valid application, claim, or right initiated or held under any of the existing laws of the United States, would be exempt from the operation of the 1927 act until or unless such "reservations, applications, claims, or rights are extinguished, relinquished, or canceled." Therefore, under the operation of the 1927 act, leases for oil and mineral development were determined by the Solicitor of the Bureau of Land Management to be such an outstanding interest as to preclude the State from becoming entitled to the numbered section.

This act which is now proposed seeks to reverse that exemption pertaining to leases and thus allow the assignment of the lease from the Federal Government to the State whereby the existing lease would not be broken. The benefits and the fee would be transferred to the State.

The Bureau of the Budget and the Bureau of Land Management in reporting on this bill recommended the inclusion of subsection 5 which was accepted by the authors and the subcommittee and recommended to the full committee as follows:

"Subsection 5: Where, at the time rents, royalties, and bonuses accrue, the land or deposits covered by a single lease are owned in part by the State and in part by the United States, the rents, royalties, and bonuses shall be allocated between them in proportion to the acreage in said lease owned by each.

Mr. KNOWLAND. Mr. President, I now ask unanimous consent that Senate bill 2874 be indefinitely postponed, that the Senate proceed to the consideration of House bill 7110 to provide that title to certain school lands shall rest in the States under the act of January 25, 1927, notwithstanding any Federal leases which may be outstanding on such lands at the time they are surveyed, in lieu of Senate bill 2874, and that House bill 7110 be considered for amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

House bill 7110 is now before the Senate, and is open to amendment.

Mr. BENNETT. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in lines 8 and 10, it is proposed to strike out "royalties" and to insert in lieu thereof "rents, royalties, and bonuses."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. BENNETT].

The amendment was agreed to.

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

The bill was read the third time and passed.

#### DESIGNATION OF OCTOBER 16, 1954, AS NATIONAL OLYMPIC DAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 146, which has been printed and lies on the table, to authorize the designation of October 16, 1954, as National Olympic Day, in preparation for the national olympics. It was introduced by me, for myself and for the distinguished minority leader, the Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER. The joint resolution will be read by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 146) to authorize the designation of October 16, 1954, as National Olympic Day.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That the President of the United States is authorized and requested to issue a proclamation designating the 16th of October 1954, as National Olympic Day and urging all citizens of our country to do all in their power to support the XVth Olympic games, the winter games to be held in 1956, and the Pan American games to be held in 1955, and to insure that the United States will be fully and adequately represented in these games.

The preamble was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8127) 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; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr.

DONDERO, Mr. ANGELL, Mr. MCGREGOR, Mr. FALLON, and Mr. DAVIS of Tennessee were appointed managers on the part of the House at the conference.

#### ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 461) making an additional appropriation for the Department of Labor for the fiscal year 1954, and for other purposes, and it was signed by the President pro tempore.

#### CONSTRUCTION OF CERTAIN PUBLIC BUILDINGS BY PURCHASE CONTRACTS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1085, House bill 6342.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6342) to amend the Public Building Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

#### PERSONAL STATEMENT BY SENATOR MORSE

Mr. MORSE obtained the floor.

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

The PRESIDING OFFICER. Does the Senator from Oregon yield for that purpose?

Mr. MORSE. I do not yield for that purpose.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. MORSE. Mr. President, I speak with a very sad heart of a very unfortunate incident which happened in the Senate today.

I have always proceeded on the theory that Senators extended to each other the maximum of senatorial courtesy, and that they tried to accommodate themselves to the convenience of their colleagues. It is a matter of great regret to me that the majority leader has seen fit, in my absence for a few minutes from the Senate Chamber, to bring up the conference report on House bill 6025 and have it agreed to.

For the RECORD I should like to give this chronology: Last week when the conference report came up it was reached late in the afternoon. I intended to make a motion in regard to the confer-

ence report. I made it very clear to the majority leader that I would ask for a quorum call. It seemed to be the consensus of opinion that a quorum could not be obtained at that late hour, so it was agreed that the conference report would go over until Monday.

A few minutes later I discovered that I was committed to be out of the city on Monday. The Senator from New Jersey [Mr. HENDRICKSON] had already left the Chamber, so, as I was unable to explain the situation to him, I explained it to the Senator from California. As the RECORD will show, a colloquy took place, and it was finally agreed that the conference report would be brought up on Wednesday, following my return to the city.

It was not brought up yesterday until late in the afternoon, at which time I found myself in exactly the same parliamentary position I was in the preceding week. If I had called for a quorum last night, Senators would have been greatly inconvenienced, and I think it is doubtful whether a quorum could have been obtained.

The majority leader seemed somewhat piqued over the fact that I desired a quorum call. I had made it clear that I wanted a quorum to be present to consider my motion to recommit the bill to the conference.

We all know that sometimes in the heat of debate personal feelings show themselves in muscle tensions, if not in language. I thought it a bit unfortunate that the majority leader felt compelled to make a remark to the effect that the Senate would decide today whether or not the Senator from Oregon was to determine policy on these matters.

It so happened that at 12 o'clock noon today I was engaged upon a matter which made it impossible for me to be on the floor of the Senate. It involved a matter of great importance to Oregon and I felt obliged therefore to delay coming to the floor of the Senate for a few minutes. I reached the floor at the earliest possible moment. In fact, as I now stand on the floor of the Senate one of my colleagues is waiting in the Senate radio studio and has been waiting for some time past, to complete a radio transcription with me.

When I heard the bell for the second quorum call, a call which I understand was discontinued after it had been ordered, I came to the floor of the Senate as soon as I could, only to discover that the conference report had already been agreed to.

I have no parliamentary right in this matter arising from the fact that I was not present on the floor of the Senate when the conference report was agreed to, but there can be no doubt about the fact that the majority leader knows very well what the wishes of the Senator from Oregon were in regard to the conference report. I shall let the RECORD speak for itself as to whether the representative of the Independent Party was granted the parliamentary courtesy and consideration to which he was entitled under the circumstances of this case. I regret the incident very much. There is nothing we can do about such things after such a personal injury has been

inflicted. I wish to say only that if this means a declaration of parliamentary war on the part of the majority leader, I accept the challenge. I think he will discover, before this session of Congress is over, that if he does not desire to extend me the parliamentary courtesy which I think was due me under these circumstances, I shall exercise my parliamentary rights on the floor of the Senate; and I think he knows very well that I can protect my parliamentary rights.

Mr. KNOWLAND. Mr. President, first of all, I certainly understand the implications of the Senator's remarks as to the exercise of his full parliamentary rights. I sat here through one whole night while the distinguished Senator from Oregon was exercising his parliamentary rights in the Senate, until dawn the next morning. So I do not lose the significance of whatever the implications may be.

For the sake of the record, I think it should be pointed out that the conference report related to a bill which had previously been before the Senate. The question at issue, involving the so-called Morse formula, had been discussed on the floor of the Senate at the time the bill was originally before us for consideration, and the Senate had acted on the bill. The Senator may regret that the Senate did not uphold his position, but the fact remains that, after all, the Senate is the final determining factor as to policy.

Mr. MORSE. Mr. President, will the Senator yield for a correction?

Mr. KNOWLAND. I will yield in a moment.

I also point out to the distinguished Senator from Oregon that the conference report was to have been brought up last week. As he knows, a conference report is a privileged matter. There are 95 other Senators who also have responsibilities and also have engagements, some of them pressing. The distinguished Senator from New Jersey [Mr. HENDRICKSON] also has commitments, engagements, and committee meetings which he must attend. I wanted to bring up the conference report, and I thought it was entirely proper under the circumstances, in the orderly procedure of the Senate, that the report be taken up last week. However, the distinguished Senator from Oregon entered the Chamber and indicated, as he had a perfect right to do, that this was a subject in which he was interested. I do not complain on that account. He believes that a matter of principle is involved. It is perfectly proper for him to present his case to the Senate.

In view of the importance of the question from his point of view, he felt that he would have to ask for a quorum call. Senators who were present in the Chamber at that time, including the majority leader, recognized that at that hour in the evening a quorum call would probably involve calling back Senators from engagements to which they had been previously committed. At that hour of the day, many Senators had left the Chamber. I think the majority leader fully agreed with the Senator from

Oregon that it would have been unwise, under the circumstances, to call for a quorum.

I then suggested, as a courtesy to the distinguished Senator from Oregon, that the conference report be taken up on the following Monday.

In the meantime, I discussed the subject with the Senator from New Jersey. I learned that he would be present on Monday and that it would not inconvenience him to allow consideration of the conference report to be postponed over the weekend so that Senators might study the report and reach whatever decision they deemed proper.

After I had informed the Senator from New Jersey that consideration of the conference report would be postponed until Monday, and after he had left the Chamber, the Senator from Oregon discovered, or remembered—and that is perfectly all right; I have no objection to that—that he would be out of the city on Monday. He asked whether, in courtesy to him, the majority leader was prepared to let the conference report go over until Tuesday. I told him I was somewhat embarrassed because the Senator from New Jersey had left, and I would expect to clear the matter with him.

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

Mr. KNOWLAND. I yield.

Mr. HENDRICKSON. I should like the RECORD to show at this point, for the sake of continuity, that after the majority leader and I had agreed to take up the conference report on Monday I went to the Senator from Oregon and asked him about it. I had heard that he was going to be out of town during the early part of the following week. I asked if he would be available on Monday. He replied, "If I am not available, that will be my loss." I should like the RECORD to show that.

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

Mr. KNOWLAND. I should first like to follow the sequence of events.

Therefore, after the Senator from New Jersey had left the Chamber, the Senator from Oregon spoke to the majority leader. I believe it appears in the RECORD. However, it was said either privately or publicly at the time. The Senator from Oregon said that while he did not expect to be back in the Senate on Monday, he did believe he would be back on Tuesday.

When I suggested that the conference report might be called up on Tuesday, because, again, it is a privileged matter, the Senator from Oregon, as I recall—and I will be glad to have him correct me if I misstate any basic facts—said that he would get back late in the afternoon of Tuesday, and that it would be preferable if the report could be called up at noon on Wednesday.

Again, although I had an understanding with the junior Senator from New Jersey, I took the responsibility, as majority leader, and told the Senator from Oregon that I would not bring the conference report up until Wednesday.

Mr. President, we do have other business to transact in the Senate. It so happened that yesterday we had a very

important bill before us, dealing with the administration's proposal on highway legislation. I had hoped that the Senate would complete consideration of the bill the evening before, on Tuesday, but the question of a yea-and-nay vote was raised, and the bill went over until yesterday. Therefore, we got to the conference report yesterday as rapidly as we could, in view of the other business which the Senate had to transact. Again, what happened was no fault of the Senator from Oregon or the majority leader. It was not our fault that the Senate sat until late in the afternoon.

I again called up the report yesterday. I thought that under the circumstances the Senator from Oregon would make his views known on the conference report and that we could proceed with it and dispose of it. The Senator from Oregon then made the same statement he had made on the preceding Friday, namely, that because of the principles involved from his point of view he felt it would be necessary to suggest the absence of a quorum.

Again the majority leader was placed in the position where he would have to request Senators at a late hour, many of them keeping important commitments, to return to the Chamber for perhaps a half hour or so to establish a quorum, in order to take up the conference report.

The majority leader will be perfectly frank. Perhaps at the end of a long day he made comments which he would not have made earlier in the day. He does carry a substantial burden in the Senate as majority leader.

I did announce last evening that under all the circumstances the report would be called up today. As the Senator will find on the calendar, it was left as the pending business of the Senate, ahead of the Senate's unfinished business, the Boulder, Colo., bill, which has also been disposed of now.

In order that there would be no question as to a quorum call today, the majority leader suggested the absence of a quorum and then insisted on having a live quorum, and a live quorum was present when the Senate proceeded to take up the two conference reports.

Because of the request of the distinguished Senator from Texas [Mr. JOHNSON], the minority leader, and the Senator from Michigan [Mr. FERGUSON], the ranking member of the Committee on Appropriations, who was handling the conference report on the agricultural labor appropriation bill, and who had commitments at noon, the Senate temporarily laid aside the conference report on the Leahi bill, in order to take up the other conference report and dispose of it. That was done in a few minutes. Then the Senate proceeded to take up the conference report in which the Senator from Oregon is interested.

I can say to the distinguished Senator from Oregon that under all the circumstances he had a responsibility to be on the floor if he was as vitally interested in the matter as he indicated he was. Under the circumstances I have related, and keeping in mind that the business of the Senate should be conducted in an orderly manner, I feel that I, as ma-

majority leader, discharged all reasonable obligations.

Now I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, in reply to the observations of the Senator from California and the observations of the Senator from New Jersey, I wish to make the following comments:

The bill in question passed the Senate with the Morse formula contained in it. Contrary to the argument of the Senator from California, the Senator from Oregon did not lose his fight on the floor of the Senate to have the Morse formula attached to the bills for as the bill went to conference it contained the Morse amendment. It came back from conference with the Morse amendment omitted, whereupon the chairman of the committee of conference made an argument against the retention of the Morse amendment.

In view of that argument, I served notice last night that I would make my motion to recommit the report to the committee of conference. When the chairman of the conference committee, in presenting the conference report to the Senate, argues against the Senate's action, in my opinion the report should be sent back to the committee.

The Senator from New Jersey has quoted in part what I said the other afternoon. I did tell him it would be my loss if I were not here or if I did not come back, but that I would try to come back. I thought I made clear to him that I would be back on Monday if I could possibly make it.

At the time I spoke to the distinguished Senator from New Jersey there was no firm commitment with regard to my engagement on Monday, although there was as to my engagements on Friday and Saturday. As to my Monday engagement there was a possibility that I would not keep it.

After the Senator from New Jersey had left the floor I learned from my assistant that I could not be back by Monday. I tried to find the Senator from New Jersey in the cloak room but he had left. I should have called his office and regret that I did not. However, I understood that he had left in haste for an engagement downtown. Therefore I went directly to the majority leader and told him of the fix in which I found myself.

I explained to the majority leader that this situation had come up and that I had just learned that I could not return by Monday, and that I hoped I would be able to come back on Tuesday, although I was not sure. I explained that situation to the majority leader in detail. The majority leader, very cooperatively, after consultation with the distinguished minority leader, decided that the whole matter could go over until Wednesday.

When I found myself in the same parliamentary position last night in respect to obtaining a quorum I thought it was only fair and right that the matter should go over until today. What good would it have done to stand on the floor of the Senate last night, with a handful of Senators present, when I was certain to lose, without a chance of having a quorum of the Senate review the action

of the conferees by way of a motion to recommit?

Therefore I said last night that I had been juggled into the same parliamentary situation as I found myself in last week so far as getting a quorum was concerned.

The little exchange which took place between the Senator from California and the Senator from Oregon speaks for itself in the RECORD. I am very sorry that the majority leader expressed a feeling of irritation and implied criticism simply because the Senator from Oregon sought to exercise a reasonable parliamentary right.

I have explained to the Senate that I simply could not be in the Chamber at the very beginning of the session today. I was present shortly after the session began. When I arrived action had already been taken on the conference report.

I am perfectly willing to leave it to the Senator from California to say whether he believes, under those circumstances, and in view of the notice I had given that I would make a motion to recommit, that the calling of a live quorum was all that he owed me by way of courteous treatment or whether he believes, as a matter of a courtesy obligation on his part, he should have tried to find out what had happened to Morse. Had he left the country? Was he in the city? Why was he not here?

The Senator from California knows that when I have an interest on the floor of the Senate I do my level best to be here. I wish to say to the Senator from California that I could not possibly get here as quickly as he had action taken on the conference report.

As I told him in my earlier statement today no Senate rule was violated by speeding through the bill when I was temporarily off the floor, but I do not think it was a very courteous or fair way for the majority leader to handle the matter. In view of the exchange that took place between us last evening it is unfortunate that the Senator from California did not double check as to where I was, or as to how soon I was going to reach the floor. I say that because other business was transacted before the conference report was taken up, and business of a similar nature was going to be brought up. The consideration of the other matters would have given me a few minutes more to get to the floor of the Senate.

I think it is good that we have exchanged our points of view. I am sad about it, because the role in the Senate of the United States of the representative of the Independent Party is not an easy one, and he certainly feels he has a right to look to the majority leader and the minority leader for courteous treatment in return for the parliamentary courtesies he extends to them.

Time and time again in this session, Mr. President, the Senator from California and the Senator from Texas have presented a very good reason, in my judgment, why I should make an exception to a policy of mine with respect to unanimous-consent agreements, and I shall make such exceptions in the future when I think there is a case which merits

them. But this good-faith dealing goes both ways in the Senate, and if I am to understand from the position taken by the Senator from California last night, although I interpret his remarks today as some modification of that point of view, that what he wants to do is to engage in a parliamentary battle with me for the remainder of the session, although I do not relish it, I shall do everything in my power to preserve my rights.

Mr. KNOWLAND. Mr. President, I am ready to close the incident, but I should like to say, most good-naturedly, to the Senator from Oregon that I believe, in view of the courtesies and accommodations extended to the Senator from Oregon by the other 95 Senators in agreeing to postpone consideration of the report for a period of 4 days; in view of the fact that it was brought up last night, and was left as the pending business before the Senate, as shown by the calendar of today, which was available to each Senator this morning, and in view of the further fact that the majority leader suggested early today the absence of a quorum, and a live quorum was obtained—in view of those facts, I think it was proper to bring up the report this morning as soon as I could, ample notice having been given that it would be brought up.

I say in entire good humor that, with the responsibilities I have, I find it is quite an undertaking to keep tab on 47 Republican Senators who also make requests of me, and I am sure the minority leader finds he has quite an undertaking to take care of requests of the 48 Senators on his side of the aisle, and I should think that, under all the circumstances, the Senator from Oregon could have accommodated himself to the situation in the Senate when it met at noon today.

Mr. MORSE. Mr. President, I wish to make two points, and then, so far as I am concerned, the incident is closed.

I was willing and ready to consider the conference report last week and last night. The Senator from California makes note of accommodation accorded the Senator from Oregon by 95 other Senators. It was the action of the Senator from Oregon which accommodated 95 other Senators. I had the right to insist on a quorum call last week and last night. Who extended the courtesy to the Senate of agreeing not to insist upon a quorum call? It was the Senator from Oregon. I could have "hung tough," as we say, and demanded a live quorum, but I did not do it. I was ready on the two occasions when the conference report was brought up to consider it and to vote on it if a quorum were present. So I wish to say that the Senator from California has made a highly fallacious argument when he seeks to leave in the RECORD the impression that a great accommodation was given to the Senator from Oregon by postponing action on this matter. The fact is that the majority leader knew he could not produce a quorum to transact the people's business. I did not insist upon holding the Senate in session but agreed on both of those occasions to let the matter go over until a later date.

Mr. KNOWLAND. Mr. President, of course the Senator from Oregon knows parliamentary procedure sufficiently well to understand that we did have a right to insist on a live quorum, but that would have placed the majority leader in the position of having either a live quorum or having to make a motion to adjourn.

Mr. MORSE. Of course. The Senator from Oregon was ready to transact business. It was no accommodation to me last week to let the matter go over when I was ready and willing to transact business on this bill if the majority leader had been able to produce a quorum. It was the Senate and not the Senator from Oregon who was accommodated. Therefore I think I was entitled to the courtesy of a slight delay today until I could get out of an emergency conference and reach the floor. I think the Senator from California knows me well enough to realize that under the circumstances there had to be a very important reason for my not being present when the matter was taken up with remarkable dispatch today. I am sorry about it, but it is just one of those things. I am glad we have had this exchange of points of view.

Mr. HENDRICKSON. Mr. President, I am sorry that I have to be involved in this colloquy, but I do have some feeling about the matter. I am a little surprised at the attitude of the Senator from Oregon. He said he was hurt. I think the majority leader and the junior Senator from New Jersey have a right to feel hurt. I do not recall a situation on the floor of the Senate where as many courtesies have been granted to one Senator as have been granted in this situation to the Senator from Oregon. I thoroughly agree with the majority leader that all the courtesies that could be granted were granted in this instance.

I should like to know just how far this matter of courtesy goes. I have never yet—and my term is coming rapidly to a close—asked for courtesies involving extensions of time to accommodate me in order that I might take care of business in New Jersey or business anywhere else. I have seen to it that when I was needed on the floor I was here. Last year I missed only one vote, I think, in the whole session. The RECORD can be checked as to that. But I had to go to New Jersey to make a speech, when an amendment offered by me to the tidelands bill was called up and was rejected by three votes. I had no criticism of anyone. The business of the Senate must go on when the Senate is in session. This matter of being absent from sessions on other business and being accommodated all the time is something which has irritated me ever since I have been a Member of this body. I do not believe in all this accommodation. I think the business of the Senate comes first.

This morning, before the conference report was called up, we not only had a quorum call but we had morning business, and there was another conference report called up. There was ample time for any of us, knowing what business was on the calendar as the pending business, to be present and attend to that business.

I feel very bad that the Senator from Oregon should think for even one minute

that he has suffered any treatment other than the most courteous treatment at the hands of both the majority leader and the junior Senator from New Jersey.

Mr. MORSE. Mr. President, I am perfectly willing to let the RECORD speak for itself as to what kind of treatment I have received. But let me say to my friend from New Jersey that if he will check the attendance record of the Senate and check the yea-and-nay votes in the Senate, he will find that few Members of the Senate have a better attendance and voting record than has the Senator from Oregon. During the 9 years I have been a Member of the Senate, very rarely have I found it necessary to ask for the extension of the historic tradition of the Senate whereby Senators try to accommodate each other when they find themselves in the situation in which I found myself today.

Mr. HENDRICKSON. Mr. President, I want to say only one thing more. I do not question the voting record of the Senator from Oregon in the years he has been a Member of the Senate, but I will pit my record in the Senate against that of the Senator from Oregon in the same period of time during which we have served together.

Mr. MORSE. I merely wish to say that, although the Senator from New Jersey and the Senator from Oregon do not share any brotherly love between themselves, I think the Senator from New Jersey has a splendid record of attendance and of meeting rollcalls in the Senate. But I do not know what that has to do with the question of whether there should have been denied the Senator from Oregon today the courtesy which I think the traditions of the Senate called for.

#### PLACEMENT OF SHIPBUILDING CONTRACTS IN AMERICAN SHIPYARDS

Mr. BUTLER of Maryland. Mr. President, Senators will recall that I called their attention, on April 1, to plans of the Department of Defense to place contracts in European shipyards this month for \$58 million worth of minesweepers and other small craft to be turned over to nations of the North Atlantic Treaty Organization. These vessels were scheduled for construction under what is known as the Navy offshore ship-procurement program, authorized in a Defense Department directive of August 17, 1951.

While these contracts were to be placed in accordance with a Defense Department directive, I pointed out to the Senate, and there were certain implications of international relations involved, the distressed condition of American shipyards generally was a consideration that could not be ignored.

Word to this effect was gotten promptly to Secretary of Defense Wilson, and I am happy to be able to report to the Senate that equally prompt and favorable action has been taken in the matter.

Arrangements under which representatives of the Navy's Bureau of Ships were

scheduled to leave for Europe this week to sign the ship-construction contracts were held up. Then yesterday word was conveyed to me from the Defense Department that offshore ship-procurement plans had been revised to the extent that almost half of the originally scheduled \$58 million expenditure would be made in yards throughout this country, instead of abroad.

Projected contracts call for building of approximately 10 minesweepers of the medium class, 138 feet in length, known as auxiliary motor minesweepers. Contracts totaling \$27,500,000 will be let on a negotiated basis as soon as possible after competitive quotations have been received from qualified yards throughout the country.

A number of yards already have built or have in process of construction minesweepers and minesweeping boats of this same general type. This new program will be a real boom to any yards fortunate enough to participate.

The Baltimore Sunpaper of this morning carried the story of the Navy Department's decision to revise the 1954 offshore procurement program in favor of American shipyards. It was written by Miss Helen Delich, maritime editor of the Sun, who has contributed vastly to improved public understanding of maritime problems through her many authoritative articles on the subject.

I ask unanimous consent that Miss Delich's article be printed in the RECORD following my remarks.

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

SHIPYARDS GET FEDERAL LIFT—BUREAU OF SHIPS WILL SPEND \$27,500,000 IN UNITED STATES

(By Helen Delich)

WASHINGTON, April 7.—The Bureau of Ships, Department of Defense, today revised its shipbuilding program and decided to spend \$27,500,000 in American shipyards rather than make the outlay abroad, as originally designated.

This announcement by Senator BUTLER of Maryland, Republican, chairman of the Water Transportation Subcommittee, was coupled with another action favorable to the maritime industry—namely, that the Senate Appropriations Subcommittee had gone on record to restore \$30 million in operating differential subsidies to the 1955 appropriations bill of the Maritime Administration.

Other matters pending in Congress and pertinent to the shipping industry are:

1. Senator BUTLER will appear tomorrow before the full Senate Appropriations Committee to request the restoration of the \$10 million which the House of Representatives knocked off of the 1954 supplementary appropriations bill on operating subsidies.

#### HEARING DUE ON FINANCING

2. The Senate subcommittee will hold a hearing this afternoon on the private financing of merchant ships. Under the pending bill, any private institution lending money to a shipbuilder would be guaranteed the full amount of the loan.

3. In both the House and Senate bills would require that 50 percent of all military and governmental aid cargo be transported on American-flag ships.

The Bureau's change in plans is considered a victory for American shipping interests and Senator BUTLER, who has scored the Department of Defense for doing so much building abroad while American shipyards

are facing complete shutdowns due to lack of orders.

#### FOREIGN ALLOTMENT CUT

Originally, the Department had appropriated \$54 million for building minesweepers in foreign yards. Now a little less than half of that will go to foreign interests and the remainder of the minesweepers will be built in this country.

Last year, the Department of Defense also expended many millions in shipbuilding abroad.

The \$30 million had been eliminated from the 1955 appropriations bill of the Maritime Administration also by the House.

In requesting that the money be restored today, Senator BUTLER pointed out that the operating differential subsidies now being paid to the shipping companies have been owed to them for as long as 7 years.

#### BILLS DATE BACK TO 1947

He pointed out that some of the bills to the companies date back to 1947, that the companies in the meantime have been paying income taxes on the unpaid subsidies, and that the Federal Government was not living up to its agreement by withholding from the companies all that is due them under the Merchant Marine Act of 1936.

"It is high time that we stop referring to these moneys as operating subsidies," the Senator continued. "We are making a deal with the ship operators to run their ships in a certain way rather than in the cheap way so popular on the world market.

"The Federal Government should consider itself a partner with the ship operator because that is a more appropriate way of describing the assistance it gives to ship operators than to call it subsidy."

#### HEARING ON UNITED NATIONS CHARTER IN MILWAUKEE

Mr. WILEY. Mr. President, on Saturday, April 10, the Subcommittee on Review of the United Nations Charter of the Senate Committee on Foreign Relations will hold its second field hearing. It will take place in Milwaukee, Wis.

I should like to say that it is deeply gratifying to me to note the tremendous interest which has been displayed all over Wisconsin in this subject. More than 60 witnesses—individuals and organizations—have already asked to be heard by the subcommittee. Preparatory meetings have been held in several cities at which time citizens have better informed themselves in order to be in a stronger position to present their judgment to the subcommittee.

I ask unanimous consent that the text of a press release which I am issuing describing the Saturday hearing be printed at this point in the body of the CONGRESSIONAL RECORD.

I might say that the purpose of these hearings is to enable Congress to obtain grassroots ideas as to how the United Nations Charter can be improved, if it is possible to improve it.

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

#### SENATOR WILEY ANNOUNCES FINAL DETAILS ON MILWAUKEE U. N. HEARING

Arrangements have been completed for the hearing of the United States Senate Foreign Relations Subcommittee on the United Nations Charter, to be held in Milwaukee on Saturday, April 10.

Senator ALEXANDER WILEY, Republican, of Wisconsin, chairman of the subcommittee, announced today that sixty-odd witnesses

had asked to present testimony before the hearing.

"Because we are limited to a single-day hearing with only around 5½ hours of actual hearing time, it will obviously be impossible to hear every single witness who has asked to be heard, and/or in as much detail as he or she might like. This is particularly true of witnesses who have filed their applications only within the last few days. However, every single person and organization is cordially invited to file a statement of reasonable length with the subcommittee and this statement will be incorporated in the printed record of the hearing."

#### PROS AND CONS WELCOME

WILEY emphasized that the subcommittee will endeavor to get as representative a cross-section of Wisconsin public opinion as can possibly be obtained. "We will hear all shades of opinion, and will endeavor to be fair, impartial, and objective in our approach. We ask the public to bear with us in recognizing the difficulties of trying to get an accurate cross-section of opinion within but a few hours of hearing time."

At the outset of the hearing, Mayor Frank Zelder will appear to express Milwaukee's official welcome to the subcommittee.

#### HEARING HOURS

The hearing will open at 9 a. m. and will continue to the noon hour. It will resume at 2 p. m., and will continue until approximately 4:30.

"In order to acquaint the people of our State with the many individuals and groups which have asked to be heard, it is my intention," said Senator WILEY, "to arrange at the start of the hearing for the reading of the names of all of the individuals and groups who have applied to testify. I am also asking the witnesses to be seated in the special witness section of the auditorium, which will be reserved for them. And even though they may not be able to testify until later in the day, I hope that the witnesses, if it is not inconvenient, can be on hand at 9 a. m. for the start of the session when their names will be read to the auditorium and to the television and broadcast audience. In that way, too, witnesses can hear testimony given by preceding witnesses."

#### LEGISLATORS PRESENT

It is expected that Senator GUY GILLETTE, Democrat, of Iowa, author of Senate Resolution 126, under which the subcommittee was established, and Senator MIKE MANSFIELD, Democrat, of Montana, who had attended the previous hearing of the subcommittee in Akron, Ohio, will be present for the Milwaukee hearing.

"I have in addition extended invitations to my colleague Senator JOSEPH MCCARTHY, and to Congressmen CHARLES KERSTEN and CLEMENT ZABLOCKI," said Senator WILEY.

#### SUBCOMMITTEE PURPOSE

Purpose of the subcommittee is to make a full and complete study of proposals to amend, revise, or otherwise modify or change existing international peace and security organizations.

"The news of the last few days concerning the hydrogen bomb gives renewed urgency to our study of this vital issue," Senator WILEY stated.

"For the first time," he pointed out, "we, of the Senate Foreign Relations Committee, are going to the grassroots of America, not to count those for and against the U. N., but in order to compile specific suggestions. We want, for example, to know what the people of Wisconsin think about the problem of the veto on the United Nations Security Council; the problem of international control of atomic energy and of other armaments; the problem of admission of countries to the United Nations; the problem of trusteeship areas. All of these matters are complex and require extremely careful study."

WILEY expressed appreciation to the Milwaukee Association of Commerce, "which has been doing an outstanding job in helping on all the diverse arrangements for the subcommittee hearing."

#### TIME LIMIT

With regard to the procedure, the Wisconsin legislator said, "The initial witnesses will be limited to a maximum of 5 minutes of testimony. We will hear as many witnesses as feasible, but as time becomes shorter we will probably have no alternative but to limit the testimony still further, and we will have to ask that many statements be incorporated directly into the printed record. These decisions on witnesses' testimony will, of course, be made by the full membership of the subcommittee present and will be handled in the fairest possible manner."

Several prospective witnesses, recognizing that the large number of applicants cannot all be heard, have voluntarily withdrawn and have advised the subcommittee that they are arranging for consolidation of their statements with other witnesses' presentations.

#### ISSUANCE OF NEW 8-CENT STAMP BEARING MOTTO "IN GOD WE TRUST"

Mr. CARLSON. Mr. President, this afternoon at 12:15, in the office of the Postmaster General, in the Post Office Department Building, an impressive service was held, at which a new stamp was unveiled and first offered to the public for sale.

The stamp is unique because for the first time in our Nation's history we have placed on a postage stamp of regular issue the words "In God We Trust."

I think it is interesting to look back and to notice, in checking history, that it was in 1864 that Congress authorized the minting of a coin made of bronze, a 2-cent piece, on which were placed the words "In God We Trust."

In 1865 Congress broadened that provision in the Coinage and Stamp Act, making it possible to place the words "In God We Trust" on all our coins, provided space is available.

The ceremonies today were attended by the President of the United States, the Vice President of the United States, the members of the Cabinet, a large number of members of the clergy, and others interested in the unveiling ceremonies.

I may say to the Senate that measures calling for this stamp were introduced in the Senate in March of last year. The distinguished junior Senator from Michigan [Mr. POTTER] introduced Senate bill 1468, and the distinguished junior Senator from Montana [Mr. MANSFIELD] introduced Senate bill 1482. The bills were referred to the Committee on Post Office and Civil Service. In accordance with the usual practice of the committee, the bills were submitted to the Post Office Department for consideration and recommendation.

I wish to congratulate the Postmaster General, Hon. Arthur E. Summerfield, and the Post Office Department, upon the issuance of this stamp. I think it is timely, and from a national standpoint, most appropriate, that this 8-cent stamp which will be used primarily on international mail, will carry on its face a message to foreign countries in words that mean so much to us, because they



are a part of our heritage: "In God We Trust."

Mr. President, I consider it a privilege to have been in attendance at the unveiling exercises this afternoon.

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

Mr. CARLSON. I yield.

Mr. POTTER. I wish to join in the remarks of the distinguished Senator from Kansas concerning the unveiling of the new 8-cent stamp, on which appears the words, "In God We Trust." This is the first time in the history of the Nation that a postage stamp of regular issue has carried such a message. I think it is entirely fitting and proper that the selection of a stamp to carry these words should have been a stamp which will be placed on mail going to foreign nations. It might almost be termed an international stamp, since it will be used upon international mail.

I can think of no greater message that could be sent to people throughout the world on a little postage stamp than that we, as Americans, believe in spiritual values. Mr. President, we are a great nation because of our belief and trust in God.

The ceremony today was dignified by the presence of the President of the United States, by most of the Cabinet, and by very distinguished clergymen, representing the Protestant, Catholic, and Jewish faiths. The program was most impressive.

I am confident that the selection of the Statue of Liberty as the motif of the stamp and the motto, "In God We Trust," will serve to repay our Nation in spiritual values, manifold, the time and effort devoted to the preparation of the stamp and the ceremonies connected with its issuance.

Mr. CARLSON. Mr. President, I am pleased to have the statement by the junior Senator from Michigan, who introduced Senate bill 1468, which provided that the words "In God We Trust" should be printed on the stamp.

I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a description of the new 8-cent stamp.

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

This first stamp of the new ordinary series is an 8-cent bicolored steel-engraved stamp of the ordinary size, 0.75 by 0.87 of an inch, arranged vertically. The part of the design printed in red portrays the Statue of Liberty with the wording "In God We Trust" in red gothic, forming an arch over the head of the statue.

The frame, or background, which defines the outline of the stamp, is printed in blue in a gradual tone effect with the dark tone at the edges and fading toward the center to create a white halo in back of the statue. "U. S. Postage" and the denomination "8¢" appear across the top with the word "Liberty" prominently displayed across the bottom, in whitefaced gothic.

This stamp will be used primarily for the first ounce of international mail. It is anticipated that 200 million or more of these stamps will be used yearly.

Mr. CARLSON. Mr. President, as has been mentioned by the distinguished junior Senator from Michigan, the pro-

gram was a 15-minute service. The invocation was by Dr. Roy G. Ross, general secretary, National Council of Churches.

There was an address by the Honorable Arthur E. Summerfield, Postmaster General, who also presided at the exercises.

An address was delivered by the Honorable John Foster Dulles, Secretary of State.

His Eminence, Francis Cardinal Spellman, archbishop of New York, delivered an address.

The concluding address was by the President of the United States.

The benediction was by Dr. Norman Salit, president, Synagogue Council of America.

I ask unanimous consent that the transcript of the complete proceedings be printed at this point in the RECORD.

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

TRANSCRIPTION OF THE CEREMONY TO INTRODUCE THE NEW 8-CENT STATUE OF LIBERTY STAMP, POSTMASTER GENERAL ARTHUR E. SUMMERFIELD'S OFFICE, POST OFFICE DEPARTMENT, WASHINGTON, D. C., APRIL 8, 1954

Mr. WRIGHT. From the Office of the Postmaster General in Washington, D. C., the National Broadcasting Co. brings you a special program to introduce a new 8-cent Statue of Liberty stamp. Here now is Postmaster General Arthur E. Summerfield.

General SUMMERFIELD. Mr. President, ladies, and gentlemen, the invocation will be given by Dr. Roy G. Ross, general secretary, National Council of Churches. Dr. Ross.

Dr. ROSS. Let us pray. Almighty God who hath given us this good land for our heritage, we humbly beseech Thee that we may always prove ourselves a people mindful of Thy favor and glad to do Thy will, which Thou, oh God, bless our land with honorable industry, sound learning, and good conduct. Save us and all Thy people from violence, discord, and confusion, which Thou, oh God, imbue with the spirit of wisdom those to whom in Thy name we entrust the authority of Government, that there may be justice and peace within our land and in all of our relationships to all other nations. We would pray Thy blessing on this occasion, when we join hands with those of other nations in declaring a new our trust in Thee and acknowledging our dependence upon Thee. Grant that this new instrument which we dedicate this day may present an effective message of faith and freedom throughout the whole wide world. Amen.

General SUMMERFIELD. Thank you, Dr. Ross.

We, in the Post Office Department, are highly honored to have with us today the President of the United States, the Vice President, members of the Cabinet, representative leaders of our great religious denominations, and a group of distinguished guests.

You may well ask why these leaders in our Government and in our spiritual life—should take the time to dignify the issuance of a new stamp.

There is a very good reason for their being here today.

This is the first regular stamp in our history to bear the motto "In God We Trust" and to portray the Statue of Liberty.

The issuance of this stamp, therefore, symbolizes the rededication of our faith in the spiritual foundations upon which our Government and our Nation rest. It also reaffirms our determination to safeguard our liberties. Finally, it expresses our hopes for

the rebirth and the growth of freedom among all peoples of the earth—everywhere.

The Statue of Liberty, so prominently displayed, is a symbol of opportunity and hope to victims of persecution and terror today, just as it has been in times past.

It is fitting this stamp will be used extensively for foreign mail, because we want men of good will everywhere to know that America will always remain a God-fearing, God-loving nation, where freedom and equality for all are living and imperishable concepts.

If the people of the world abide by the truths symbolized on this stamp—Godliness and freedom—the brightest days of our civilization lie in the unlimited future.

That is the hope of every American. That is what this new stamp symbolizes. That is why we are gathered here today.

Ladies and gentlemen, the Secretary of State.

Secretary DULLES. This stamp is a small object, but its significance is great. Its design deals with the two aspects of human life—the relation of man to God and the relation of man to fellow man. The motto "In God We Trust" reminds us that there is a being above us to whom we owe our first allegiance—His law, the moral law, imposes upon man his most solemn obligations. The portrayal of liberty and light in the world reminds all of us that man because he is a spiritual being deserves an environment of freedom, an environment which enables him to develop his God-giving qualities of body, mind, and soul, but this liberty is not recognized—it is liberty under law, law which reflects the great principles of eternal justice, prescribed for man by his Creator. This linking together of political liberty and morality is fundamental to our Nation. George Washington in his farewell address to the people pointed out that popular Government cannot succeed apart from morality and that morality cannot be maintained without religion. Those truths uttered by the Father of Our Country nearly 160 years ago have never ceased to guide our Nation. Under that guidance, we have grown from one of the smallest to one of the greatest of the nations. We have exerted an influence throughout all the world, our faith and our works have created a richness, material, intellectual, and spiritual, such as the world has never known before, and under the impact of our contagious faith, the tide of despotism in the past was rolled back and many throughout the world gained liberty under law. Today when despotism holds one-third of the peoples of the world in its grip, it is important that we remind ourselves of the great truths upon which our freedom rests, and that we should in a stamp designed to travel all about the world remind others of these truths. To ourselves who have kept our freedom, it will restate our determination to remain free and to stand firm with those who are like minded and those who have been deprived of freedom but still covet it, it will be a symbol which will nourish their hopes of liberty.

General SUMMERFIELD. Thank you, Secretary Dulles.

Ladies and gentlemen, His Eminence Francis Cardinal Spellman, archbishop of New York.

Archbishop SPELLMAN. America, God-graced Nation of free peoples proudly stands before the world, glorious unchallengeable testimony that she is today, as ever she has been, and is determined to be, a strong-hearted, great-minded Nation of believing and living peoples practicing our national motto "In God Is Our Trust." The red, white, and blue of our postage stamp bearing America's sacred symbol of liberty will carry this civilization-saving, God-saving message to all corners of the earth, and will, I pray, inspiring shackled peoples everywhere now living in terror of godless tyrants fearlessly

unflinchingly to follow the one road to freedom and salvation through trust in God.

General SUMMERFIELD. Thank you, Your Eminence Cardinal Spellman.

Ladies and gentlemen, the President of the United States.

President EISENHOWER. General Summerfield and distinguished guests, the size and greatness, the influence of America have come to be an accepted fact in the modern world.

In trying to describe these characteristics and qualities of our country, we are often tempted to do it in terms of the height of our buildings, the extent of our roadways, the speed of our automobiles, the wonderful gadgets that we use in our houses.

But America was great, America was a symbol of hope to many millions of people long before these modern appliances were even discovered by the genius of man.

Throughout its history, America's greatness has been based upon a spiritual quality, which seems to me is best symbolized by the stamp that will be issued today, and in honor of which issuance we are here gathered.

The flame of liberty symbolizing the determination of America always to remain free, to remain a haven of the oppressed, and a ready acknowledgment that all men in the attainment of human aspirations and worthy aspirations are dependent upon an Almighty.

It seems to me in these two concepts we have a true description of the greatness of America.

The reason that I was particularly honored to come here today, aside from the opportunity of meeting with friends, was to be a part of the ceremony which now gives to every single citizen of the United States, as I see it, the chance to send a message to another. Regardless of any eloquence of the words that may be inside the letter, on the outside he places a message: "Here is the land of liberty and the land that lives in respect for the Almighty's mercy to us." And to him that receives that message, the sender can feel that he has done something definite and constructive for that individual.

I think that each of us, hereafter, fastening such a stamp on a letter, cannot fail to feel something of the inspiration that we do whenever we look at the Statue of Liberty, or read "In God We Trust."

General SUMMERFIELD. Thank you, Mr. President. It is now my privilege to present you the first album of these new historical stamps. Mr. President.

President EISENHOWER. Thank you very much, Arthur. Thank you very much.

General SUMMERFIELD. Ladies and gentlemen, the benediction will now be given by Dr. Norman Salt, president, Synagogue Council of America. Dr. Salt.

Dr. SALT. O Lord of the universe, grant happy harvests we pray Thee to this day's proceedings as we consecrate to Thy service this new postage stamp of our country proclaiming our trust—not in might nor in power, but in Thy spirit. Traveling to the ends of the earth, let this message of Thee wing to the hearts of all men causing them to welcome Thy role of justice and mercy, of liberty and truth, and to accept Thy dominion in their lives. Inspire us to emblaze in our trust to Thee not only on our messages, but also on our hearts; not only on our communications, but also on our actions; so that in these dread days of impending disaster the peoples of the world may find in us sincerity and righteousness and be moved to walk with us out of the dark valley of discord and head into the sunlit fields of peace and good will and human brotherhood. Amen.

General SUMMERFIELD. Thank you, Dr. Salt.

This concludes the dedication of a historical stamp, historic in its moment with a message to the peoples of the earth. We thank you.

## CONSTRUCTION OF CERTAIN PUBLIC BUILDINGS BY PURCHASE CONTRACTS

The Senate resumed the consideration of the bill (H. R. 6342) to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the first amendment, which the clerk will state.

The CHIEF CLERK. On page 4, line 12, after the word "than", it is proposed to strike out "\$50,000" and insert in lieu thereof "\$20,000."

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Alken	Green	Martin
Anderson	Griswold	Maybank
Barrett	Hayden	McCarran
Bennett	Hendrickson	McClellan
Bricker	Hennings	Millikin
Bridges	Hickenlooper	Morse
Bush	Hill	Mundt
Butler, Md.	Hoey	Murray
Butler, Nebr.	Holland	Neely
Byrd	Humphrey	Pastore
Carlson	Hunt	Payne
Case	Ives	Potter
Clements	Jackson	Purtell
Cooper	Jenner	Robertson
Cordon	Johnson, Colo.	Russell
Daniel	Johnson, Tex.	Saltonstall
Dirksen	Johnston, S. C.	Schoeppel
Douglas	Kefauver	Smith, Maine
Dworshak	Kerr	Smith, N. J.
Eastland	Kilgore	Stennis
Ellender	Knowland	Symington
Ferguson	Kuchel	Upton
Flanders	Langer	Watkins
Frear	Lehman	Wiley
Fulbright	Long	Williams
Gillette	Magnuson	Young
Goldwater	Malone	
Gore	Mansfield	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the committee amendment on page 4, in line 12, which has been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will proceed to state the remaining amendments of the committee.

The next amendment was, on page 4, in line 13, after the word "unless", strike out "it has been submitted, 30 days prior to its effective date, to the President of the Senate and to the Speaker of the House of Representatives for appropriate reference to committees" and insert "the Administrator has come into agreement with the Committee on Public Works of the Senate and of the House of Representatives with respect to such purchase contract agreement."

The amendment was agreed to.

The next amendment was, on page 7, in line 12, after the word "of," to strike out "1953" and insert "1954."

The amendment was agreed to.

The next amendment was, on page 9, in line 9, after "(b)", to strike out "The"

and insert "Except as provided in subsection (d) of this section, the."

The amendment was agreed to.

The next amendment was, on page 9, in line 17, after "(c)", to strike out "The" and insert "Except as provided in subsection (d) of this section, the."

The amendment was agreed to.

The next amendment was, on page 10, after line 3, to insert:

(d) The authority conferred on the Postmaster General by subsections (b) and (c) of this section to enter into lease-purchase agreements with respect to property owned by the Government on the date of the enactment of this act, is hereby restricted to exclude from such authority any site which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

The amendment was agreed to.

The next amendment was, on page 10, in line 13, to change the subsection letter from "(d)" to "(e)"; and in line 19, to change the subsection letter from "(e)" to "(f)."

The amendment was agreed to.

The next amendment was:

(g) No proposed lease-purchase agreement calling for the expenditure of more than \$20,000 per annum shall be executed under this section unless the Postmaster General has come into agreement with the Committee on Public Works of the Senate and of the House of Representatives with respect to such lease-purchase agreement.

(h) With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.

The amendment was agreed to.

The next amendment was, on page 11, in line 16, after "(a)", to strike out "Notwithstanding any other provision of law, the" and insert "The."

The amendment was agreed to.

The next amendment was, on page 11, in line 20, after the word "entity", to insert "for periods not to exceed a total of 30 years for each such lease agreement."

The amendment was agreed to.

The next amendment was, on page 12, in line 18, after the word "States", to insert a colon and the following proviso:

Provided, That the Postmaster General shall not, for the purposes of this section, dispose of (1) any Government-owned property, or interests therein, acquired pursuant to section 101 of the Public Buildings Act of 1949 (63 Stat. 176) or (2) any Government-owned property, or interests therein, which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

The amendment was agreed to.

The next amendment was, on page 13, line 13, after "Sec. 205", to insert "(a)"; at the beginning of line 15, to insert "under authority of this title"; and in line 19, after the word "title", to insert a colon and the following proviso:

Provided, That any amount received by the Postmaster General from the sale of such property, under authority of this title, which exceeds the amount paid therefor from the

appropriations for the Post Office Department, shall be covered into the Treasury as miscellaneous receipts.

(b) Any amounts received by the Postmaster General from the sale, lease, or other disposal of real property acquired by the Government under authority of the Public Buildings Act of May 25, 1926 (44 Stat. 630), as amended, and the Public Buildings Act of 1949 (63 Stat. 176), as amended, which may be transferred to the Postmaster General, shall be disposed of in accordance with the provisions of section 321 of the act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes" (47 Stat. 412; 40 U. S. C. 303b), section 5 of the Public Buildings Act of May 25, 1926, as amended (44 Stat. 633; 40 U. S. C. 345), or section 204 of the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 388; 40 U. S. C. 485), whichever section may be applicable.

The amendment was agreed to.

The next amendment was, on page 16, in line 2, after the word "of", to strike out "1953" and insert "1954."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, is the Senator from California going to make an explanation of the bill, as reported?

Mr. KUCHEL. Yes.

Mr. President, the purpose of House bill 6342 is to provide for acquisition and construction of Federal public buildings by lease-purchase contracts. It is a supplemental to existing public buildings law, and will provide a new method of obtaining building space for permanent activities of the Federal Government. Under present law, the Government has the choice of constructing its own buildings whenever appropriations are provided, or of renting space from private individuals. Unfortunately, during the periods when increases in permanent Government activities occur, the condition of the Federal budget is not very conducive to the appropriation of large sums for building construction. Federal building construction has been almost at a standstill for some 15 years, while Government activities have been steadily increasing during the same period. It takes more employees and more working space to carry out those increased activities.

Furthermore, during the same period we have had a population increase of more than 20 percent. Government services which have been authorized by the elected representatives of the people must be provided for today's population, not for the population of 15 years ago. Differences in views on the size of the Federal payroll should have no place in the consideration of this bill. The objective of this bill is to provide more economy in securing adequate space for permanent Government activities as they exist today.

Under the conditions of the past 15 years, it has not been possible to appropriate large sums for Federal building construction. As a result, it has been necessary to rent space on a large scale. This has been costly, and frequently, very inefficient since in many instances the only rental space available

was not suited to the Government's needs. There have been some cases where the Government has rented buildings for postal use for as long as 40 or 50 years. When such long rental periods are tolerated it means that the Federal Government is paying the owner the full cost of his investment plus a profit or interest on the investment, all without securing any equity in the building, and the Government still has to pay the same price to continue renting the same or similar space after the building is paid for. The Government has had no alternative for that wasteful practice until this bill was brought before the Congress.

The legislation in this bill will permit the Government to obtain building space designed for most efficient use at a cost which falls in between the extremes of direct construction and indefinite rental. It will have most of the advantages of direct construction in that the Government can select its own site and design, and will have full ownership of the building at the end of a specified period. It avoids the disadvantage of a large initial appropriation of funds and the waste of indefinite rental payments.

The bill is divided into two titles for purposes of administration. Title I deals with buildings under the control of the General Services Administration which are used for most civilian Government activities other than postal use. They include Federal courthouses, customhouses, warehouses, and general-purpose buildings which may also have minor portions of space assigned for postal use. Title II is concerned with buildings which are under the control of the Postmaster General and are used predominantly or exclusively for postal purposes. Buildings on military and naval reservations, and veterans' hospitals are controlled by their respective administrative agencies and are not covered under this legislation.

To make use of this lease-purchase legislation, the General Services Administrator or the Postmaster General must determine, first, that the need for space for permanent Government activities cannot be met by using existing Government-owned property suitable for that purpose, and, second, that the best interests of the United States will be served by undertaking the lease-purchase method of obtaining the needed space. In making the latter determination, he must consider the prospect of direct Federal construction within a reasonable period of time, and the relative economy of the lease-purchase method as compared with the total rental cost over the expected period of use.

Lease-purchase contracts may be entered into for periods of not less than 10 years nor more than 25 years. The annual payments during the designated period will be set at an amount sufficient to pay for taxes, reasonable interest charges on the capital investment, such maintenance and operation costs as may be covered under the contract, and installment payments of the purchase price agreed upon. At the end of the period the purchase price will be paid in full and the title will be conveyed to

the Government free and clear. As an example, the usable life of a new building may be estimated at 50 years and the lease-purchase contract term set at 25 years. If the Government use is permanent and the total cost of all payments under the contract, plus the total maintenance costs for the 25-year remainder of the life of the building after the end of the 25-year contract period, is less than the total of annual rental payments for a full 50-year period in comparable rented space, then the lease-purchase method would result in a savings in overall cost. It would also have the advantage of allowing the Government to select its own location and building design.

The bill would allow the Government to pick out a suitable site and to purchase or take an option on it before entering into a lease-purchase contract if such action should be advisable to avoid speculation. The proposed contract would then be advertised on the basis of a design and plans prepared by or subject to the approval of the Government. If an acceptable proposal is offered and agreed upon, then the option or other interest in the site would be transferred to the prospective contractor as a part of the contract agreement. Upon completion of the building by the contractor, the Government would take up occupancy and the annual payments under the contract would begin. This arrangement would then be similar to the reducing type of home mortgage.

This legislation can also be used to advantage by exchanging unsuitable buildings acquired under makeshift conditions for new buildings properly planned for Government use. One example is a large building originally designed and constructed as a hotel in the State from which I come. It was acquired during the war and has since been used for office space. It is not suitable for that purpose. The demand for hotel facilities has increased in that area and this building now has high value for reconversion to hotel purposes. It is expected that a favorable exchange can be worked out whereby the Federal Government can obtain suitable space properly planned for its own use at little cost over the value of the former hotel building.

Under existing public buildings law a number of sites for Federal buildings have already been acquired and general plans have been drawn up. It would be possible under the pending bill to contract for buildings on these sites provided that the criteria of need and economy can be met satisfactorily. Likewise this legislation may aid indirectly in the removal of unsightly and unsatisfactory temporary buildings such as those which now clutter up some of the park area in the District of Columbia. While this bill does not contain any direct provisions for removing such temporary buildings the authority to contract for new buildings under the lease-purchase method will make it possible for the temporary buildings to be abandoned on a gradual basis whenever the best interests of the Government would be served by so doing.

The representatives of the General Services Administration and the Postmaster General have assured the committee that this legislation will not be used to undertake a vast public-building program. They understand that it will not replace or be a substitute for a Federal construction program. It is contemplated that it will be used solely as a supplementary means of securing space only in cases where it would have decided advantages to the Federal Government over other methods of space procurement.

It is true, however, that in the event of adverse employment conditions activities under this legislation could be easily expanded and would serve as an effective economic stimulant for construction activities by private enterprise.

Hitherto all Federal construction programs have been authorized on a specific basis or within definite monetary limitations. It is difficult to provide the same type of control or limitation for a building program under the lease-purchase method. The committee feels that the Congress should, however, provide for some reasonable degree of control and it has accordingly written language in the bill which would free any proposed contract requiring an annual payment of not more than \$20,000 from any direct legislative control but would require that on larger contracts the respective Government agency shall come into agreement with the Committee on Public Works of the Senate and of the House of Representatives before the contracts are carried forward. This is the same procedure as now required by law for acquisition of property by the Department of Defense. Such legislation was originally adopted by Congress in 1944 and has been in effective operation since that time.

The effect of the limitation requiring agreement on contracts involving annual payments of more than \$20,000 would be to reserve to the Congress the right of further legislative approval for buildings which would have an initial construction cost somewhere in the neighborhood of \$200,000 or more. Many of the typical small city or town post offices could be built at a cost of less than \$200,000.

The requirement for agreement on the larger contracts will apply only to general proposals to contract specific buildings in specific localities. It will not be concerned with determination of all of the detailed terms and conditions which is a proper administrative function to be carried out by the executive agency under the provisions of this act and related existing laws. The committees of Congress will expect to consider whether it is advisable to proceed with a proposal to contract for a building of a certain approximate size and type at a certain locality and whether the estimated economics as compared with other methods of securing the needed space are such as to justify the proposal. Any further details beyond these points would be the responsibility of the executive branch under the applicable provisions of law. This requirement is not to be construed as an encroachment upon nor in conflict with the responsibilities and functions of the executive branch of the Government.

In title II of the bill dealing with postal buildings there is an additional criterion that must be met before a proposal for a contract can be undertaken. This is the requirement in existing public buildings law that no area shall be eligible for construction of a post-office building by the Government unless the receipts of the post office serving such area exceed \$10,000 per year.

Title II also originally contained certain provisions which were so broad in scope that it would be possible for the Postmaster General to enter into lease-purchase agreements under which any or all of the more than 3,100 Government-owned post-office buildings now in use could be demolished and replaced with new buildings. As it was agreed that the Postmaster General did not seek nor desire such unlimited authority, the committee has recommended amendments in section 202 which would make clear that this authority cannot be applied to any Government-owned property acquired prior to this act on which a building has been constructed and is now in use for postal purposes.

Section 203 of title II deals with straight-term leasing. It is an extension of the present leasing authority of the Postmaster General which will permit greater efficiency and economy under the conditions for which its use is proposed. It will authorize the Postmaster General to enter into lease agreements for the erection of postal buildings and related facilities upon lands which may be acquired by the Postmaster General and conveyed to the lessor for this purpose. It would apply largely to special purpose, postal handling facilities. It will be used in cases where relatively long-term occupancy is contemplated but where permanent indefinite occupancy cannot be counted upon. Under such conditions, a lease-purchase contract with ultimate Government ownership probably would not be warranted, but suitable arrangements can be made with prospective lessors for the construction of these special-purpose facilities on lands selected as best located for the particular purpose under consideration. A typical example might be a building for handling parcel-post packages which must be located on a suitable site with railroad connections.

This section authorizes the Postmaster General to acquire such suitable sites and convey them to the prospective lessors in order that the acquisition can be carried out in such a way as to avoid the possibility of speculation by those who might attempt to take commitments on the best sites in the expectation of demanding excessive prices from the United States. It is believed that the Postmaster General can secure more efficient returns from his rental expenditures for special-purpose facilities in cases where present facilities are inadequate or obsolete.

The bill originally contained no limit on the length of the lease periods which could be executed under this authorization. The committee has set a limit of 30 years for such lease periods since it feels that if any longer term is contemplated, a lease-purchase contract under the provisions of section 202 would be

preferable. The committee has also amended the section to make certain that the Post Office sites acquired pursuant to section 101 of the Public Buildings Act of 1949 as well as the existing Government-owned post offices now in use for postal purposes cannot be disposed of for the purposes of making lease agreements.

The committee has also amended section 205 so that, when any funds received from the sale, lease or disposal of property under the provisions of this title are available to be credited to current Post Office Department appropriations, any excess of the amount to be credited over the amount paid for the property shall be covered into the Treasury as miscellaneous receipts. Also, if any property acquired pursuant to the Public Buildings Acts of 1926 and 1949 should be transferred to the Postmaster General and subsequently sold or disposed of, any amounts received from such disposal shall be covered into the Treasury as miscellaneous receipts.

It may be noted that the authority to enter into agreements under this title, both for lease-purchase contracts and term leases, will expire 10 years from the date of enactment of this title.

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

Mr. KUCHEL. I yield.

Mr. CASE. First, before I ask my questions of the Senator from California—and I have only about four questions to ask him—I wish to express my appreciation of diligent work the Senator from California has done on the pending bill. It is a very far-reaching bill. It goes to the general public buildings program of the General Services Administration and of the Post Office Department. Its effect will be felt in every section of the country. The Senator has certainly made a fine contribution in working out the amendments which are being proposed by the committee.

Mr. KUCHEL. I thank the Senator very much for his statement.

Mr. CASE. Of course I have a special interest in the proposal that the Administrator of the General Services Administration and the Postmaster General come into agreement with the Public Works Committees, because I am a member of the subcommittee of the Committee on Armed Services to which is assigned the responsibility of recommending appropriations in connection with the Defense Establishment. It is a rather arduous task, I may say to the Senator from California, and if he is assigned to the task as the result of his labors on the pending bill, I am warning him he will have plenty to do.

However, to my questions:

First of all, did the subcommittee consider placing a limitation on the amount of the liability that could be incurred by either service in excess of the rental payments now existing?

What I have in mind is that the payments for a lease-purchase contract on an annual basis will probably be in excess of the straight rentals alone for the existing properties. How far does the Senator from California believe the General Services Administration or the Post

Office Department should go in increasing the budgetary liabilities of the Government in any given year?

Mr. KUCHEL. I will say to the Senator from South Dakota that with respect to any restriction on the authority under the bill as it is before the Senate, either with respect to the General Services Administration or the Post Office Department, authority is given to each to utilize appropriations for rental purposes to consummate lease-purchase transactions.

The only restriction with respect to the amount of money which may be used by either agency in a series of lease purchases is that when more than \$20,000 a year is involved in rental payments the agency concerned must first come to agreement with the two committees of Congress concerned, the Committees on Public Works of the two Houses.

It was suggested—I believe I recall the testimony on that point—that there would be an additional check, in that each year the agencies, would have to appear before the Committee on Appropriations, and make representations relative to the amount of the appropriations necessary to be made for rental purposes.

To reiterate, I should say that there is no additional restriction in the bill other than those to which I have just alluded.

Mr. CASE. The experience which gives me a little concern on this point is that in dealing with the General Services Administration in connection with rentals which it has been making for the Civil Defense Administration, the Subcommittee on Real Estate and Military Construction of the Committee on Armed Services received testimony which indicated that the General Services Administration would make contracts for rentals as long as it had the money in its treasury, upon the mere statement of the using agency, in this case, the Civil Defense Administration, to the effect that the using agency had need for additional space.

When I questioned the representatives of GSA on that point, they said that it was not their business to determine the need; they accepted the statement of the using agency that it needed more space. The General Services Administration has a certain amount of money available to it for paying rentals, and they pay rentals as long as the money holds out. If an agency wanted more space than GSA had money to provide, the using agency would have to provide the money out of its own budget.

We have endeavored within the Committee on Armed Services to check that practice by demanding a showing of need on the part of the using agency. We thought it was only proper that executive agencies should make a showing of need before executing contracts which create a budget liability for the Federal Government.

I bring up this point because, unless some specific language is written into the law, there will devolve upon the two committees a great responsibility. The responsibility will be on the Public Works Committee that it will not come to agreement with the agencies for a lease-purchase liability unless there is a definite showing of need and that the pro-

posed building is within the actual need of the prospective using agency.

The other committee on which a special responsibility will devolve is the Appropriations Committee. That committee can put a limitation upon the administrative funds available for either the General Services Administration or the Post Office Department, and can say, "You shall not spend more than so much money in administering this program." That type of limitation has been used by the Appropriations Committees in restricting activities of the Federal Housing Administration. They would limit the funds which could be used and thereby curtail or limit the amount of public housing which could be built. I think the Appropriations Committees undoubtedly will hit upon some such method as that to control the amount of increase that might be made in an agency's budget by a possible excessive employment of this device for building public buildings on a rather lavish scale.

Mr. WILLIAMS. Mr. President, will the Senator from California yield for a question in line with the point raised by the Senator from South Dakota?

Mr. KUCHEL. I yield.

Mr. WILLIAMS. The Senator from South Dakota raised the point that the Senate Appropriations Committee could limit the annual appropriations. We are conferring, as I understand, upon the two agencies full authority to negotiate lease-purchase contracts. Once such a contract has been negotiated, can the Appropriations Committee nullify it by restricting the funds?

Mr. KUCHEL. I think the Senator from South Dakota can speak for himself better than I can.

Mr. CASE. As it has been done in connection with the Housing Administration, the funds appropriated could be made unavailable except up to a certain amount. They could do it by imposing a dollar limitation, saying that the funds made available for administrative purposes shall not be used for lease-purchase contracts which would increase the Government's budgetary liability in excess of \$5 million a year, or some such device as that. That device has been effectively used in limiting the public-housing program.

Mr. WILLIAMS. The question in my mind is, What would happen to contracts which have been negotiated before the agencies involved go to the Appropriations Committee? They can begin negotiating contracts from the date of the enactment of the law.

Mr. KUCHEL. What he says does not cover the entire situation. No so-called lease-purchase agreement in excess of \$20,000 a year in payments shall become effective for any purpose until, as the bill now provides, the two committees shall come into agreement with the agency concerned.

Mr. WILLIAMS. I was speaking about contracts below \$20,000. There would be no limitation on the number of such contracts which could be negotiated prior to the date the agencies go before the Appropriations Committee.

Mr. KUCHEL. The Senator is correct.

Mr. WILLIAMS. In view of the fact that we have conferred upon them authority to negotiate these contracts without any limitations, could the committee cancel them at a later date without creating claims for damages against the Government?

Mr. KUCHEL. There would, of course, be at least a moral right on the part of the injured lessor to the extent he should be out of pocket under a contract which Congress suddenly said would not be continued. I suppose he would have a claim which he could prosecute. But throughout history we have given these agencies and other agencies, I suppose, the unlimited right to enter into straight leaseholds. We have permitted the Post Office Department to enter into a leasehold, writing its own ticket as to the amount of monthly payments to be made, and as to the time involved, and in some instances, which the Senator and I were discussing earlier today, I indicated that we had evidence that the Post Office Department had rented the same piece of property for as long as 50 years and, presumably, had paid over and over again the amount of money which the building had cost. I say that because it seems to me that when we have entrusted Government agencies with the right to make leases, we might as well consider entrusting them with the right to make lease-purchase contracts, particularly when they must do so under the restrictive provisions of the bill.

Mr. CASE. Mr. President, will the Senator from California yield further?

Mr. KUCHEL. I yield.

Mr. CASE. With respect to the question raised by the Senator from Delaware, it might also be observed that that situation would exist with respect to contracts which the Administrator and the Postmaster General might hurriedly make between the date of the enactment of this bill and the first appropriation bill providing funds for those particular agencies. At the very first opportunity the Appropriations Committee can place a limitation upon the funds and say they are administrative funds and shall not be employed to service any more than so many lease-purchase contracts. They could revert to the old public building limitation, which I hope they will not do, of one building for each congressional district. Our experience over the years with the former building program clearly demonstrated that providing one post-office building for a congressional district resulted in a very antiquated distribution of post-office buildings and did not meet the needs of the Government.

I used to represent the Second Congressional District of South Dakota, in which there were no large cities. At one time four towns were eligible for new post-office buildings. By a fortuitous combination of circumstances we concluded matters with respect to those eligible towns in a couple of years. At the same time the First Congressional District in my State had 27 eligible towns. On the basis of building one post-office building a year in a congressional district, it would obviously

take 27 years in that district, whereas it took only 4 years in my old congressional district, and during that time there would be other eligible towns.

The idea of allocating one post-office building to each congressional district meets certain practical problems in the House of Representatives, when a public building bill is under consideration there, but it does not meet the needs of the Government.

Mr. KUCHEL. I agree with the Senator.

Mr. CASE. I think this bill offers a sound basis for a new approach to the public building program. At the same time, it seems to me that Congress should be alert to keep control of the purse strings, and not to make it possible for either the Administrator of General Services or the Postmaster General to march forth and to engage in the negotiation of an unlimited number of lease-purchase agreements, which presumably would involve heavier annual payments than would the straight lease arrangements.

Mr. KUCHEL. I completely agree with the Senator from South Dakota on that point. It is true that the restrictions which the committee provided would not be a complete guaranty of the level of lease-purchase agreements which the Senator feels would be wise and reasonable, and I agree with him.

On the other hand, in addition to all the restrictions placed in the bill, I think the Senator has suggested additional means by which congressional control of the lease-purchase program can be carried on.

Mr. CASE. I have three questions, merely of a clarifying nature, which I desire to ask. First, does title pass to the Government, so that taxes cease; or for how long will the property be liable for taxes?

Mr. KUCHEL. The provisions of the bill are that the lease-purchase agreements shall run for a period of between 10 and 25 years, depending on the negotiations between the Government and the lessor. Title would pass as of the time the payment contracted by the Government to be paid to the private individual had been completely made. The bill specifically provides that ad valorem taxes by State and local governments will continue to be paid until the title passes; and title will not pass until the Government's commitments for payment of the contract shall have been completely satisfied.

Mr. CASE. My second question relates to additions to existing buildings. I noted, in looking over the eligible post offices, that the Post Office Department, in many instances, expects to remodel and make additions. Does the bill make possible the handling of an addition to a building, as well as the erection of an entirely new building?

Mr. KUCHEL. First, I shall read from page 9 of the bill, line 9:

(b) Exceptions provided in subsection (d) of this section, the Postmaster General is authorized to exercise the powers granted in this section with respect to existing properties, including those for which conversions, additions, extensions, or remodeling may be

required, and properties upon which construction is to be subsequently effected in pursuance of the terms of applicable lease-purchase agreements.

Subsection (d), on page 10, provides as follows:

(d) The authority conferred on the Postmaster General by subsections (b) and (c) of this section to enter into lease-purchase agreements with respect to property owned by the Government on the date of the enactment of this act, is hereby restricted to exclude from such authority any site which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

So the Postmaster General may not, on existing property, with existing buildings now in use, exercise any lease-purchase rights of improvement.

Mr. CASE. How would he make an addition, then, to a building which the Government already owns, on a site which the Government already owns?

Mr. KUCHEL. I suppose that if the Government has title to the real property on which a post-office building is erected, and the Government wanted to remodel the building, a lease-purchase transaction would not be available, because the improvements would be to a building to which the Government already had title. I should rather imagine that where the Government owned the fee and occupied the building, it could not use the tool of lease-purchase to improve or to remodel the building. That would be my opinion.

Mr. CASE. In other words, it would be necessary to have a public building program to take care of additions, wherever there might be need for them?

Mr. KUCHEL. I think so, wherever the Government already owned the buildings, as was the case in the Senator's example.

Mr. CASE. My third question relates to the language which is in italics on page 12, as follows:

*Provided*, That the Postmaster General shall not, for the purposes of this section, dispose of (1) any Government-owned property, or interests therein, acquired pursuant to section 101 of the Public Buildings Act of 1949 (63 Stat. 176) or (2) any Government-owned property, or interests therein, which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

Proviso (B) which is attached to paragraph (b), on page 12, authorizes the Postmaster General to "dispose of real property, and interests therein, acquired for use or used for postal purposes by sale, lease, or otherwise, on such terms as he shall deem appropriate to the best interests of the United States."

I have particular reference to the situation which exists at Rapid City, S. Dak. At the time of the last Public Buildings Act, the act of 1949, several cities or towns eligible for post offices or additions in the Second Congressional District of South Dakota were canvassed. The Post Office Department determined that the greatest need existed in the city of Rapid City. The Post Office Depart-

ment already had a building there, which had been erected 30 or 40 years earlier. In any event it had been built when the city had a population of about 7,000. Today, the population of Rapid City is about 37,000, and the post office handles the mail not only for the city, but also for a large airbase having a population in excess of 10,000.

So the building which was once designed to serve a town of 7,000 population is now serving a city population and a nearby population of about 40,000 or 50,000. Obviously, the post office of Rapid City is heavily burdened, and the Post Office Department has said that that is the place which should receive first consideration. From the first \$12 million made available from the first \$40 million authorized in the 1949 act, the Department made an allocation in order to buy a site. To obtain the best site involved a trade of the existing facility with the city of Rapid City. For one reason or other, that was delayed, and the funds were finally frozen.

I fear that under this provision of the bill the Postmaster General would be forbidden to use the existing building site, which is used for post-office purposes at the present time. I fear he would be forbidden to use the existing building site in his negotiations for a building to be constructed on another site, under the terms of the Lease-Purchase Act. Am I correct?

Mr. KUCHEL. I may say to the Senator from South Dakota that the specific provision to which he now refers is not connected with the lease-purchase situation. It is entirely concerned with the authority of the Postmaster General to enter into a lease—simply a straight lease. However, the bill specifically provides that the Postmaster General shall not dispose of any of the presently owned post-office building sites which were acquired in the past by the Postmaster General for the ultimate building of post-office buildings. The specific section, I may say to the Senator, would not restrict the Postmaster General with reference to the purchase to which he has referred.

Mr. CASE. It is the Senator's opinion, then, that where the Government does have an existing building and site which are presently being used for post-office purposes, such property can be used in the negotiation of a lease-purchase contract as partial payment for a new building and site.

Mr. KUCHEL. I may say to the Senator from South Dakota that it is the intention of the committee and the purpose of the bill, as the committee understands it, to permit the Postmaster General to utilize the lease-purchase transaction, and have a building erected on property which the Postmaster General, representing the Government, now owns; and it would be entirely a part of a lease-purchase transaction, contemplating transfer of title from the Government to the private individual who would erect the building, and the Government would pay for it thereafter.

Mr. CASE. And the Postmaster General could use the present property as a partial payment for the new property?

Mr. KUCHEL. Yes, that is my understanding, and I am sure it is the understanding of the committee. It may be that such a transaction would have to be done by the General Services Administrator.

Mr. CASE. If, on an examination and review of that particular point by the Senator from California or by the staff there is any confusion because of the language I have cited, or any other provision in the bill, I trust the Senator from California will bring it to the attention of the Senate before the bill is passed.

Mr. KUCHEL. I shall do so.

Mr. MARTIN and Mr. BARRETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and if so, to whom?

Mr. KUCHEL. I yield first to the distinguished chairman of the committee, the senior Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN. I wished to inquire a little further along the line which was developed by the Senator from South Dakota. As I understand the chairman of the subcommittee, the provision he has been discussing would simply mean that the Federal Government would acquire title to needed property in a shorter time, by using proceeds from the property as the amount which the Government could make as a payment on the new property. Is that correct?

Mr. KUCHEL. The bill would authorize either the General Services Administration or the Postmaster General to use a new approach in acquiring suitable governmental space; and to use it where it would be to the interest of the Government. Is that what the Senator is asking?

Mr. MARTIN. The property which the Government already owns would be used as a payment on the new property which certain individuals may erect for the use of the Government, and that would mean that the Government would secure title that much earlier in comparison with the amount of payment it might make. Is that not a correct statement?

Mr. KUCHEL. As the Senator suggests, it is the intention of the bill to permit the Government-owned unimproved real property to be used as a partial payment for the erection of a suitable public building for the Government, and title would revert back at the end of the pay period. The Senator is correct.

Mr. MARTIN. Mr. President, I wish to compliment the chairman of the subcommittee for the fine work he has accomplished. I also wish to express publicly my appreciation of the work of the senior Senator from Florida [Mr. HOLLAND]. When there was a new arrangement of the various subcommittees of the Committee on Public Works, the Senator from Florida was transferred to the Subcommittee on Roads, but, at my request, he completed his work on the pending bill. I know that all the members of the committee have given an enormous amount of thought and consideration to the bill, because it is an entirely new endeavor so far as the United States Government is concerned.

I desire publicly to express my appreciation of what the subcommittee has accomplished. The hearings on the bill were started during the last session of the Congress, and were not completed until the present session.

Mr. KUCHEL. I thank the Senator from Pennsylvania very much, and I wish to express my indebtedness to the able and genial Senator from Florida, who assisted and guided me in the deliberations of the subcommittee, and to the other members of the subcommittee, and, indeed, to the members of the full committee, which considered the bill.

I now yield to the Senator from Wyoming.

Mr. BARRETT. I thank the distinguished Senator from California, and I wish to compliment him for the fine work he has done on the bill now pending, and for the splendid presentation which he has made.

Mr. KUCHEL. I thank the Senator from Wyoming.

Mr. BARRETT. I am concerned about a few items in the bill. I should first like to ask what rate of interest the Government will be required to pay on the deferred payments.

Mr. KUCHEL. That is left to the sound discretion of the negotiating agency, and to that extent the bill is silent.

Mr. BARRETT. In other words, there is no limitation beyond the lawful limit on interest which may be paid in any given State?

Mr. KUCHEL. That is correct.

Mr. BARRETT. A couple of other items have somewhat disturbed me. On page 13 of the bill, section 204 states that the Postmaster General may enter into an agreement for the payment of taxes, with the provision that they may be raised or decreased, as the case may be, from year to year.

Then on page 11, subsection (h) of section 202, states:

With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.

A moment ago the Senator stated that the property would be subject to taxes until the expiration of the contract. So I was wondering if the committee had in mind that sometime between the beginning of the contract and its termination, the Government would be relieved of some portion of the taxes.

I may say to the Senator from California that in the State of Wyoming, when State property is sold, such as school, and university lands, the purchaser is required to pay taxes on the interest which he has in that particular property. So the reverse ought to be true in the bill now under consideration.

It seems to me that we are establishing by this bill a different policy with regard to taxes on buildings acquired under this bill and Government constructed properties of similar character.

I was wondering if the committee gave any consideration to the possibility of the Government's paying taxes on that interest in the building represented by that portion of the indebtedness which is unpaid, or in the alternative acquiring

title sometime during the lease-purchase agreement, and giving a mortgage back. I am not sure that is possible but that is the ordinary way in which transactions of this type are handled.

In any event, it seems to me that there is a wide discrepancy between a post office building in a given city where the Government will pay taxes even though indirectly for 10 to 25 years, and a post office building in another community where considerably more money has been invested in a post office and no taxes at all are being paid.

Mr. KUCHEL. The Senator has raised a highly interesting problem, which was discussed in the committee informally. It is true that where the Government commences payments to the lessor under a lease-purchase agreement, the Government acquires, payment by payment, an increasing moiety in the equitable ownership of the property, which I know is taken into consideration in some States in determining the taxes on the remaining equitable interest, and I believe different States handle that in different ways.

But I think the Senator will agree that the Congress could provide, as is attempted to be provided on page 11, in line 12, that these properties shall be subject to State and local taxes until title—and by that I mean title in fee—vests in the Government. It is true, and I think the Senator is completely correct, that that will mean the rental payments the Government makes will be inclusive of the ad valorem taxes that finally are passed on by the lessor; but I wish to say to the Senator that with respect to the provisions on page 13, in line 7, to which he referred, I contend that actually they are mere surpluses, and that if the Senator, able lawyer that he is, were negotiating with the Government, when representing a lessor, he would include, I am sure, a provision to the effect that if the ad valorem taxes of the city in question were raised, he would have a right on behalf of his client, to pass on those ad valorem tax increases and to make the Government pay them.

Mr. BARRETT. I thank the Senator from California.

Mr. KUCHEL. I thank the Senator very much.

Mr. CARLSON. Mr. President, will the Senator from California yield to me?

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

Mr. KUCHEL. I yield.

Mr. CARLSON. First, I wish to express my appreciation to the chairman of the subcommittee who has reported the bill, and also to the Public Works Committee which considered it. I think it represents an important step toward a lease-purchase building program which the Government should undertake.

As a former Governor of the State of Kansas, I had some experience along this line when the State undertook to acquire some buildings, by means of a lease-purchase arrangement; and I know such a program can be carried out, and that it can be carried out at a considerable saving to the Federal Govern-

ment. The Government now spends vast sums of money in rentals, so why not have the Government use for the purchase of buildings it will own some of the money which otherwise it would have to pay in the form of rental?

I wish to address myself to title II, dealing with the Post Office Department—an agency with which I am somewhat familiar. It seems that in its zeal to protect the Government the committee has gone so far as practically to nullify the effect of the bill with respect to the Post Office Department.

I heard the colloquy between the Senator from California [Mr. KUCHEL] and the junior Senator from South Dakota [Mr. CASE] in regard to the text of the bill beginning in line 18, on page 12, and continuing through line 3, on page 13. If I read that text correctly, it would make it impossible for the Post Office Department, under a lease-purchase plan, to erect a building on land the Federal Government already owns.

Mr. KUCHEL. To what point of the bill is the Senator from Kansas referring?

Mr. CARLSON. Page 12, line 18.

Mr. KUCHEL. Let me say, by way of explanation, that the entire section to which the Senator from Kansas refers—it begins on page 11, on line 16—is separate and apart from the lease-purchase authority conferred by the bill, and is concerned entirely with the expanded authority on the part of the Postmaster General to enter into simple leases.

Mr. CARLSON. Then let me ask the distinguished Senator from California if he means that the section to which he has just referred—section 203—has nothing to do with lease-purchase?

Mr. KUCHEL. The Senator from Kansas is entirely correct.

Mr. CARLSON. Then that clarifies that situation somewhat.

Now let us consider the language on page 10, beginning in line 4, and extending through line 12. I assume it does deal with lease-purchase.

Mr. KUCHEL. That is correct.

Mr. CARLSON. It states very specifically:

(d) The authority conferred on the Postmaster General by subsections (b) and (c) of this section to enter into lease-purchase agreements with respect to property owned by the Government on the date of the enactment of this act, is hereby restricted to exclude from such authority any site which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

If I correctly understand that section, it means that any property the Federal Government owns, with or without buildings—

Mr. HOLLAND. No; with buildings.

Mr. ANDERSON. With buildings.

Mr. KUCHEL. That is correct.

Mr. CARLSON. With buildings?

Mr. KUCHEL. Yes.

Mr. CARLSON. In other words, if the Federal Government has on a piece of land a building which is not in keeping with the needs of the Post Office Department, the Postmaster General will not be able to touch either the land or the building; but he could purchase a

new tract of land and erect a building upon it. Is that correct?

Mr. KUCHEL. Yes.

Mr. CARLSON. It seems to me that is a provision which should receive some thought, because I do not think such an arrangement would be entirely justified. There might be occasions when it would be justified; but if such a provision is to be included in the bill, certainly the Postmaster General should be authorized to use old property, including the post office buildings on it, in a way that would be in keeping with the needs of the Department and the needs of the city. I think some problems are presented by this provision.

Mr. KUCHEL. As I recall the discussion of the provision in the committee, it was to the effect that the committee did not desire to grant completely unrestricted authority to any governmental agency, and did not wish to permit the several thousand post office buildings now owned by the Government and used by the Government to be utilized in connection with a lease-purchase arrangement or contract.

Mr. CARLSON. I appreciate the committee's position, and I think there is much merit to it. On the other hand, it appears to me the bill would restrict and limit the powers of the Postmaster General to such an extent that the bill itself would not accomplish what it is contemplated it should accomplish. After all, in section 202 the bill provides some limitations; on page 8 there are several requirements which must be met before the Postmaster General can submit a building program.

Furthermore, the bill, as drawn, provides that any proposed lease-purchase agreement calling for the expenditure of more than \$20,000 a year must be submitted to the Public Works Committee of the two Houses of Congress. That is another provision which I think will have a retarding effect in getting construction underway, for the simple reason that I trust Congress will not be in session 12 months a year. So I believe amendments should be offered to ease the application of some of these provisions.

I thank the Senator from California for his kindness.

Mr. HOLLAND and Mr. DIRKSEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and if so, to whom?

Mr. KUCHEL. I yield first to the Senator from Florida, who is a member of the committee, and who greatly assisted the chairman of the subcommittee. I think he was in large part responsible for the provision to which the distinguished Senator from Kansas [Mr. CARLSON] has alluded.

Mr. HOLLAND. Mr. President, I wish to retrace a little of the ground which has been covered by the distinguished Senator from Kansas. The portion of section 203 which deals with straight lease arrangements is found in subparagraph (B) of paragraph (2) of subsection (a). The particular language to which the Senator from Kansas refers begins in line 18, with the word "Provided." I believe that was the first seg-

ment of the bill to which the Senator addressed his question. The language is as follows:

*Provided*, That the Postmaster General shall not, for the purposes of this section, dispose of (1) any Government-owned property, or interests therein, acquired pursuant to section 101 of the Public Buildings Act of 1949 (63 Stat. 176) or (2) any Government-owned property, or interests therein, which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

In that proviso the Postmaster General is prohibited from disposing of real property in two classifications; first, properties which have been acquired under the 1949 program, of which there are approximately 340; and second, properties on which post offices have been erected, and are being used as post offices, which include about 3,100 properties, as the committee was advised. Under this provision the Postmaster General, as such, is prohibited from entering into straight lease agreements with respect to those two classes of property. In other words, he cannot cause to be built on those two classes of property buildings which he leases, title to which will not come back to the Government. I think that is quite clear.

Now if the Senator will turn to the provision in section 202 which is the one dealing with lease-purchase, particularly subsection (d) of section 202, he will find the other provision to which he referred. It reads:

(d) The authority conferred on the Postmaster General by subsections (b) and (c) of this section to enter into lease-purchase agreements with respect to property owned by the Government on the date of the enactment of this act, is hereby restricted to exclude from such authority any site which has been acquired pursuant to law, prior to the enactment of this act, on which there has been constructed a building to be used for postal purposes and which is presently being used for such purposes.

That means that the Postmaster General is excluded from the authority to enter into a lease-purchase arrangement with respect to a post office building now in existence on Government property. A familiar example would be county-seat post office buildings throughout the Nation.

The Senator will note, however, that there is in subsection (g) of section 411, under title I, a provision which relates to the General Services Administration, and which would still allow the Postmaster General to avail himself of the services of the General Services Administration in cases in which he is unable to proceed because of the prohibitions which I have just mentioned.

As I understand, it would still be within the authority of the Postmaster General to follow the course which is laid down in subsection (g) by bringing the General Services Administration into the picture. The committee's reason for permitting that arrangement to continue—by the way, the arrangement embodies the exchange of real property, as the Senator will see by going back and reading the whole of section 411—is that the Post Office Department has been



regarded as quite a political department. Frequently it has been headed by the person who has managed the campaign of the successful candidate for President. It is subject to peculiar political influences, because of the fact that postmasters are appointed as they are, and the fact that so many of the employee vacancies, even in the civil service, are filled as they are.

The experience of the committee with the General Services Administration has been very satisfactory. It has not been subject to some of the possible influences which I have just mentioned with reference to the Post Office Department. So the provisions which permits of exchange of the mentioned Post Office properties is left in the bill, but is made applicable only through the General Services Administration.

Let me say before I resume my seat that I very greatly appreciate the kind comments made concerning my limited services in connection with this bill, both by the distinguished chairman of the subcommittee and the distinguished chairman of the full committee. It has been a pleasure to work with them and with all other members of the committee.

I hope this bill will be enacted, because of the long absence of a building program, because of the fact that it is quite clear that there will not be a building program in the near future, because of the unsatisfactory condition of housing with respect to post offices throughout the land and with respect to many other branches of the Government, and because of the fact that some areas of the Nation have grown very rapidly, and have not had the benefit of any public building construction during the period of their rapid growth. I think it is highly necessary that the bill be passed so that we may avail ourselves of the private capital which is available, and of the carefully drawn provisions of the bill as it now stands, which I believe will result in our obtaining a great many new office buildings, post office buildings, and the like, which will make possible a much more effective public service.

Mr. ANDERSON. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. ANDERSON. I, too, would like to compliment the junior Senator from California for doing a fine job. I know he has worked very diligently on the bill. I have had previous discussions with him, but for the sake of the record, I am very anxious, as is the junior Senator from South Dakota [Mr. CASE], with respect to his State, to clear up a situation which exists in my home city, in my home State.

Will the General Services Administration be able to allow a building to be constructed on land which already belongs to the Government? I ask the question because in the city of Albuquerque, which has grown very rapidly in the past few years, and where Government activities have increased very substantially, the Government owns a very fine piece of property. It is located across the street from the present Federal building. This piece of property is 142 by 250 feet. The Government paid approximately \$200,000 for it, and it probably is

worth considerably more than that to-day.

There is a great deal of interest in the question whether this particular piece of ground is to be traded off. The Government acquired by condemnation the corner belonging to the YWCA, at a price of \$67,000. If the YWCA could have hung on to it a few years, it could have obtained \$200,000 for it easily to-day. It is felt that if the Government is to trade it off, it should trade it back to the YWCA, since the property was taken by condemnation for Government purposes, and it is felt that it should not be used for anything else.

This case is cited merely to give the Senator a little background. Federal office facilities in Albuquerque are now inadequate. The Government is now renting 200,000 square feet of space. Long-range plans of the General Services Administration call for a building with space of 150,000 square feet. On the land now owned, that would require about a five-story building. The Government has not erected a post office building on the land. There are a few small buildings left scattered over the area, but nearly all of it has been cleared.

Is it the opinion of the Senator in charge of the bill that the Government would be able to use the land and offer a lease arrangement to a builder for the construction of a 5-, 6-, or 7-story Federal building, which the Government could lease and eventually purchase in that fashion under the terms of this bill?

Mr. KUCHEL. I will say to my good friend from New Mexico that he need have absolutely no fear with respect to the specific authority being available under the bill to the General Services Administration to utilize such a piece of property in a city in the State of New Mexico for a lease-purchase transaction under which a modern Federal office building could be provided in that community.

Mr. ANDERSON. I thank the Senator very much. I should like to ask him one other question. Would the \$20,000 limitation on page 4, line 12, of the bill restrict in any way the size of the building that might be erected?

Mr. KUCHEL. Not at all.

Mr. ANDERSON. It would restrict permission for it, but it would not restrict the size of the building. Is that correct?

Mr. KUCHEL. That is correct. I will say to the Senator from New Mexico that it was the committee's judgment that the two Public Works Committees should come into agreement, again using the language of the bill, only in connection with those proposed lease-purchase contracts which would be of a large economic size; and the \$20,000 figure was accepted by the committee as the cutoff figure between what could be accomplished without coming into agreement with the committees and what could not be accomplished without such agreement.

Mr. ANDERSON. In other words, it is a restriction on the size of the agreement, but not on the size of the building.

Mr. KUCHEL. The Senator is exactly right.

Mr. ANDERSON. At page 37 in the report entitled, "Public Building Construction Projects Outside of the District of Columbia," which is a letter from the General Services Administrator and the Postmaster General, issued as House Document 224 in 1951, there is contained a list of buildings in New Mexico.

It shows at Albuquerque a post office at \$3 million, and a Federal office building at \$7,400,000. It is entirely possible that the location now available is not extremely desirable for the post office addition, and the Post Office Department might want under a lease-purchase agreement to put the additional plant somewhere else where it does not own real estate.

However, it is my understanding that if it wants to put the Federal office building on the property which it does own, it may proceed to do so if it prepares plans and negotiates contracts and submits them to the Public Works Committees.

Mr. KUCHEL. The Senator is correct.

Mr. ANDERSON. I thank the Senator very much. The people of my community have been anxious to know whether they have to trade off this piece of ground, which is in the very heart of the city, and pick out isolated tracts in other parts of the city, because the man who owns the outlying property might be willing to put up a building, or whether they could use this valuable piece of property, condemned by the Government, for the purpose for which it was condemned. If that can be done under the bill, as the Senator from California assures me it can, then I believe he has done our community a great service by bringing forward this bill.

Mr. KUCHEL. I thank the Senator. I believe there we have the fundamental reason why this type of bill, in the form in which the committee finally approved it, ought to be adopted, because it would give to communities of the State which in part the junior Senator from New Mexico so ably represents, and in the State from which I come, as well as in all other States, an opportunity to have buildings erected in accordance with the same type of transaction the Senator used as a young man when, perhaps, he contracted for the building of his first home, on time payments.

Mr. ANDERSON. I thank the Senator.

Mr. WILLIAMS, Mr. CASE, Mr. DIRKSEN, and Mr. KNOWLAND addressed the Chair.

Mr. KUCHEL. I apologize to the Senator from Illinois. I should like to yield to him next.

Mr. DIRKSEN. I may say that presently I intend to offer an amendment to the section which requires that there be agreement on the part of the two Committees on Public Works of Congress. I shall submit the amendment later, and I may say in all kindness that I believe that section to be an invasion of an administrative function. It constitutes the reason why a similar bill was vetoed in 1952.

Therefore, I shall not labor the point with my good friend at the moment, ex-

cept to salute him and to say that the bill is actually a consummation of 3 or 4 years' effort in this field. I earnestly hope that the bill may be engrossed on the statute books, but I would not want to be a party to the effort of sending it to the White House if I had the reservation that perhaps the President might veto it. I may say in all good conscience, having examined the ministerial functions of the committees of Congress, that if I were in the White House, with the regard I have for the doctrine of the separation of powers under the Constitution, I would veto the bill.

So I think I should say in all kindness and conviction that I shall offer the amendment for the consideration of the Senate.

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

Mr. DIRKSEN. I shall be glad to yield on my own time.

Mr. KUCHEL. I shall reserve my comments on the amendment which the able Senator from Illinois wishes to offer until he offers it, because I feel rather strongly on that subject.

When I had the honor to be the controller in the government of my State I participated in lawsuits which revolved around the same subject. I shall make my comments when my able friend from Illinois offers his amendment.

Mr. STENNIS. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield to my friend from Mississippi.

Mr. STENNIS. I should like to have the attention of the Senator from Illinois [Mr. DIRKSEN]. He mentioned a very important section of the bill. It is one of the major safeguards in the bill in connection with the new policy. It is similar to the safeguard which is being used every day. Millions of dollars are being spent by the military services under this same system. Certainly it is not an innovation or any invasion of the prerogatives of the executive department. Without such a safeguard in the bill I could not support it. I believe the fact that such a provision was in the bill was a major part of the consideration which resulted in the bill being reported by the committee. I appreciate the Senator's sentiments and his right in the premises, but, in many respects, that provision is the heart of the bill.

Mr. DIRKSEN. Mr. President, will the Senator from California yield for an observation?

Mr. KUCHEL. I yield.

Mr. DIRKSEN. The fact is that the Chief Executive has constantly and consistently resisted this kind of encroachment on the executive power. It did get into a military construction bill under circumstances—and I am drawing entirely on memory—because of which it was extremely difficult indeed for the President to do other than to sign the bill. However, wherever the issue has been clear cut, I believe the Chief Executive has always manifested his right to reject it. It must not be forgotten that under the language that is contained in the bill agreement is required by the Public Works Committees of Congress. What is involved is a ministerial function; it does not pertain to the power

of the purse, and yet there is a delegation by the Senate and the House to two committees of power to take part in the agreement before a lease-purchase contract can be made valid. It goes further than any proposal which has ever come to my attention in the Senate or in the House. For one thing, we must assume responsibility for it. But it does place in the Public Works Committees of the Senate and the House a veto power which, under our political system, could make a complete nullity of the whole program.

As a Member of this body, I am not yet willing to delegate that kind of power to any committee, even though I may be a member of it. I understand the circumstances by which it got into the military construction bill and why it is a clear issue. I should like to ask my friend from California this question: Has not the Attorney General sent a letter to the committee with respect to this provision?

Mr. KUCHEL. In answer to that question, I may say to my friend from Illinois that during the hearings by the subcommittee last January 21 it was suggested to the attorney for the General Services Administration that the views of the Attorney General upon the exact subject to which the Senator now alludes be obtained and be made a part of the record. It was not until a matter of hours ago that it was brought to my attention by the chairman of the committee that the Attorney General of the United States, acting through one of his assistants, had indicated a doubt as to the constitutionality of that provision of the bill. I say, frankly, that that is the factual situation.

I now yield to the Senator from South Dakota.

Mr. CASE. Mr. President, I wish to revert to the matter which we were earlier discussing with respect to the use of existing post office property in the development of lease-purchase contracts.

Mr. KUCHEL. Does the Senator refer to unimproved property?

Mr. CASE. No; I refer to improved property.

Earlier the Senator gave an affirmative response to my question. I am sure there are scores of other instances of towns or cities having outgrown their existing postal facilities where it would be obviously to the advantage of the Government to utilize the existing property. I think the Senator from California gave an affirmative answer by saying he thought the bill did permit that. The Senator from Florida has pointed out the provision on page 5 of the bill, which states that when requested by the Postmaster General, the Administrator of General Services is authorized to exercise the authority vested in him to acquire property for postal purposes, or to provide space for postal purposes in buildings acquired for other purposes.

To make it specific, would the Senator from California join in what I understood to be a correct statement by the Senator from Florida, that through the Administrator of General Services existing postal property may be used in con-

nection with an exchange or as a proper payment under an existing contract?

Mr. KUCHEL. My answer would be, Yes. We are speaking, now, about a post office building actually in operation today which the Senator would desire to use in a lease-purchase contract for a new post office building. The Senator is correct in saying that that lease-purchase transaction could be effected through the General Services Administration, but not by the Post Office Department.

Mr. CASE. It probably was the philosophy of the committee that the Administrator of General Services is more in the real estate business than is the Post Office Department, inasmuch as he is the person who disposes of real estate which has been declared to be excess so far as the needs of the military services or of other branches of the Government are concerned. He is the real estate transactions man, so to speak, of the Government today.

Mr. KUCHEL. I think that was one of the motivating reasons for the committee's action.

Mr. CASE. Let me say that the provision in the law relating to real estate and military construction has been operating quite satisfactorily, so far as I know. I had nothing to do with initiating it. I merely inherited it on the Armed Services Committee.

But the cold, hard fact is that real estate requests have been pared down as a result of the suggestion of the committee, and the fact is that construction programs have been revised. It is also a fact that when the Secretary of Defense, under the Eisenhower administration, took a new look at the military construction program, he worked with the Armed Services subcommittee dealing with this subject, and we were able to save several million dollars.

I hope that whatever the Senator from Illinois has in mind in the nature of an amendment will not destroy the intent of the committee in reporting this bill with this amendment. The record clearly shows that the operation of a similar provision in connection with military construction has saved the purchase of real estate and the taking of real estate from private owners, such as homesteads which the owners did not want to give up. It has prevented some military installations from being excessive in cost, and in a few instances it has actually resulted in a review of requests for military installations, notably one in French Morocco, which the Defense Department said was not needed.

Mr. KUCHEL. I think the Senator has made a very good argument.

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

Mr. KUCHEL. I yield.

Mr. WILLIAMS. Did I correctly understand from the statement of the Senator from California that the Post Office Department could, by transferring a presently owned post office property to the General Services Administration, trade it in in negotiations for the construction of a post office at another site?

Mr. KUCHEL. Yes. As the bill came from the House there was no restriction with respect to any type of

property. The committee added a number of restrictions. In this instance it added the restriction that the Post Office Department itself—and the Senator from Florida will recall this, because I think he was the sponsor of it—should not utilize existing post office construction in lease-purchase contracts.

It did nothing, of course, to touch the right of the Post Office Department to enter into lease-purchase contracts on the many, many unimproved sites which it now owns, which, presumably, were originally purchased in order some day to erect a new post office building thereon.

What the Senator from Florida said a moment ago is correct, that there is no such restriction with respect to the General Services Administration. So the Post Office Department, under this bill, would have the right to ask the General Services Administration to dispose of the post office in City A and enter into a lease-purchase contract to build a new one.

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

Mr. KUCHEL. I yield.

Mr. WILLIAMS. With reference to the situation pointed out a moment ago by the Senator from New Mexico [Mr. ANDERSON], regarding property which the Post Office Department owns in Albuquerque at the present time—

Mr. KUCHEL. The General Services Administration?

Mr. WILLIAMS. I do not know which agency it is. But if the Post Office Department owned it, what would prohibit the Post Office Department from taking this property, transferring it to the General Services Administration, and then entering into an agreement to construct a building in another part of the city, and use the property, which they now own, and which would be transferred to the General Services Administration, as part payment for the new property?

Mr. KUCHEL. Let me see if I understand the situation correctly. First, the Senator from New Mexico raised a question pertaining to a piece of property owned by the General Services Administration, which I answered, in behalf of the committee, by saying that it was exactly the type of lease-purchase transaction the committee and the bill intended to permit.

The Senator from Delaware raises another question. Will the Senator restate it?

Mr. WILLIAMS. Would it be possible to take the property which they now own in Albuquerque in exchange for property in another area of the city, and to use the presently owned property as partial payment under the contract?

Mr. ANDERSON. I should like to hear the answer to that question, because I wonder if that building could be traded without someone knowing about it.

Mr. WILLIAMS. If they can trade a piece of property which has a building on it, what is to stop them from trading the building before they erect a building?

Mr. KUCHEL. Will the Senator ask his question again?

Mr. WILLIAMS. If, as the Senator from New Mexico has just pointed out, they can trade without restriction a property, which has a building on it, or, as the Senator from New Mexico has pointed out, a piece of property on which there is no construction, but is simply a vacant lot, what is to prevent them from turning the property over to the General Services Administration, to be used as a down payment in the negotiation for a building to be constructed in another section of the city?

Mr. KUCHEL. In another city?

Mr. WILLIAMS. No; in another section of the same city.

Mr. KUCHEL. I do not think there is anything to prevent that.

Again, I say that when the bill came from the House, there was no restriction of any kind or character contained in it with respect to any property presently owned by the General Services Administration or the Post Office Department, improved or unimproved.

The committee, however, with respect to the Post Office Department, wrote in a restriction providing that a lease-purchase transaction could not be entered into with respect to property on which there was now located a post office which was being used as such.

The committee did nothing, however, with respect to the overall right of the General Services Administration, on the request of the Post Office Department, as the language at the bottom of page 5 provides, to carry out, in its discretion, such request as the Post Office Department or Postmaster General might make of it.

I observe the Senator from Florida on his feet. I think he was mainly responsible for this recommendation in the committee. I will ask him whether I have made a fair statement of the position of the committee and whether he desires to comment further on it.

Mr. HOLLAND. I thank the distinguished Senator from California. I think he has made a fair statement of the situation.

In commenting further, I wish to call the attention of the distinguished Senator from Delaware to two provisions in the bill, which I believe have not been mentioned in the debate so far. But they appear in the bill by the suggestion of the General Services Administration itself, as applicable to itself. The language of the first provision appears on page 5, lines 13 to 21, inclusive, as follows:

That the Government real property to be exchanged may be credited in whole or in part to the purchase price of the property for which it is exchanged, except that where the amount of the credit for the real property to be exchanged exceeds the amount of the purchase price, the amount of the remaining proceeds shall, except as provided in section 205 of the Post Office Department Property Act of 1953, be covered into the miscellaneous receipts of the Treasury of the United States.

That makes it very undesirable, of course, from the factual standpoint, for anyone to trade highly desirable and valuable property, which has enhanced greatly in value since its purchase, such as the property mentioned by the Senator from New Mexico. The committee

thought this language would practically exclude any such possibility.

There was no such provision as that in title II applicable to the Post Office Department, and the committee suggested the inclusion of the same sort of provision, and it is found on page 13, lines 19 to 24, inclusive, as follows:

Provided, That any amount received by the Postmaster General from the sale of such property, under authority of this title, which exceeds the amount paid therefor from the appropriations for the Post Office Department, shall be covered into the Treasury as miscellaneous receipts.

The committee felt that these two provisions would pretty largely exclude the possibility of doing that which has been suggested by the distinguished Senators.

Mr. WILLIAMS. I appreciate the explanation made by the distinguished Senator from Florida. The committee may have considered the point regarding the Post Office Department, but I point out—and I think I am correct in this statement—that if the Post Office Department wished to bypass this provision, all that would be necessary to be done would be to turn the property over to the General Services Administration, to negotiate in the name of the General Services Administration, and any property owned by the United States Government could be traded off.

#### ORDER FOR RECESS UNTIL TOMORROW

Mr. KNOWLAND. Mr. President, will the Senator from California yield for a unanimous-consent request, which certainly should not take more than a minute?

Mr. KUCHEL. I yield.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its labors this afternoon, it stand in recess until 12 o'clock noon tomorrow.

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

#### CONSTRUCTION OF CERTAIN PUBLIC BUILDINGS BY PURCHASE CONTRACTS

The Senate resumed the consideration of the bill (H. R. 6342) to amend the Public Building Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a communication which I have received this afternoon from Mr. J. V. Rankin, of the Department of Justice, together with a memorandum giving the observations of Mr. Rankin and the Department of Justice relative to the pending bill.

Mr. DIRKSEN. Mr. President, may I ask that they be read at this time?

Mr. KNOWLAND. I do not know whether the Senators who are engaged

in a discussion of the bill would desire that they be read now, but I wanted the letter and the memorandum to be made a part of the RECORD.

I think, as a part of the Senator's own observations, he could ask that they be read, but since the junior Senator from California has extended me the courtesy to have this interruption in the debate on the bill, I do not wish to take the time now to read them.

Mr. DIRKSEN. Very well.

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

DEPARTMENT OF JUSTICE,  
April 8, 1954.

HON. WILLIAM F. KNOWLAND,  
United States Senate,

Washington, D. C.

DEAR SENATOR: I am transmitting herewith, as requested, a memorandum with respect to S. 690 and H. R. 6342 concerning certain authorization to the Administrator of General Services to enter into lease-purchase agreements.

Sincerely,

J. LEE RANKIN.

MEMORANDUM TO SENATOR KNOWLAND

There are pending before the Senate S. 690 and H. R. 6342 which, in general, would authorize the Administrator of General Services to enter into lease-purchase agreements under which buildings leased by the United States for long terms would eventually become the property of the United States.

As reported by the Senate Committee on Government Operations (S. Rept. No. 318, 83d Cong., 1st sess.), S. 690 provides (at p. 4, lines 20-25) that—

"(e) No proposed lease-purchase agreement calling for the expenditure of more than \$50,000 per annum shall be executed under this section unless it has been submitted, 30 days prior to its effective date, to the Committee on Government Operations of the Senate and the Committee on Government Operations of the House of Representatives."

As reported by the Senate Committee on Public Works (S. Rept. No. 1084, 83d Cong., 2d sess.), H. R. 6342 provides (at p. 4, lines 11-19) that—

"(e) No proposed purchase contract agreement calling for the expenditure of more than \$20,000 per annum shall be executed under this section unless the Administrator has come into agreement with the Committee on Public Works of the Senate and of the House of Representatives with respect to such purchase contract agreement."

The difference between the quoted provisions presents a serious question as to the relationship under the Constitution between the Congress and the executive branch.

Pursuant to our fundamental constitutional principle of separation of powers, article I of the Constitution vests the legislative power of the United States in the Congress, while article II vests the Executive power in the President and directs that "he shall take care that the laws be faithfully executed." It is difficult to avoid the conclusion that these provisions of the Constitution would be violated by the provision of H. R. 6342 that no proposed purchase contract agreement calling for an annual expenditure of more than \$20,000 shall be executed unless "the Administrator has come into agreement with the Committee on Public Works of the Senate and House of Representatives with respect to such purchase contract agreement."

The obvious purpose of this provision of H. R. 6342 is to subject such proposed real-estate transactions to the prior approval or disapproval of committees of the Congress. The practical effect is to vest the power to make such purchase contract agreements

jointly in the Administrator of General Services and the members of the Committees on Public Works. It is well established in American constitutional law that such powers cannot be placed in a member, officer, or committee of the legislature. Indeed, probably no one would contend that under the Constitution the sole power to make such agreements could be vested in legislative committees. The same principles preclude a committee of Congress from exercising such power jointly with an executive officer.

It is clear that Congress could reserve to itself the power to determine in the form of regular legislation whether a particular purchase contract agreement should be made. Historically, Congress has enacted many laws authorizing specific real-estate transactions on behalf of the United States. On the other hand, Congress may by legislation empower executive officers to execute such transactions subject to whatever general legislative standards Congress chooses to prescribe. But while Congress may thus elect whether such decisions shall be made by legislative or by executive action, it cannot place the power to make such decisions in its committees. Viewing the power to determine whether such a purchase contract agreement should be made as a legislative power, it cannot be delegated to individual members or to committees of the Congress; viewing it as an executive function, the constitutional separation of powers prohibits vesting it in Members or committees of the Congress.

This provision of H. R. 6342 involves, not a mere technicality, but a departure from our constitutional practice which, if systematically pursued, could result in a radical change in the distribution of the powers of the Federal Government. Its principle could be applied to subject a huge variety of governmental actions to the prior approval or disapproval of committees of the Congress, including committees consisting of a single Member or the Members of Congress from a particular State.

The constitutional principles, referred to above, which prohibit such a drastic revision in our basic form of government have been applied by the United States Supreme Court and by the State courts to a number of situations similar to that which would be created by H. R. 6342. And they have been asserted vigorously by Presidents Wilson, Hoover, Roosevelt, and Truman.

If, in authorizing the purchase contract agreements or lease-purchase agreements contemplated by H. R. 6342 and S. 690, Congress is unable to prescribe adequate general legislative standards to guide and restrict executive officers in making such agreements, it would be far better if Congress reserved to itself for specific legislative action in accordance with the Constitution the types of cases in which it is unwilling to entrust to executive officers the making of such agreements, instead of attempting to give to its committees a decisive role in the administration of a statute in violation of the Constitution.

While Congress may not through its committees administer or share in the administration of a statute, Congress and its committees are entitled to obtain information as to whether a statute is being administered in accordance with the congressional purpose. Thereupon, if Congress is dissatisfied with its administration, it may, through the regular legislative process, take specific or general corrective action. Thus, no constitutional problems are presented by the provision of S. 690 that no proposed lease-purchase agreement involving an annual expenditure of more than \$50,000 shall be executed by the Administrator "unless it has been submitted, 30 days prior to its effective date, to the Committee on Government Operations of the Senate and the Committee on Government Operations of the House of

Representatives." Such a requirement recognizes that Congress sometimes needs current information on the administration of a statute together with a reasonable opportunity to take corrective legislative action if it so desires. Similar waiting period requirements were contained in the Surplus Property Act of 1944 and in the statutes authorizing the Supreme Court to prepare and submit to the Congress the Federal Rules of Criminal Procedure and the Federal Rules of Civil Procedure.

To summarize: the power to approve or disapprove proposed contracts which H. R. 6342 would give to committees of Congress violates the separation-of-powers provisions of the Constitution. The notice and waiting period requirements of S. 690 fully satisfy the right of Congress to obtain information, and provide Congress with an opportunity to prevent action which it disapproves through the regular legislative process.

J. L. R.

Mr. CARLSON. Mr. President, I have just listened with a great deal of interest to the discussion as to what will happen to property owned by the Post Office Department which may be used for the construction of lease-purchase buildings by the transfer of title, so to speak, to the General Services Administration.

It seems to me that the bill goes a long way in taking control of post-office buildings and post-office operations from the Post Office Department. Frankly, I think the committee has gone too far.

This agency has for years administered the program, and according to the language on page 5, line 18, the Post Office Department was exempted from the proceeds which were to be covered into miscellaneous receipts. Now a new provision is written, which frankly takes away from the Post Office Department the right to control its own property. I think that is going too far.

I sincerely hope that some provision can be made which will at least give this great agency of our Government control of its own programs and its own property.

Mr. KUCHEL. I think the answer to what the Senator from Kansas has suggested, first of all with respect to the miscellaneous receipts provision, is that the bill provides, as to both the Post Office Department and the General Services Administration, that each agency will retain what was originally appropriated to buy the piece of property involved. It is the extra amount—the profit—which would go into the miscellaneous receipts of the Treasury.

I have been informed by the committee staff that the Post Office Department has not historically constructed the buildings which it is now using. But, regardless of that, we are faced with a situation in which the committee believed, in good faith, that there should be a restriction upon the disposal of post-office buildings under lease-purchase agreements. Let the record be very clear about this fact: The representatives of both the Post Office Department and the General Services Administration indicated that the lease-purchase proposals, in the main, were going to be exceptional situations. They were not going to be utilized in every small town and hamlet in all the 48 States of the Nation. So we should not

be concerned too much, Mr. President, with the restriction suggested by the Senator from Florida, which was adopted by the committee.

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

Mr. KUCHEL. I yield.

Mr. LONG. I wish to congratulate the distinguished Senator from California, as well as the other members of his committee, for the work which has been done on this bill. I have hoped that something of this sort would be done, in order that we might obtain more construction of needed public works.

I am rather distressed to hear the Senator say that he does not believe this method of construction would be used in many cases. I had hoped it would be used in a considerable number of cases.

In the State of Louisiana we have needed construction of several public buildings for a long period of time. I wish to ask the Senator from California if it would not be desirable for the committee to have an opportunity to look at more of the lease-purchase agreements.

The Committee on Armed Services has used that device, and I have felt it has been used very effectively. It was a simple matter to send a notice to all members of the committee; and if any member wished to object to any of the proposals, he would notify the chairman of the committee, and the committee would study the matter very carefully.

When land acquisitions were proposed to the Committee on Armed Services, the chairman would require that notice be given to the members; and I believe about 80 or 90 percent of such proposals went through without much question, because they appeared to be in good order. I see no good reason why the Committee on Public Works should not examine all agreements which involve rentals of not more than \$10,000. I wonder if the Senator from California would have any objection to reducing the figure to \$10,000 rather than \$20,000.

Mr. KUCHEL. I thank the Senator from Louisiana for his comments with respect to the committee's action, but I would say to the Senator the present Federal law with respect to purchases and rentals in the Department of Defense requires, as the Senator well knows, that the Committees on Armed Services of the Senate and the House come into agreement with the Defense Department. So that actually there is considerably more of a restriction in this bill regarding amounts of money, because in this bill the cutoff figure is \$20,000.

Consideration was given in the committee to adopting precisely the same language in the bill as that contained in the present law with regard to the Department of Defense. One of the members of the subcommittee suggested that, in his judgment, the figure should be lowered from \$25,000 to \$20,000. To that extent the committee considered the question, and the committee agreed, not unanimously, but in great majority, that the \$20,000 figure be used.

Mr. LONG. Of course, the limitation of \$20,000 on a purchase-contract agreement would mean that a building costing

\$200,000 could be constructed under such an agreement without the agreement being submitted to the two committees. It would seem to me it would be preferable that the committees should look at such an agreement. As a matter of fact, if the Government were considering the construction of a post office which would cost \$100,000, would not the committee, in the usual course of its business, have occasion to study the authorization to determine whether the post office should be constructed?

Mr. KUCHEL. Actually the transactions, of whatever amount, would be reported to the Congress, but it was felt by the committee that in these difficult and involved transactions involving a purchase, the check or balance of agreement on the part of the committees should be required only where there was, as the Senator has suggested, a substantial contract. The Senator is completely correct when he states that the same problem would exist in connection with all such contracts, but the committee was attempting to follow the precedent which a prior Congress had established in such legislation regarding the Department of Defense.

Mr. LONG. I am hopeful that there will be more construction, under the bill, than the Senator from California anticipates, and that major construction may result following the enactment of the proposed legislation. However, it may be that, if the bill should be passed, the construction would be slight and not in sufficient degree to require that all such agreements be carefully examined by the Congress. I thought it might be well, if the measure were put into effect, that the Congress should have a chance to study the projects.

I should further like to state that in the case of all post-office buildings under construction, I am sure the State and local governments would be willing to agree that no taxes would be charged on such buildings, if this was made a condition of the lease-purchase agreement and required in the pending legislation. However, such agreements would require some delay. The State legislatures would be required to enact legislation to authorize tax exemption for such construction. It would also take time for the municipal governments to act. However, I wonder if it would not be desirable that there be a provision in the bill to require that the State and local governments, in order that there may be agreements to erect such construction in those areas, should have to agree that no taxes would be collected for such construction.

Mr. KUCHEL. There was discussion in the committee concerning the whole question of taxation of the two sovereignties and all the ramifications of that question. The language which was inserted was adopted because of the extreme difficulty of lining up the tax authorities of the 48 States. For example, in many of the States the responsibility with respect to ad valorem taxes is riveted into the State constitutions. If any benefit in the immediate future is to be received in the State of the Senator from Louisiana and in the other States where there is a real need for new

Federal buildings, such construction would be delayed if the Congress should become involved in the complex field of State taxation. So it was decided that, so far as lease-purchase buildings are concerned, they will be subject to taxation until title passes. It was left for subsequent action of Congress to decide what the general underlying theory on the question ought to be, and it will have to be worked out in the form of legislation.

Mr. LONG. Whenever the Federal Government sees fit to exercise the option to purchase such property, the Federal Government would no longer be in the position of having to pay taxes to the local government, under the terms of the bill; is that correct?

Mr. KUCHEL. The Senator is correct. A provision was suggested which would prevent the Government from immediately paying such charges. In some instances, and the Senator can think of some practical ones, the Congress will have to appropriate specific moneys to pay for the contract.

Mr. LONG. I want to be entirely frank with the Senator from California. I believe it would be preferable for Congress to appropriate money to build public buildings in localities in the States. Nevertheless, having struggled with the problem of acquiring new post offices, I have come to the conclusion that the State of Louisiana and the other States need some measure to expedite the construction of such necessary public works. For that reason I have been in favor of this kind of legislation for some time, and I shall be glad to support it. I thank the Senator.

Mr. KUCHEL. I agree with the Senator very much, and I thank him. Obviously, if a purchase could be made and moneys were available for appropriations every time a building was needed, and it could be bought and paid for, it would be the best way for the Government to acquire buildings and land, as is done in the case of individual families.

On the other hand, as suggested by members of the subcommittee earlier, we have had the unfortunate situation in America of the Government leasing and paying rent for as long as 50 years on the same building, and at the end of that time acquiring no equitable title at all. In that kind of transaction the bill gives the Government the same right of time payments and acquiring equitable title as the Senator from Louisiana, I, and probably all of us have had at some time in purchasing a home.

Mr. LONG. I believe that in many instances the Government, by the terms of the bill, will be able to acquire much better facilities at the same or perhaps a lesser expense, and at the same time commence needed construction which many communities of the Nation need.

Mr. KUCHEL. I thank the Senator.

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

Mr. KUCHEL. I yield to the Senator from Florida.

Mr. HOLLAND. I am compelled to say, because of the comments of my good friend, the junior Senator from Louisiana, that it is my belief and my hope that there will be a very sizable con-

struction program. This bill will not take the place of a duly enacted and large public building program, but it will permit of the construction of buildings, under one of the several possibilities provided for in the bill, in the various places where such buildings are most needed. I assure the Senator that was the intention.

I should also like to say that the modest Senator from California was able to make a very real contribution in the consideration of this bill by reason of the fact that he had served for a number of years as comptroller of his State, and of course his State is a growing and progressive one, and has had need for many public buildings of various kinds. So he brought to the committee a very practical knowledge of the working out of a program for providing necessary public buildings in his State. His experience and knowledge were of inestimable service to the committee, and I think have resulted in the bill being much more practical than seems to be apprehended by some distinguished Senators.

Let me say now to the Senator from Kansas, who is so much concerned—and properly so—with the post-office construction program, that it was not intended to cut off the possibility of having the Post Office Department do many, many of the needed things in the way of construction which we know that Department needs. However, it was the very definite conviction of the committee, and I believe I can speak for all members of the committee, that as to existing post offices, which have become the symbols of the Federal Government—for instance, in county-seat towns all over the Nation—it would create an unfavorable reception to the bill, rather than a favorable one, if the people were to think, generally, that a department which, whether rightly or wrongly, is usually regarded as a political one, would have authority to trade and traffic in getting rid of the present post offices in the county-seat towns.

I believe a study of the bill will show that the provision with which the Senator from Kansas has been concerned is a good one, and will not in any way prevent meeting most of the needs of the Post Office Department. It is the intention of the committee that those needs be met.

Mr. KUCHEL. I thank the Senator very much.

Mr. BYRD. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. Aiken in the chair). Does the Senator from California yield to the Senator from Virginia?

Mr. KUCHEL. I yield.

Mr. BYRD. How are the valuations of the buildings to be arrived at or fixed?

Mr. KUCHEL. Does the Senator from Virginia refer to the amount involved in a given contract?

Mr. BYRD. As I understand, the proposal is to make a contract with someone who will construct a building, and at the end of a certain number of years the building will become the property of the Government. It seems to me it is very important to know, in that connec-

tion, how the valuation of the building will be arrived at or fixed. Who will do it?

Mr. KUCHEL. So far as the bill itself is concerned, I believe it will help me reply to the Senator from Virginia if I refer to an example. Let us assume that the General Services Administration has a piece of property worth \$100,000. The General Services Administration would enter into a lease-purchase agreement to construct a building which it would provide and specify for and advertise for, just as it would do in case Congress had appropriated the money to that agency; and a building would be constructed for \$1 million, let us say. So there would be tied up in that venture a piece of property worth—

Mr. BYRD. Who will audit the cost of the building? Will the contractor's word be taken for the cost of the building, or how will the cost be fixed? That is a vitally important question, because the Government will return the cost to the contractor before the Government will obtain ownership of the building.

Mr. KUCHEL. The General Services Administration, I would say to the Senator from Virginia, would make exactly the same check, as I understand the situation, as if Congress had appropriated the money and the General Services Administration had purchased the building.

Mr. BYRD. No; I differ with the Senator on that point, unless there is some such provision in the bill, because if the Government makes a contract for the construction of a building, of course the Government will pay the cost of the contract. However, that is not to be done in this case. In this case, someone will erect a building for the use of the Government. Is that correct?

Mr. KUCHEL. Yes.

Mr. BYRD. Who will determine how much the particular building costs? What audit will be made?

Mr. KUCHEL. First of all, of course the Public Works Committees of the Senate and the House of Representatives will have to agree that a lease-purchase contract may be entered into.

Mr. BYRD. Does the bill stipulate that the contract is to be on a basis of exact cost; or what does the bill provide in that connection? What interest will be paid, and so forth?

Mr. KUCHEL. No; I would say to the Senator from Virginia that the bill is silent insofar as concerns spelling out the manner in which the General Services Administration or the Post Office Department—

Mr. BYRD. Does the Senator from California think the bill should be silent? There is an opportunity there for a great deal of graft and a great deal of fraud, it seems to me.

Let us consider an illustration. Let us consider a post-office building, for instance. Suppose someone offered to construct a post-office building, to be leased to the Government—that is to be the first step, I understand; and if I am in error about this matter, I ask the Senator from California please to correct me. Let us assume that the one who makes the offer makes his own con-

tract. Will it go through any Government agency? It will not, will it?

Mr. KUCHEL. Under the provisions of the bill it would go to the Public Works Committees of the two Houses.

Mr. BYRD. But the Senator from California knows that those committees have no facilities for looking into such matters. It would go to those committees only if it involved more than \$20,000.

Mr. KUCHEL. I can only say that the situation is exactly the same, so far as the agencies are concerned, as the situation today with respect to simple leasing.

First of all, under the provisions of the bill each of the two agencies mentioned has the right to negotiate a contract to pay rental installments on property title to which will subsequently be vested in the Government. The Comptroller General will have the same responsibility, in perusing the terms of the contract to be entered into, that he would have in the case of all other contractual arrangements.

The Senator from Virginia has suggested the possibility of fraud in the transactions. I say to him that is why in the case of the large contracts I voted for the restrictive amendment.

But, in addition, in each instance a written contract will be entered into. The provisions of the contract, the amount of interest that will be required, the type of building, and the specifications the Government wants, will be matters of public record; the contracts will be advertised; and annual reports will be made to Congress.

It seems to me the Senator from Virginia has shown the reason why there should be the additional restriction provided by the committee amendments.

Mr. BYRD. I do not think I have made myself clear to the Senator from California. When we read page 4 of the report, in respect to title II, we observe that it is based upon the cost. The report states:

Translated into terms of initial construction, and annual payment of \$20,000 would mean a building with a construction cost of about \$200,000.

The annual payment is based upon the cost. Who is to audit the cost, or what evidence would the contractor give that he spent a specific amount of money on the project? What interest would he receive? What profits would he receive? The cost must all be paid back by the Government before the Government can take title to the property.

Mr. KUCHEL. The Senator is correct.

Mr. BYRD. As I visualize this program, it will be a tremendous mass-building program.

Mr. KUCHEL. The testimony before the committee, by representatives of each agency, was to the effect that the lease-purchase authority would not be exercised in a great number of cases; but the Senator is correct; the power is in the bill.

Mr. BYRD. Whenever power exists, it is usually used. I have learned that from my experience in the Senate.

I am not being especially critical of the bill. I simply wish to understand

who is to fix the cost. Who is to audit the cost? Under the terms of the bill the Government is supposed to pay rentals to the extent of the cost. Is that correct?

Mr. KUCHEL. That is correct.

Mr. BYRD. After that it becomes the property of the Government.

Mr. KUCHEL. That is correct.

Mr. BYRD. What facilities are provided in the bill for ascertaining, for example, whether a contractor charges the Government \$100,000 when he pays out for the building only \$80,000?

Mr. KUCHEL. In the first instance it will be the responsibility of the head of the governmental agency. Beyond that, I will say to the Senator that the Comptroller General would have the same authority over the contracts to be entered into that he would have over any other contracts.

Mr. BYRD. Where does the bill provide that the contractor shall not receive more than the cost of the building? I have not been able to find such a provision in the bill.

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

Mr. BYRD. Let us complete the discussion.

Mr. HOLLAND. I was merely trying to expedite matters.

Mr. BYRD. I appreciate that, but I would rather have the Senator from California answer the question.

Mr. KUCHEL. I will say to the Senator that the committee has not spelled out in the bill any specific guidelines for the General Services Administration.

Mr. BYRD. Does not the Senator think they should be spelled out?

Mr. KUCHEL. I cannot say that they should not be, but today the General Services Administration may enter into a leasehold if it so desires.

Mr. BYRD. That is correct.

Mr. KUCHEL. And there are no specific guidelines in the present law relative to leaseholds.

Mr. BYRD. That is an entirely different question. A leasehold involves the question of leasing a building, does it not?

Mr. KUCHEL. The Senator is correct.

Mr. BYRD. The purpose of this legislation is to authorize the construction of a building which will become the property of the United States Government when the Government pays back, in annual payments, the total cost of the building, whatever it may be.

Mr. KUCHEL. The Senator is correct.

Mr. BYRD. The point I make is that there is nothing in the bill to fix the cost. The contractor may say, "This building cost me \$1 million." It may have cost him only \$800,000. There is nothing in the bill to require that the rental must be based upon the cost. It would not be illegal under those conditions for the contractor to say, "I want to be paid rental on the basis of more than the building actually cost me." What interest is to be paid? All those questions enter into the transaction.

I submit to the Senator that this is a very loosely drawn bill from that standpoint. This program may run into billions of dollars before we are through.

Certainly it should be safeguarded so that the Government would not have to pay back more than the actual cost of the building plus reasonable interest.

Mr. KUCHEL. In answer to the Senator I will say that the bill as it came to the Senate from the House of Representatives contained absolutely no restrictions. The restrictions which were added by the Senate Committee on Public Works were those which we have discussed here this afternoon. It seems to me that so far as concerns writing a bill to provide a specific manner in which an administrator should enter into a contract, that might be carrying things somewhat further than has been the case in the past, or than good judgment would dictate, particularly since the bill provides that there shall be congressional scrutiny of the program.

Mr. BYRD. As busy as Members of Congress are, they would not have time to go into that subject.

In other words, this statement in the report is not correct:

Translated into terms of initial construction cost, an annual payment of \$20,000 would mean a building with a construction cost of about \$200,000.

After the Government pays back the \$20,000 a year for 10 years, the Government will own the building. The language to which I have just referred is:

Translated into terms of initial construction cost—

And so forth. I contend that there is nothing in the bill which provides that rentals shall be based upon the actual cost of the building. If there is any such provision in the bill I have been unable to find it.

Mr. HOLLAND and Mr. BARRETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from California yield; and if so, to whom?

Mr. BYRD. Mr. President, I am engaged in colloquy with the Senator from California, and I should like to have him answer the question.

Mr. KUCHEL. The report prepared by the staff used the figures of \$20,000 and \$200,000 in an effort to indicate the size of the building.

Mr. BYRD. That is not the point. The report states:

Translated into terms of initial construction cost, an annual payment of \$20,000 would mean a building with a construction cost of about \$200,000.

Mr. KUCHEL. Yes.

Mr. BYRD. To my way of thinking that means the actual cost of the building.

Mr. KUCHEL. That is correct.

Mr. BYRD. Where in the bill is it provided that the rental shall be based upon the actual initial cost? Is there such a provision written into the bill, or not?

Mr. KUCHEL. No. The General Services Administration would be given the right, under the provisions of the bill, to enter into a contract under which a building would be constructed, and annual payments would be made. At the end of the period the title would vest in the Government.

Mr. BYRD. Then the Government might enter into a contract to pay rentals to the extent of \$100,000 when the building actually cost only \$60,000. Is that true?

Mr. KUCHEL. I think that is true; and by the same token I think it is true today that the same agency could enter into a leasehold and pay \$100,000 a year for a leasehold which the Senator and I might know was worth only \$50,000 a year. Exactly the same type of authority is contained in the bill.

Mr. BYRD. A leasehold may be on an annual basis. In other words, the bill is not predicated on the principle or the assumption that the costs should control the rental paid by the Government.

Mr. KUCHEL. In all frankness I must say to the Senator, by way of repetition, that there is nothing in the bill which states, "This is the manner in which these agencies should enter into such contracts." By the same token I say to the Senator that, with respect to the provisions which were in the bill as it came from the House, we have added safeguards.

Mr. BYRD. The only safeguard is that any contract involving an annual payment of more than \$20,000 shall be submitted to the Congress, but the Congress has no way of ascertaining the actual cost of the projects.

Mr. KUCHEL. Let me ask the Senator how he would suggest that the bill be improved.

Mr. BYRD. I should say that before the rental agreement is made evidence must be presented that a certain project cost a certain amount.

Mr. KUCHEL. To whom should the evidence be referred?

Mr. BYRD. To whatever agency is making the contract.

Mr. KUCHEL. To the General Services Administration?

Mr. BYRD. If that is the one involved.

Mr. KUCHEL. Or the Post Office Department?

Mr. BYRD. There are two agencies referred to in the bill.

Mr. KUCHEL. Yes.

Mr. BYRD. Evidence of cost would be referred to one or the other. Then the agency should determine how much interest is to be paid, and how much profit is to be allowed. The annual payment should be based upon the cost of the building. We have been informed that that is the purpose of the bill.

Mr. KUCHEL. In the absence of legislative direction, does the Senator think the Postmaster General and the General Services Administration would enter into that kind of contract?

Mr. BYRD. At least we could write into the bill language to the effect that the purpose is not to pay more than the actual cost plus reasonable interest. Those who undertake this work may make large profits. The Senator will concede that that is possible under the provisions of the bill.

Mr. KUCHEL. Yes; I do.

Mr. BYRD. I do not wish to vote for a bill so loosely drawn in that respect as this bill appears to be.

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

Mr. KUCHEL. I yield.

Mr. HOLLAND. It so happens that the bill is not drawn in such a way as to permit of that conclusion. If the Senator from California will yield to me, I should like to point out the provisions which apply, if I may have the attention of the Senator from Virginia.

Mr. KUCHEL. I yield.

Mr. HOLLAND. First, I invite attention to the fact that in the report, with reference to both titles, three conditions are stated to the use of the bill. They are found on page 3 of the report, in the second paragraph. This language is an interpretation of the provisions of the bill itself:

The General Services Administrator would make use of this legislation when (1) there is no suitable Government-owned space available, (2) there is no prospect of direct Federal construction within a reasonable period of time, and (3) the permanency of Government occupancy is such that the accumulation of full equity in the property by annual payments over a stated number of years would result in a lower net cost of providing space for the expected period of occupancy than would be possible under a straight rental for the same period.

Mr. BYRD. Where is that in the bill? The Senator from Florida is reading from the report.

Mr. HOLLAND. At page 2 of the bill it is provided—and the Senator will find similar words under title II—

SEC. 411. (a) Whenever the Administrator of General Services determines that (1) the needs for space for the permanent activities of the Federal Government in any particular area cannot be satisfied by utilization of any existing property suitable for the purpose then owned by the Government, and (2) the best interests of the United States will be served by taking action hereunder—

That is the general wording in the bill. The committee spells out the provision in specific wording in the report, in the words which I have just read to the Senator.

Mr. BYRD. Will the Senator read the bill? That is what we are passing; we are not passing the report.

Mr. HOLLAND. The Senator from Virginia, of course, is correct in saying that it is not the report we are passing, but it has been uniformly held by the courts—

Mr. BYRD. Where does it say in the bill that the rental that shall be paid shall be equivalent to the initial cost?

Mr. HOLLAND. It does not say that.

Mr. BYRD. The Senator stated the bill did so state. Where does it so state in the bill?

Mr. HOLLAND. If the Senator will allow me to complete my explanation, I should like to say that I spoke about the fact that clear and proper safeguards are provided by the bill. The first one is the one I have mentioned, which provides the directions which are given to the General Services Administration, and I have read from the report which interprets that wording of the bill:

The best interests of the United States will be served by taking action hereunder.

That is interpreted by the second paragraph on page 3 of the report, which

states that the Administrator must determine that "the permanency of Government occupancy is such that the accumulation of full equity in the property by annual payments over a stated number of years would result in a lower net cost of providing space for the expected period of occupancy than would be possible under a straight rental for the same period."

That is, the Government would have a building at the end of the period for less money than it would have paid in rents over the same period of years.

Mr. BYRD. Would it be more or less than the initial cost?

Mr. HOLLAND. Less than the straight rental.

Mr. BYRD. That is an estimate. No one would know what it would be over a period of 20 years.

Mr. HOLLAND. The second point that I should like to make is that competitive bidding is required. The Senator will find that provision under subsection (j) of section 411 of the bill. The Senator will find that subsection at page 6 of the bill, in the middle of the page. It reads:

(j) (1) Section 302 (c) of the Federal Property and Administrative Services Act of 1949 and section 355 of the Revised Statutes, as amended (50 U. S. C. 175), shall apply to purchase contract agreements entered into under this section, except that any such agreement may be entered into and placed in effect after request for but prior to receipt of an opinion of the Attorney General with respect to the validity of title to the property described therein.

Section 302 (c) of the Federal Property and Administrative Services Act of 1949 is the applicable act. The Senator will find that section explained at page 8 of the report.

Mr. BYRD. Let us stay with the bill, not the report.

Mr. HOLLAND. The bill refers to the section of the law that is applicable, and the report explains it.

Mr. BYRD. Where does the bill provide that the Government shall not pay more than the initial cost of the property? There is nothing in the bill to that effect.

Mr. HOLLAND. The Senator from Virginia knows perfectly well that the accumulated rent over a period of years sufficient to pay off a contract of this kind, and for occupancy during that period of years, would be more than the initial cost of the property.

I invite his attention to the top of page 8 of the report which describes subsection (j) of section 411 in the bill. That subsection, as I said, is contained in the bill in the middle of page 6. Of course, we cannot spell out in a bill all the meanings of all the sections of other laws which are mentioned in the bill.

Mr. BYRD. Could not the bill spell out the fact that the rentals are to be based on the cost?

Mr. HOLLAND. If the Senator from Virginia will permit me to complete my explanation, I should like to say that paragraph (1) of the Federal Property and Administrative Services Act of 1949 requires that all purchases and contracts for supplies and services shall be made

by advertising except for certain specified classes and situations.

Mr. BYRD. May I interrupt the Senator to ask him to refer to the bill itself and not to the report?

Mr. HOLLAND. I am referring to the bill.

Mr. BYRD. Where is that language in the bill?

Mr. HOLLAND. The language in the bill is that section 302 (c) of the Federal Property and Administrative Services Act of 1949—

Mr. BYRD. On what page of the bill is that contained?

Mr. HOLLAND. It is at page 6 of the bill. I am reading from subsection (j) at page 6:

(j) (1) Section 302 (c) of the Federal Property and Administrative Services Act of 1949 and section 355 of the Revised Statutes, as amended (50 U. S. C. 175), shall apply.

A description of what I am reading is found at the bottom of page 8 of the report.

Mr. BYRD. I wish the Senator from Florida would confine himself to the language in the bill. If he does not choose to do so I shall get my information from the bill.

Mr. HOLLAND. I am seeking to give the Senator the information which he has asked for.

Mr. BYRD. The Senate will not vote on the report; it will vote on the bill. If the language is contained in the bill, then we should be able to find it in the bill.

Mr. HOLLAND. It is found at page 6 of the bill, in subsection (j), which deals with section 302 (c) of the Federal Property and Administrative Services Act of 1949. The bill does not spell out the contents of that section of the 1949 act, but the report does spell out the section by stating that that section requires competitive bidding. That is made clear by the section of the report which I have just read.

Mr. ANDERSON. Mr. President, will the Senator from California yield so that I may ask a question of the Senator from Florida?

Mr. KUCHEL. I yield for that purpose.

Mr. ANDERSON. I believe the Senator from Florida was present when I raised a question as to a specific piece of property in the city of Albuquerque that was purchased for the purpose of constructing a Federal building on it, with the possibility that a 5- or 6-story building would be built on it.

Under the language contained in the bill would there have to be some sort of competitive bidding on that several million-dollar structure?

Mr. HOLLAND. There would have to be competitive bidding, and after the bidding there would have to be a finding by the General Services Administrator that the particular premises would serve the Government better by a lower rental per year over a period of years than would be the case if the Government leased similar property on a yearly basis; and that the Government would, in short, come out with the property paid off at a lower rental than would otherwise be payable.



I call the particular attention of the Senator from Virginia to this language at the top of page 9, beginning at line 3:

The financial transactions of the Post Office Department with respect to such lease-purchase agreements shall be subject to the accounting and auditing requirements of the Post Office Department Financial Control Act of 1950 (act of Aug. 17, 1950, ch. 735, 81st Cong., 2d sess.).

Mr. BYRD. Does it exempt the Post Office Department from an auditing by the Comptroller General's Office?

Mr. HOLLAND. It does not.

Mr. BYRD. Why should the Post Office Department audit its own accounts?

Mr. HOLLAND. Each department of the United States Government, as a rule, has its own auditing department, and an auditing law that applies to it. However, there is an overall auditing law that lies back of all of the departments, which provides that the Comptroller General has the duty to audit the accounts of each of the departments. The Department of Agriculture, for example, and every other large department of Government, has its own auditing department. That is set up under the law.

Here there is a specific reference made to the fact that there shall be an accounting and auditing of the transactions.

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

Mr. HOLLAND. I have only a few more things to say and then I shall be through. I also call the attention of the Senator from Virginia to the fact that the Senator from California was exactly correct when he said that all these transactions are, in their ultimate analysis, subject again to the overall accounting authority of GAO.

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

Mr. HOLLAND. There is one more point I should like to make. In the annual reports of these transactions the fullest information is required to be given to Congress. If there is any evidence of misuse or abuse of authority Congress must be advised of it.

Mr. BYRD. Will the auditing show the actual cost of the building?

Mr. HOLLAND. The auditing will show all the facts.

Mr. BYRD. There is nothing in the bill to indicate that.

Mr. HOLLAND. All the facts.

Mr. BYRD. Will it show specifically the cost of the building?

Mr. HOLLAND. I cannot say about that.

Mr. BYRD. That is the point I am discussing.

Mr. HOLLAND. Let me say to the distinguished Senator from Virginia that what the Post Office Department will be interested in getting and what GAO will be interested in getting will be facilities at a cheaper price under this system than has been possible under the other system, and those better facilities will belong to the Government at the end of a period of years, and will have been obtained at an expenditure of less money year after year than would have been paid out by the

helter-skelter leasing authority now in force.

Mr. KUCHEL. Mr. President, I wish to say with respect to the questions asked by the Senator from Virginia, that after being in the Senate a little more than a year I am not fully acquainted with the authority and responsibility of the Federal Comptroller General.

I should like to say, however, that with respect to the contracts permitted under the pending bill, the responsibility and the authority of the Comptroller General remain exactly the same and are certainly not diminished at all by the bill. They remain exactly the same as his authority and responsibility to audit all the other purchase contracts of every other agency of the Government. The restrictions with respect to committee approval of contracts above a certain amount follow in their theories, purchases made by the Department of Defense, which are, heaven knows, millions of dollars greater. I am inclined to think that where the Department of Defense devotes great sums of money to annual rental payments, as it has the right to do, after having approval from the Armed Services Committees, it will do it and has done it in exactly the same fashion as the Postmaster General or the General Services Administration will do it.

Mr. HOLLAND. Mr. President, will the Senator from California yield further?

Mr. KUCHEL. I yield.

Mr. HOLLAND. May I ask my distinguished friend from Virginia to listen just a moment. I gave him the section of the bill which requires competitive bidding with reference to the General Services Administration. I did not follow out that point with reference to the Post Office Department. It is found on page 15 of the bill in subsection (b) of section 207, with reference to activities of the Post Office Department. It provides:

(b) Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall apply (1) to the acquisition of real property by lease-purchase agreements, under authority of section 202 of this title, and (2) to the lease agreements entered into under authority of paragraph (1) of section 203 (a) of this title.

The report states, on page 9, about 10 lines from the bottom:

Subsection (b) of this section makes section 3709 of the Revised Statutes (requiring advertising for bids on public contracts) applicable to the lease purchase and term-lease agreements provided for in title II.

Mr. BYRD. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. BYRD. The point I have been making is that the rentals are not based necessarily upon the actual cost of the property. No one denies that. There is nothing in the bill which requires the cost of the property to be made known. The Senator from California is entirely correct, I think, in saying that the Comptroller General's authority is not changed by this bill. But his authority runs only to the legality of an expenditure. The Comptroller General can in-

vestigate and ascertain whether an expenditure is made in accordance with law.

Mr. KUCHEL. Is there similar language in the law today with respect to the Defense Department?

Mr. BYRD. I really do not know; but I think this bill contemplates something entirely different from regular purchases by the Government. This is something on which we are acting 20 years in advance. We say to a contractor, "You put up a building, and we will pay you a rental for it, and when the rental reaches the cost of the building it becomes the property of the United States Government."

Mr. BARRETT. Mr. President, will the Senator from California yield so that I may ask the Senator from Virginia a question?

Mr. KUCHEL. Let me follow up this point.

Does the Senator from Virginia feel that the Comptroller General would have the responsibility of inquiring, under the general language on page 2 of the bill which provides for the Administrator of General Services determining the cost of space and whether the permanent activities cannot be satisfactorily carried on with existing property, and so forth? Does not the Senator from Virginia think that would authorize the Comptroller General to be a watchdog?

Mr. BYRD. I do not think it would authorize him to see that the contract had been based on the initial cost. It would have to be written into the bill.

Mr. KUCHEL. Does not the Senator think that competitive bids—

Mr. BYRD. There may not be any competitive bids.

I was under a misconception regarding the bill. I did not understand that profits were to be made by the contractor. It now seems that the contractor does make a profit. He would not want to make a contract if he did not make a profit. I think we should write into the bill language which would provide that the purpose is that the contract is based on the initial cost of the property, and then, if we want to add a reasonable profit, all right. But it seems to me that under this language an abnormal profit could be made on an unreasonable basis.

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

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PORTER in the chair). Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. What is the pending question? Has the amendment of the Senator from Illinois been offered?

Mr. DIRKSEN. Mr. President, if the majority leader will yield, I will offer the amendment now so that it may be the pending question when the Senate resumes its session tomorrow.

The PRESIDING OFFICER. All the committee amendments have been agreed to.

Mr. KUCHEL. Mr. President, if my colleague will yield before the Senator from Illinois offers his amendment, I should like to offer a technical amendment, which is at the desk, changing "1953" to "1954." I ask to have that amendment adopted.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 5, line 20, it is proposed to strike out "1953" and insert in lieu thereof "1954."

The amendment was agreed to.

Mr. KNOWLAND. I understand the Senator from Illinois has offered an amendment, which is the pending question.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. On page 4 it is proposed to strike out all of lines 11-19, inclusive, and to insert in lieu thereof the following:

(e) No proposed lease-purchase agreement calling for the expenditure of more than \$20,000 per annum shall be executed under this section unless it has been submitted, 30 days prior to its effective date, to the President of the Senate and to the Speaker of the House of Representatives for appropriate reference to committees.

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

Mr. CASE. Mr. President, I rise in opposition to the amendment.

Mr. DIRKSEN. Mr. President, it was my understanding that the majority leader had intended to recess at this hour, and that consideration of the amendment would be resumed tomorrow. Therefore, I am quite agreeable to yielding the floor to the majority leader for that purpose.

Mr. KNOWLAND. I shall be glad to yield to Senators who desire to make insertions in the RECORD.

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

Mr. KNOWLAND. I yield.

Mr. LONG. Would it not be possible for us to have developed the reason for offering the amendment and the purpose of it, and perhaps to have a word or two about it in the RECORD, before the amendment is considered tomorrow? I wonder if that would meet the convenience of the Senator from Illinois.

Mr. DIRKSEN. No. I should much prefer that the discussion be continuous tomorrow, and that there be present as many Senators as possible, because there is very general interest in the whole proposal.

Mr. LONG. The only point I have in mind is that there are always many Senators who are engaged in committee meetings and who are not available when the Senate convenes. I had hoped that the RECORD of today, which will be available tomorrow morning, would contain an explanation of the purpose of the amendment and perhaps arguments against it, which would be available to Senators who are not on the floor at this time.

Mr. DIRKSEN. I might respond to my esteemed friend, the distinguished junior Senator from Louisiana, by saying that the amendment is very simple.

I may say also that there will appear in the RECORD of today's proceedings, somewhere near this point, a letter from the Attorney General with respect to the constitutionality of the amendment. I think the memorandum furnished by him will afford an ample explanation to provide a very good background for the discussion tomorrow.

Mr. LONG. Are we to understand that the purpose of the amendment is to deny to the Senate and House committees the check they would have under the proposed legislation on contracts amounting to \$20,000 a year or more?

Mr. DIRKSEN. No; that is not quite accurate. It would provide, of course, that the contracts shall be submitted to Congress. They will all have to be submitted to the President of the Senate and to the Speaker of the House of Representatives, and to have been pending for 30 days before they shall be actually executed. They would, thereby, be published in the CONGRESSIONAL RECORD and could be investigated by anyone who might be interested in them. But there would be no requirement for an agreement by committees of the Senate or the House, because I would esteem that to be a very definite and clear-cut infringement of the executive and administrative power.

Mr. LONG. I am among those who have exercised the same type of authority in the past as a member of the Committee on Armed Services. I could cite the Senator many examples of the committee having saved the Government from very unfortunate situations, had the money been spent without the Senate committee having had the opportunity to examine the authorizations to purchase.

I had hoped the Senator from Illinois would consider this proposal in the light of the experience of the Committee on Armed Services.

When I was chairman of a subcommittee, the subcommittee held up as much as \$100 million in authorizations, which the Secretary of Defense subsequently saw fit to withdraw. I believe most of that \$100 million would have been wasted had the money been spent without having had the matter further considered by the Department of Defense and determining whether it was actually necessary to spend that great sum of money.

Mr. DIRKSEN. I think that when that provision was inserted, it related, first of all, entirely to military construction at the time. That is specialized property, to be sure. The same problems certainly would not arise as would arise in the case of ordinary Government property scattered throughout nearly every town in the country, where pressures, political and otherwise, will be used and will be readily manifest. I think the situation is entirely different.

I still maintain that it was done under circumstances in which it was difficult for the Chief Executive to veto the bill, in order to knock out an objectionable provision.

I am confident, in the light of the opinion which has come from the Office of the Attorney General this afternoon, that the question will be raised. It ought to be raised. I think many of us have, from time to time, scolded because of the invasion of the legislative authority by the executive branch. I do not wish to be in the unhappy and inconsistent position, if I have a conviction on a subject, of insisting on putting the same thing into law to which I have objected year after year for almost 20 years.

I shall resume my discussion of the amendment tomorrow.

Several Senators addressed the Chair.

Mr. KNOWLAND. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from California has the floor.

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

Mr. KNOWLAND. I yield.

Mr. HOLLAND. I wish to make a short answering statement, if I may, in connection with the amendment, to fulfill the purpose stated by the Senator from Louisiana.

Not only is it true that a similar provision has been in the law and has functioned successfully for some years in connection with defense property—and I invite the attention of the distinguished senior Senator from Illinois—but that provision has been much broader. It has covered many more types of transactions than are proposed to be covered by the provision in the pending measure.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, the text of section 601, title VI, of the military public-works law, showing five classes of cases which are covered by the review power which is now given to the Armed Services Committees in dealing with property which is not at all necessarily special-use property, I may remind my distinguished friend from Illinois; some of it relates to the rental of general-use office buildings, of exactly the type which are involved in this instance.

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

#### MILITARY PUBLIC WORKS LAW—TITLE VI

SEC. 601. The Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy, or the Administrator of the Federal Civil Defense Administration, as the case may be, or his designee, shall come into agreement with the Committee on Armed Services of the Senate and of the House of Representatives with respect to those real-estate actions by or for the use of the military departments or the Federal Civil Defense Administration that are described in (a) through (e) below, and in the manner therein described.

(a) Acquisitions of real property where fee title is to be acquired for an amount estimated to be in excess of \$25,000. In those cases where individual acquisitions are to be made as part of a project, the agreement to be reached shall be based on general plans for the project, which shall include an estimate of the total cost of the lands to be acquired.

(b) Leases to the United States of real property where the estimated annual rental is in excess of \$25,000. In those cases where individual leases are to be made as part of a project, the agreement to be reached

shall be based on general plans for the project, which shall include an estimate of the total cost of the leases to be made.

(c) Leases of Government-owned real property where the estimated annual rental is in excess of \$25,000.

(d) Transfers of Government-owned real property with an estimated value in excess of \$25,000 under the jurisdiction of the military departments or the Federal Civil Defense Administration, which are to be made to other Federal agencies, or to States, including transfers between the military departments.

(e) Reports to a disposal agency of excess Government-owned real property with an estimated value in excess of \$25,000.

Mr. HOLLAND. I heard the distinguished Senator from Illinois say this afternoon that he objected to delegating authority to the two committees, the Senate Committee on Public Works and the House Committee on Public Works. Based upon these other matters, which are the only ones covered by the provision which he seeks to strike or to have modified, I wish to call his attention to the fact that apparently he would prefer to delegate the whole matter to an executive agency, notwithstanding the fact that Congress is being asked in the bill to surrender its authority, which it undoubtedly has, item by item, authorization by authorization, and appropriation by appropriation, although, of course, it does retain its control over appropriations. However, it is asked to relinquish to an executive agency the authority always retained by Congress, and now held by it, to pass upon individual authorizations in this field, as has been the rule and as has been the law heretofore.

It seems to me that the position of the distinguished Senator from Illinois is wholly inconsistent, in that he proposes freely to delegate the whole power of the placing of contracts in such a way as to deprive Congress of its authority and jurisdiction, except as to its appropriation authority in the construction of public buildings, including post-office buildings, in the several fields covered by the bill.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

Mr. CASE. Mr. President—

Mr. DIRKSEN. Who has the floor?

Mr. HILL. Will the Senator from California yield?

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. HOLLAND. Mr. President, I have not quite completed my statement.

Let me say to the distinguished Senator from Illinois that I think I speak for every member of the committee—I am sure I speak for a great majority of the membership of the committee—when I say we would not have approved the bill unless there was a retention of some legislative control over these larger projects. If the Senator wishes to have a real fight on the subsequent question of excluding from the field of this bill construction, rental, and purchase and sale projects which would be affected by his amendment, so that the bill would apply only to lesser building projects and to lesser post office rentals and lease-purchase projects, he is certainly assured of such a fight if he presses his amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I yield to the Senator from South Dakota, with the understanding that I do not lose the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Dakota under those conditions.

Mr. CASE. Mr. President, responding briefly to the suggestion of the Senator from Louisiana that the RECORD tonight should indicate the objections to the amendment of the Senator from Illinois, I may say, first of all, that I inherited the job which the Senator from Louisiana had as chairman of the subcommittee of the Senate Committee on Armed Services to which was assigned the responsibility of passing on military construction projects, to which reference has been made. Growing out of that experience, I may say to the Senator from Illinois that if he knew of the many, many instances in which the operations of that committee have resulted in savings to the United States Government, I think he would not want to offer his amendment. Instead of offering that amendment, he might have offered one setting up some standards the committee might use as guides for determining whether or not a need existed, and whether or not a contract presented to the Government was a good one.

I may also say to the Senator from Illinois that as of today the committee is confronted with a request from the military departments for guaranteed rental housing in Europe, which request does not appeal to the committee.

A few years ago Congress passed an act which authorized a \$100 million liability to be incurred by the Government in entering into rental agreements with sponsors of housing projects in Europe. The committee was confronted with a request for clearance—that is the term we use in the committee—of a program involving several thousand housing units. The committee declined to give clearance to that many, and limited the guaranty of occupancy to 5 years.

Now we are confronted with a request that the Government incur greater liability by guaranteeing rental occupancy for 7, 10, or 15 years, which would add to the contingent liabilities of the Government.

If it were not for the committee, those contracts would be made under the existing authority, which has a \$100,000 limitation, by the several branches of the armed services.

I shall give the Senator from Illinois another illustration. His own memory must go back to the time when the Lafayette building was constructed in Washington. The Reconstruction Finance Corporation was approached by certain individuals, who asked that they be granted a loan of money so that they might construct a building, with an equity of not over \$100,000, if my memory is correct, which building in turn would be rented to the Reconstruction Finance Corporation.

Mr. HENDRICKSON. Mr. President, I wonder if the Senator from South Dakota can hear his own voice.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CASE. If my memory is correct, certain individuals obtained a loan of \$15 million from the Reconstruction Finance Corporation, and then got a lease agreement with the Reconstruction Finance Corporation for the occupancy of the building. The rental was guaranteed so that at the end of a certain number of years the building would be entirely paid for. Those who constructed it had but a small equity in it; but they had a nice management contract. I never thought that added too much to the luster of Jesse Jones, who approved the deal, but his defense was that the arrangement had been worked up by some of the men in the RFC, and that the RFC would pay a lesser amount in total rent than they would have to otherwise. However, the loan meant a \$15 million gift to certain individuals, or approximately that amount.

I know of a military housing project on which the FHA insured a loan for \$3,100,000, which was made in order to build housing to serve military workers on a certain military installation. The individuals concerned contended at the time that it was a Government instrumentality, so that they came under the operations of the Walsh-Healey Act and the Davis-Bacon Act, in dealing with labor. But when the assessor proposed to assess the property, they said, "No; it is a Government instrumentality. You cannot assess it." When they were turned down on that proposition, they said to the assessor, "This property cost us only \$992,000," less than a million dollars; and yet they had received an insured loan through the FHA of \$3,100,000.

The reason why the Committee on Public Works desired to provide a restriction was in order that the General Services Administration or the Post Office Department would not, without some inspection by a committee of the Congress, enter into contracts with contractors who wanted to make arrangements whereby they could get a guaranteed rental from the United States Government for a certain period of years, at a figure which would insure them rental, profit, taxes, and the other costs which are part of the operation.

As one of our former colleagues in the House, Jim Wadsworth, said, the Constitution gave to the Congress the control of the purse and the sword. Without the restrictions provided in it the bill would take away from the Congress control of the purse, and give to the executive branch of the Government an unlimited right to make contracts for buildings throughout the country, both for the General Services Administration and the Post Office Department.

Reference has been made as to how this could be. The other day the Evening Star carried a story—

Mr. HENDRICKSON. Mr. President, may I ask how much longer the Senator from South Dakota will take to make his argument?

Mr. CASE. About 45 seconds.

The other evening the Star carried a story to the effect that the General Services Administrator envisioned a \$3 billion construction program. I submit that Congress ought not to give the head of any governmental agency the right to engage in a \$3 billion program and create liabilities for the Government without a review by a congressional committee.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that I may yield to the Senator from Illinois without losing the floor.

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

Mr. DIRKSEN. Mr. President, everything the Senator from South Dakota has said absolutely begs the question which is before the Senate. Everything the Senator from Florida has said absolutely misses the point. We have the power here to do anything we want, but what has been done in connection with this bill is to write into it language that takes into the arms of Congress an administrative authority it does not have under the Constitution. I defy anyone who had anything to do with the bill to make anything else out of the language appearing in subsection (e).

Mr. President, President Truman vetoed a bill on that ground in 1952, and his veto was sound, because Congress had taken unto itself an executive veto, as a matter of fact, over a ministerial function.

I have before me a letter from the Attorney General which bears out that opinion, and obviously all the argument that has been made begs the question completely and does not come to grips with what is before us in subsection (e).

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that at this time Senators may introduce bills and make various routine insertions in the RECORD, if they so desire.

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

Mr. HUMPHREY. Mr. President, I send to the desk an amendment intended to be proposed by me to the lease-purchase bill. The amendment would add a new title to the bill. At this time I wish to make a brief explanation of the amendment.

The PRESIDING OFFICER. Does the Senator from Minnesota wish to have the amendment read?

Mr. HUMPHREY. No. I ask to have the amendment printed and made available for the Senate tomorrow.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. HUMPHREY. Mr. President, I wish to make a brief explanation of the amendment.

In my opinion, one of the weaknesses of the bill, as reported by the committee, arises from the fact that the bill provides the possibility of placing a very heavy burden upon municipalities. During the time the Government is participating in a lease-purchase contract, the taxes will be paid on the facility that is constructed, and the taxes will be paid at the normal, going tax rates. But under the provisions of the bill it will be possible for the Government to accel-

erate the purchase, and thereby reduce to a term of 10 years a contract which otherwise might run for 20 years. Once the Government obtains title to the property, then, under the bill, the property is not taxable.

Mr. KUCHEL. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. Is the Senator from Minnesota suggesting that the Government permit itself to be taxed in the case of buildings in which it conducts governmental operations?

Mr. HUMPHREY. Mr. President, because of the nature of the bill, it provides for the construction by private contractors of facilities to which the Government of the United States will not obtain title until such time as they are paid for. During that period of time, so the bill provides, taxes will be paid on the buildings by their owners.

Mr. HENDRICKSON. Mr. President, I did not yield for debate. I requested and obtained unanimous consent that at this time Senators might introduce bills and make sundry insertions in the RECORD.

How much longer does the Senator from Minnesota wish to proceed?

Mr. HUMPHREY. I shall not want more than 2 minutes.

Mr. HENDRICKSON. Very well. Then, Mr. President, I ask unanimous consent that the Senator from Minnesota may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Minnesota may proceed.

Mr. HUMPHREY. I shall watch the clock carefully.

Mr. President, until Congress and the administration arrive at a formula for payments in lieu of taxes, in view of the constant growth of Federal Government ownership of real estate in the United States, the bill must contain some provision—for the bill may very well open up a tremendous construction program—to protect the rights of municipalities to have some revenue from real estate. In municipality after municipality there is trust after trust and philanthropic organization after philanthropic organization and university after university, all owning real estate. All that real estate is not subject to taxes, and such holdings have in large degree taken over the center of many cities.

Mr. HENDRICKSON. Mr. President, I do not yield for further debate.

Mr. HUMPHREY. Mr. President, I have been allowed 2 minutes, and I wish to speak for 2 minutes.

The PRESIDING OFFICER. The Senator from Minnesota has 1 minute remaining.

Mr. HUMPHREY. Mr. President, I say we are literally opening a Pandora's box, in terms of liquidating the ability of the municipalities to provide for revenue.

I have an amendment which provides that the Government shall continue to pay taxes, on the regular tax schedule, until Congress arrives at a formula for payments in lieu of taxes. I will not agree to permit any longer what has been the constant encroachment of the Fed-

eral Government upon municipalities, absorbing the tax base, paying little or nothing to the municipalities, and thereby putting a very definite hardship upon the taxpayers of the municipalities, who must take care of the municipal services.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

#### ORDER OF BUSINESS

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that at this time the Senator from Florida [Mr. HOLLAND] may address the Senate for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered; and the Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from New Jersey, but I think I have occupied enough of the time of the Senate today.

Mr. HENDRICKSON. Mr. President, at this time I shall be glad to yield for further insertions in the RECORD.

The PRESIDING OFFICER. Are there further routine matters to be submitted?

#### IMPORTANCE OF THE JEWELLED WATCH INDUSTRY TO THE NATIONAL DEFENSE

Mr. HENDRICKSON. Mr. President, if there are no routine matters to be submitted at this time, I ask unanimous consent that the Senator from North Dakota may proceed for 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from North Dakota is recognized.

Mr. LANGER. I thank the Senator from New Jersey.

Mr. President, in the CONGRESSIONAL RECORD for April 6 there appears some material that has a most peculiar ancestry. It is important to our national security that the peculiar ancestry of the material be called to the attention of the Senate. Moreover, it is my strong conviction that the background of how this material came to be inserted in the RECORD is a matter which should be investigated most carefully by the Armed Services Committee.

The material to which I refer raises grave questions as to whether our domestic jeweled watch industry is a necessary part of our national defense picture.

Among other things, the material has the effect of questioning the truthfulness of the Senator from Massachusetts [Mr. SALTONSTALL], and also has the effect of questioning his understanding of national defense matters. I doubt that the distinguished Senator who inserted the material in the RECORD was aware of this, but such are the facts.

Earlier this year, the senior Senator from Massachusetts [Mr. SALTONSTALL] wrote to the Tariff Commission and stated that the jeweled watch industry is an industry vital to our national defense.

Mr. President, I now ask unanimous consent that the letter written by the

senior Senator from Massachusetts be printed at this point in the RECORD.

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

Your Commission has before it the important question of whether our national security requires an increase in the tariff on jeweled-watch and clock movements so as to insure the maintenance of this industry within our borders at the minimum level essential to our defense needs.

The National Security Resources Board has found that precision jeweled movements are essential to the security of the Nation in wartime. The Board has also found that the usual standby facilities approach to the problem of maintaining a mobilization base is unsuited to the requirements of this situation.

Two unique factors prompted this determination. First, the long training time required for the development of watchmaking skills, and, secondly, a necessity of workers being continually engaged in producing jeweled watch movements in order to maintain their skills in this precision work.

For these reasons, the Board concluded that it would be contrary to the interests of national security to permit workers in this industry to become scattered or be transferred to some other line of work not requiring the same type of highly developed skill.

Since 1951, domestic production of jeweled movements has dropped by 30 percent, and employment in the jeweled watchmaking industry by 38 percent. Today, domestic producers of jeweled movements supply but 20 percent of the domestic market.

As a Senator from Massachusetts, I am concerned with the future of an industry which employs many good citizens of Massachusetts. A threat to their livelihood must, naturally, give me serious concern.

As chairman of the Senate Committee on Armed Services, however, I am concerned with the national importance of preserving within our borders, an industry vital to our national defense.

The American watchmaking industry is a unique component of our vast industrial machine. It, alone, is capable of producing the timepieces and the many other small precision time mechanisms which our experience has shown us to be essential to our national defense. Our military leaders have told us that the precision instruments produced by the American watchmaking industry in large quantities during World War II were indispensable to the successful conclusion of that war.

Responsible Government agencies which have examined the essentiality of the watchmaking industry have agreed that it is in the national interest to maintain the industry at a level of production which will insure a reservoir of workers skilled in the crafts of watchmaking.

You are, I am sure, familiar with the plight of Great Britain during the Second World War, in this vital matter. Before the war, the English watchmaking industry was beset with problems similar to those facing our own today, deteriorated to the point of nonexistence. England was dependent on the American watchmaking industry to satisfy, in part at least, the tremendous defense needs for precision instruments.

With that awful experience behind them, drastic measures have been instituted to revive the English industry solely because of considerations of the national security of Great Britain.

Up to 8 years is required to train certain of the craftsmen upon which the watchmaking process depends. Obviously, a reserve of workers skilled in watchmaking techniques cannot be developed on an emergency basis. To maintain a safe level of men skilled in these techniques, the industry must be permitted to exist on a con-

tinuing basis. The economic trials of the American watchmaking industry have caused many young men who might, in the normal course of events, have chosen watchmaking as a vocation, to turn instead to other industries which have not been plagued with the misfortunes that have befallen the watchmaking industry.

Can it be said these misfortunes are not due, in large part, to an unrealistic tariff policy?

It may well be argued that the free-trade policy to which the United States has subscribed is inconsistent with any increase in tariff rates, even for reasons of national security. The preservation of a proper defense posture is, however, accepted as a proper and valid part of a free-trade policy.

To say that the United States should rely on the productive capacity of a foreign nation, however friendly, for its supply of jet aircraft would inspire the deserved wrath of all our people, no matter what considerations might have prompted the adoption of that policy. Is not the situation which the Commission is examining today one that differs in degree rather than in kind? If imports of jeweled movements continue to increase during the next several years at the rate at which they have increased during the past several years, is it not probable that the skills of our highly trained watchmakers will be dissipated? Can we find the time necessary for the painstaking redevelopment of those skills in another national emergency?

Is it not more important than ever before to maintain our mobilization readiness to a point which reduced to the absolute minimum the time required to convert from a peacetime to a wartime economy?

These, in my judgment, are all questions which require thoughtful consideration in determining the specific question before your Commission: Whether it is necessary to give tariff protection to the watch industry in order to prevent serious injury, not merely to the industry but, even more important, to our national security.

Mr. LANGER. Mr. President, the Senator from Massachusetts also said that this industry "alone, is capable of producing the time pieces and the many other small precision time mechanisms which our experience has shown us to be essential to our national defense."

The position the Senator from Massachusetts took in his 1954 letter was fully supported by a detailed study conducted in 1952 and 1953 by the President's Interdepartmental Watch Committee—a study which concluded that "precision jeweled movements are essential to the security of the Nation in wartime." I inserted the results of this study in the CONGRESSIONAL RECORD on March 4, 1953.

Against this background of detailed, factual study by the Departments and agencies having responsibility for our national security, and against this background of the considered views so recently expressed by the chairman of the Senate Armed Services Committee, let us take a look at the background of the material which was inserted in the RECORD.

I say that this material was prepared by Swiss importing interests. These Swiss importing interests—which, for propaganda reasons, recently changed their official name to "American Watch Association"—prepared the material which was placed in the RECORD.

How do I know this? Because the American Watch Association submitted this very same material to the

Office of Defense Mobilization earlier this month. When they submitted this material to the executive branch of the Government, the American Watch Association signed this material. But when the material was incorporated in the RECORD, the identity of the authors was not mentioned. Indeed, one might believe that this material came from our own Defense Department.

It is a serious matter when Swiss interests, masquerading as American interests, can have their material inserted in the CONGRESSIONAL RECORD, and can make it appear that this material represents the views of our own Defense Department.

Mr. President, I could discuss this matter at much greater length. I could tell the Senate about the defense essentiality of jeweled bearings—the heart of jeweled watches and the heart of many defense items—which are being made today only in my State of North Dakota, alone of all the 48 States. Jeweled bearings are so vital to our national defense that the Department of Defense has financed and established, at Rolla, N. Dak., a plant for their domestic production. I could tell Senators about the great volume of defense work and the great volume of research and development work that was performed during World War II, and after Korea, and is being performed today by our domestic jeweled watch companies. I could tell Senators why the President's Interdepartmental Committee, in 1953, the chairman of the Senate Armed Services Committee, in 1954, described the small but vital domestic jeweled watch industry as essential to our national security.

But I do not believe it is necessary for me to tell Senators of these matters today, for I believe that every Senator present knows that these things are true. Accordingly, for the present at least, I will refrain from a detailed discussion of these matters—and will close, as I opened, with the strong recommendation the Armed Services Committee proceed at once to investigate in order to provide us with answers to questions such as the following:

First. In terms of the defense essentiality of our domestic jeweled watch industry, who is right—the Swiss importing interests, or the President's Interdepartmental Committee?

Second. In view of the fact that it is made to appear that the material inserted in the CONGRESSIONAL RECORD on April 6 represents the work of our Defense Department, did the Defense Department prepare the quoted material beginning at page 4657?

Third. Is it not true that this material was not prepared by our Defense Department?

Fourth. Did these Swiss importing interests recently change their name?

Fifth. Do these Swiss importing interests now call themselves the American Watch Association for propaganda reasons?

Sixth. Have these Swiss importing interests and their representatives registered with the Department of Justice under the Foreign Agents Registration Act?

Seventh. Who are the public-relations representatives of these Swiss importing interests? Have they registered? Who are their legal representatives? Have they registered?

Eighth. What officials at Frankford Arsenal are the sources of the material which is anonymously attributed to that agency?

Ninth. Who are the unnamed individuals at Eastman and the other companies who are quoted? To whom did they give these statements, and what were the surrounding circumstances?

Tenth. In the light of the situation revealed by its investigation, what action does the Armed Services Committee recommend?

These are the matters, Mr. President, which I think the Armed Services Committee should proceed to investigate without delay. We in North Dakota are interested in who is attacking our jewel plant at Rolla, N. Dak., in the interests of foreign companies—at the expense of our taxpayers, and the danger of our people in the United States.

This investigation is necessary in order that Senators may understand exactly what the situation is with regard to jeweled bearings. They are important to our national defense. They are used not only in watches but in tractors, airplanes, and other machines and instruments. They are used in a variety of industries. They are essential to the welfare of our country and to its defense.

#### PROGRAM FOR REMAINDER OF THE WEEK AND NEXT WEEK

Mr. HENDRICKSON. Mr. President, for the information of Senators, I should like to state that when the unfinished business has been disposed of it is planned to proceed to the consideration of Calendar No. 1047, Senate bill 2911, the so-called wool bill.

I also announce that when the Senate takes a recess on Monday it is planned that it will stand in recess until Wednesday at 12 o'clock noon.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield.

Mr. JOHNSON of Texas. When does the Senator expect the wool bill to be reached?

Mr. HENDRICKSON. I wish I could give the distinguished minority leader an intelligent answer to that question. I cannot.

Mr. JOHNSON of Texas. The Senator does not believe it will be reached tomorrow, does he?

Mr. HENDRICKSON. I doubt it.

Mr. JOHNSON of Texas. Then I understand it will be the purpose to take it up on Monday.

Mr. HENDRICKSON. That is correct.

Mr. JOHNSON of Texas. Assuming that the unfinished business is disposed of tomorrow.

Mr. HENDRICKSON. That is the intention of the majority leader.

Mr. JOHNSON of Texas. I thank the Senator.

#### RECESS

Mr. HENDRICKSON. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Friday, April 9, 1954, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 8, 1954

The House met at 11 o'clock a. m. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the inexhaustible source of all our blessings and the unshaken foundation of all our hopes, we thank Thee for the privilege and power of prayer.

We rejoice that we may constantly remind ourselves of the eternal truth that, "They who wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint."

May this moment of communion with Thy spirit be for each of us a time of cleansing of heart and consecration of purpose as we seek to discharge faithfully our duties and responsibilities.

Give us humility of spirit and integrity of character and, at the close of this day, may we be worthy of receiving the benediction: "Well done thou good and faithful servant."

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 889. An act for the relief of Scarlett Scoggin.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8127. An act 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.

The message also announced that the Senate insists upon its amendments to the foregoing bill and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MARTIN, Mr. CASE, Mr. BUSH, Mr. CHAVEZ, and Mr. HOLLAND to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following

title, in which the concurrence of the House is requested:

S. 2548. An act to facilitate the administration of the national forests and other lands under the jurisdiction of the Secretary of Agriculture; to provide for the orderly use, improvement, and development thereof; and for other purposes.

#### SPECIAL ORDER

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

#### INVESTIGATIONS IN LITHUANIA, LATVIA, AND ESTONIA

Mr. HALLECK. Mr. Speaker, at the request of the gentleman from Iowa [Mr. LECOMPTÉ] and by direction of the Committee on House Administration, I call up House Resolution 467 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the investigation and study authorized by House Resolution 346, 83d Congress, as amended by House Resolution 438, 83d Congress, incurred by the select committee appointed pursuant to that resolution, not to exceed \$200,000, in addition to the unexpended balance of any sum heretofore made available for conducting the investigation authorized by that resolution, including expenditures for the employment of experts, special counsel, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 5, strike out "\$200,000" and insert "\$150,000."

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 50]

Adair	Cunningham	Kearney
Allen, Ill.	Davis, Tenn.	Krueger
Battle	Dawson, Ill.	Lyle
Bender	D'Ewart	McConnell
Bentley	Dingell	McIntire
Bonner	Durham	Miller, Calif.
Bowler	Gordon	Miller, Md.
Boykin	Hardy	Norblad
Brownson	Heller	O'Brien, Ill.
Carlyle	Hoffman, Ill.	Patman
Chipperfield	Hollifield	Phillips
Colmer	Judd	Powell