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

10. In the case of the Tennessee Valley Authority, there has been no capital stock but the States have 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 $4 billion of the Corporation’s obligations in the hands of the Treasury and none elsewhere.

(b) Export-Import Bank of Washington—capital of $100 million originally 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 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 HIIA, which borrows from the Treasury—nearly $2,500,000,000 of 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 contributed by United States, 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, $182 million as of September 30, 1953—contributions to the States, etc., provided for by appropriations and allocations from other United States agencies (amounting to $150 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—original capital stock of $120 million is paid-in stock of $120,000,000 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 $850 million subscribed by the United States—borrowings for the Treasury.

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

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives was read by Les Anderson, a Member of the House, and the Clerk of the House announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 306. An act for the relief of Sister Constantina (Teresia Kakuoki).
S. 939. An act for the relief of Njidek Hoyhanliyan, Azadian.
S. 1203. An act for the relief of Andrew D. Sumner.
S. 1209. An act for the relief of Dr. Uyong Knoo.
S. 1231. An act for the relief of Franz Gerich and Willy Gerich, his minor son.
S. 1291. 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. 2499. An act for the relief of Hua Lin and his wife, Lillian Ching-Wei Lin (see Hu).

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
Anderson
Barrett
Bennett
Bricker
Briscoe
Bush
Butler, Md
Butler, Neb
Byrd
Carr
Case
Clements
Connors
Cordon
Davies
Dirksen
Douglas
Duckworth
Eastland
Elendcr
Ferguson
Flanders
Fulbright
Goldwater
Mr. SALTONSTALL. I announce that the Senator from Minnesota (Mr. Tydings) is absent by leave of the Senate. The Senator from Maryland (Mr. BEALL), the Senator from Indiana (Mr. Dirksen) is absent by leave of the Senate. The Senator from Montana (Mr. Heflin) is absent by leave of the Senate. The Senator from West Virginia (Mr. O'LEARY) is absent by leave of the Senate.
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 inspection pooling program as a device intended to aid small business to participate in mobilization for defense, dated April 1, 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 Section, 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, 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 VERNON 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 Vernon 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:

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

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

DEAR Sir: The Vernon Poultry Association is an organization which 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 services for the people where, 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 facts 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. They have asked that we redact the 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 framework of legislation and executive policy;"

"2. Provides fundamental facts through practical公关, statistical, 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 2, 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 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 they find it necessary to call for a Federal inspection at the terminal market to settle disagreements on grade at terminal markets.

We will use every 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. D.

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 them 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,

HON. 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 butterfat 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 CURRIE,
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 international competition 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 FASEHEL
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 Reclamation 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,

HON. WILLIAM LANGER,
United States Senator,
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 terms of the 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 $230,892,000 for a variety of projects designed to increase productivity in 6 countries that borrowed the equivalent of $98.2 million on the private capital market in United States dollars and Swiss francs.

Our $75 million Second Loans to farmers are being called, beginning in the last 6 months of 1953 they amounted to approximately $130 million.

For the fiscal year ended June 30, 1954 our net earnings are growing steadily.

Our $75 million First Loans to farmers will be paid on 2 years after they are called, and some manufacturing industries.

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,

HON. SENATOR:
The Honorable Eugene R. Black, Washington, D. C.

DEAR SIR: As I have been working with farmers in North Dakota for the last 36 years, I feel 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,
GOTTLOB 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 Kenmare, 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.

SINITORS WILLIAM LANGER AND MILTON YOUNG,
United States Senator,
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 blanket price is taken for all beef, which is a severe gross injustice.

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 is then down to $3,000 now.

It is grossly unfair to give details on 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.

From the plans we are making for the coming year, we are expecting to have 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.

LIBERALIZED SOCIAL SECURITY—RESOLUTION

Mr. LANGER, Mr. President, I ask unanimous consent that a resolution be printed in the Record as follows:

RESOLVED, That our Aerie endorse the President's proposals for improving 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 liberalize 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 $50 per month, the maximum from $200 to $400 per month. 

2. Ten million additional persons be included in the social security system. 

3. The $1,000 annual earnings by retired persons be included in the regulations of the Social Security Act.

4. The earnings base for participants in the plan to be raised from $3,000 to $4,000.

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.

WORTHY PRESIDENT, FARGO AERIE NO. 153.

ATT: H. B. 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 certain data relating to the prices he is receiving in North Dakota.
The following report of a committee was submitted:

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

If S. 8639. A bill to extend the period of election under the Uniformed Services Con­
tingency Option Act of 1953 for certain members of the uniformed services; without amendment (Rept. No. 1197).

ENROLLED HILLS PRESENTED

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

S. 208. An act for the relief of Sister Cons­
tantin (Teresa Kakonyi); S. 322. An act for the relief of Giulio Squillari, Mrs. Maggiorena Barbero Squillari, Rosanna Squillari, and Eugenio Squillari; S. 323. An act for the relief of Njeho Hop­hanhissan Ahslan; S. 1208. An act for the relief of Andrew D. Sumner; S. 1209. An act for the relief of Dr. Uheng Kho; S. 1231. An act for the relief of Frans Gerich and Willy Gerich, his minor son; S. 1921. A bill to amend the Potas­
cic Electric Co. to construct, maintain, and operate in the District of Columbia, and to carry out Kvithi Avenue NE., in said Dis­
tric, with certain railroad tracks and related facilities, and for other purposes; S. 1937. An act for the relief of Rev. Fran­cia S. Dwyer; S. 2406. An act for the relief of Reagan Quigley; S. 2409. 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.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. PAYNE (for himself and Mrs. Smith):

S. 270. A bill to provide that leave accrued by members of the Armed Forces while held as prisoners of war 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 appears un­der a separate heading.)

By Mr. SMITH of New Jersey:

S. 271. 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 appears under a separate heading.)

By Mr. DWORSCHAK:

S. 272: A bill for the relief of Angelina Carmen Pelikan; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 273: A bill for the relief of Chino Loomis; to the Committee on the Ju­
diciary.

By Mr. WILEY (by request):

S. 274. A bill to amend section 201 (e) of the Agricultural Act of 1946, relative to­
hey as a product of milk; to the Com­
mittee on Agriculture and Forestry.

By Mr. JENNIFER:

S. 275. 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. 276. A bill for the relief of Cleophat Robert Joseph Caron; to the Committee on the Judiciary.

By Mr. MCCARRAN:

S. 277. A bill to amend the Internal Se­curity Act of 1950, as amended, to provide for the hearing of petitions before each depart­ment or agency in the executive branch of the Government to submit quarterly reports to the Congress with regard to em­ployee separations for security reasons; to the Committee on the Judiciary.

By Mr. HILL (for himself, Mr. Estes­Larabee, Mr. Martin, Mr. Maxwell, and Mr. Long):

S. 278. 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 their services 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 Alli; S. 3280. A bill for the relief of Boto Ulla; S. 3281. A bill for the relief of Tomad Ali; to the Committee on the Judiciary.

By Mr. PAYNE (for himself and Mr. Knowland):

S. 3282. A bill to expedite the disposal and removal of federally owned temporary hous­ing in certain communities where obstruc­tion 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 Con­
gress established a definite policy of limiting the amount of leave which a member of the Armed Forces might accu­rre 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 have been 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. Smarr) 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. Yorwe 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. Smarr), was received, read twice by its title, and referred to the Committee on Armed Services.
CONGRESSIONAL RECORD—SENATE
April 8

4856

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. We have previously introduced bills 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 the purpose of 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 legislation, 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, and for other purposes, was referred to the Committee on Labor and Public Welfare.

DIVERSION OF WATER FROM COLORADO RIVER—AMENDMENT

Mr. KNOWLAND (for himself, Mr. HAYDEN, Mr. KUCHET, and Mr. GOLDWATER) submitted an amendment in the nature of a substitute, intended to be proposed by them, jointly, to the bill (S. 446) authorizing construction of works to restore to Palo Verde irrigation diversions and providing for the 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. 8390) 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 surplus postage 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 6925, relating to the Lehigh 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 disposition 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 Michigan. Mr. President, at my request, last evening the distinguished 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 was pending on the Senate which I believe is a substantial amendment to the Hidalgo station. Since then I have checked into the matter.

First, I wish to say I am deeply grateful for the courteous and friendly manner in which the distinguished majority leader and the senior Senator from Michigan [Mr. FERGUSON] responded to my request. 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 JOHNSON, 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 revolved fund now in existence as a result of previous assessments made against employers, or whether special assessments on employers. This is because at present the revolved fund has a surplus of $2,700,000, and under present law it is 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 revolved fund expenditure.

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 and begin operations without the necessity of any additional appropriations, and without special assessments on employers. This is because at present the revolved fund has a surplus of $2,700,000, and under present law it is 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 revolved fund expenditure.

Mr. FERGUSON. That is correct.

Mr. JOHNSON of Texas. Because costs did not run as high as had been estimated, 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 per capita. 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 revolved 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 creating 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 medical and physical examinations will not require any additional assessments on the employers.

Mr. FERGUSON. That is my understanding; and that was my understand-
It reviews, though in scant detail, the heading late President Roosevelt in 1943 with provisions of the agreement made with atomic energy. The agreement provided for the industrial and commercial uses of atomic energy. Two paragraphs of the editorial, which 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 passages for the Bricker amendment advocates. By what possible claim of authority could the President, in 1945, pretend to say how the post-war 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 was made by Mr. Churchill, in 1943, for war purposes, but clause 4 extended not only to the use of the bomb itself for war purposes, but industrial and commercial uses of atomic energy? By what possible claim of authority could the President in 1945, pretend to say how the post-war 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. The Chair stands 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 as follows:

SECRET AGREEMENT

Winston Churchill really stirred up a hornet's nest when he revealed in the House of Commons his agreement with President Roosevelt in 1943 with Franklin D. Roosevelt. Actually, the secret agreement was made jointly in 1943, with the permission 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 1945. Mr. Churchill says the late Senator McMahon, who sponsored our Atomic Energy Act, knew nothing of the arrangement 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 the British had refused to give their consent? Would he have attacked them? Indeed, it is a tenancy by sufferance. Second, the White House announcement means that there may be some new agreement, which was in effect in 1943, to renew this agreement, which he says was made by Mr. Churchill, in 1943, for war purposes, but clause 4 extended not only to the use of the bomb itself for war purposes, but industrial and commercial uses of atomic energy.

In this clause there are green passages for the Bricker amendment advocates. By what possible claim of authority could the President, in 1945, pretend to say how the post-war 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 stands before the Senate the pending business, which is the report of the conference committee of House bill 6025.

The Senate resumed the consideration of the report of the conference committee 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 April 14 and 15, 1954, the Senate 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 18, 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 and House conferences 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 its tenant land.

The conferences 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 for any reason to the bill of Mr. Hendrickson.

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 stands 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,
In an effort to work with local authorities in a concerted attack against delinquency, 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 authority, 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 reported upward of 20,000 unsolicited letters from people throughout the country.

Approximately 75 percent of these letter-writers have expressed the deepest concern about, 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. Hennings] are also members—has contacted some 3,000 grass-roots 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 80 percent of those solicited felt there was a substantial connection between comic books and juvenile delinquency.

Another 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 evidence, I have not found a single 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.

It's 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 truth.

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, what can we do to prevent the American people from not knowing about it because they are presently concerned.

But, Mr. President, there are evidently vested interests throwing up smoke screens and red herring 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 someone is 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 sincerity.

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 postition by making him a hero; which makes lawlessness attractive; which ridicules decency and honesty; which savages the law; which makes the arch criminal the subject of envy, admiration and sympathy; which degruates 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 have 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 to see 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.
Senator yield for a few questions?

cause if the conveyance does not violate

I have outlined them, I am sure the

the way of a vastly improved water sup­

no objections.

The Government itself will gain many, many

the Morse formula, certainly I shall have

First, am I to understand that this

city of Boulder, in the first instance, to

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

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. Am I correct in my un­
derstanding that the Federal Govern­
ment, having by building

other Government structures and

projects on the re­

The Department of Commerce is

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

Mr. MORSE. Am I correct in my un­
derstanding that when the conveyance

was made, there was no

placement in the conveyance to

the Federal projects by building the

reservoir. That is an equity, I think, which is in favor

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

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

Senator from Colorado [Mr. MORSE] 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.

Mr. JOHNSON of Colorado. Yes. It is my honest conclusion that the Gov­

ernment itself will gain many, many

times the value of the 2 acres by receiv­

Mr. JOHNSON of Colorado. That is a correct;

Mr. MORSE. But it is the argument

of 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

in excess of—50 percent of the

appraised fair-market value of the 2

acres of land, by way of water service

supplied by the city of Boulder.

Mr. JOHNSON of Colorado. That is correct.

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,

caussing the Morse formula not to be applied to Boulder. The Morse formula, certainly I shall have

no objections. So I seek this informa­

First, am I to understand that this

city of property was donated by the

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 munic­
pipal water supply 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. Senator Johnson from Colorado [Mr. JOHNSON] has endorsed the measure enthusiastically.

So that the Morse formula is not

spelled out in the bill in so many words,

so-called Morse formula has not been

recognized as not being involved, because I think there was no such proviso in the grant of this

land.

Mr. JOHNSON of Colorado. There

was no such provision 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 att­

orneys had been-farseeking enough to have included that kind of reservation.

But 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 judg­

ment on counsel. The fact is that such

a reservation was not placed in the con­

veyance.

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.

MILLS] 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 the other things which will be con­

ducted 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.

Mr. MORSE. Then the senior Senator

from Colorado [Mr. MILLS] said that the 2 acres of land, by way of water service

supplied by the city of Boulder.

That is correct.

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. The second particular project for which the donation was made was for the Atomic Energy

Commission.

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 communications.

Mr. MORSE. It is true, is it not, that

the Federal Government did not need the entire 210 acres for that particular

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. Am I correct in my un­
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by building

other Government structures and

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must enlarge its water-supply system.

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 needed for emergency purposes,

Mr. JOHNSON of Colorado. That is correct.

Mr. MORSE. The third particular project for which the donation was made was for building

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

The President of the Senate 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 purposes indicated.

Mr. MORSE. Mr. President—

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

Mr. JOHNSTON 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. MORSE. Yes. In deed. 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 releasing 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. JOHNSTON of Colorado. I yield for that purpose.

Mr. MILLIKIN. Mr. President, I am willing to say it is to make myself with what the senior Senator from Colorado has said. I invite the Senator's attention to the letter of the Secretary of Commerce, which 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 which is included in 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 argument 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 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. JOHNSTON of Colorado. If the House bill is at the desk, I think that would be desirable.

The PRESIDING OFFICER. The House bill is at the desk. Senate Calendar No. 1189, H. R. 7380.

Mr. JOHNSTON 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 the enacting clause, the House might accept the Senate amendment, if there were a difference, and accelerate the legislative process.

Mr. JOHNSTON of Colorado. The two bill 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 (S. 2713) was referred to the Committee on Commerce to report 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 vested in the States under the act of January 25, 1927, notwith standing 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, 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 under the original act.

By the act of January 25, 1927 (43 U. S. C., sect. 870), Congress granted title to school sections in place, even though the lands were mineral in character; but there can be no objection 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 in the State 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 act.

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 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 ownership.

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. That was a matter of action by the Congress in 1927.

Mr. MORSE. Do I correctly understand from the Senator from Utah that all this new measure 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 laws?

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 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 Oregon, and I do not agree 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 intention 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 to 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. 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 unsatisfactory in my State. We have a difficult situation in connection with our schools, which will be greatly relieved if the provisions of the bill are in force. It is evident from whatever is in it passes eventually to the United States of Utah.

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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 phraseology in an agency report reflecting 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 Wooley of the Bureau of Land Management recently found himself in the position the Utah State delegation has been in. A reporter from one of the Salt Lake newspapers called him to his office just before he could begin the Federal Government's diversion of title and revenue from assigned school sections in Utah. Mr. Wooley told the reporter that he couldn't justify it and that he was especially sympathetic to Utah, Arizona, and California during the survey of about eight townships in the lands problem as ever, has urgency in view of the accelerated surveying program now being formulated by the Department.

Furthermore, it is not always justified, so the action requested in consideration today would have been unnecessary.

It is hoped that this legislation will be reported before the session of the 83d Congress and may come up for consideration immediately.

The purpose of the bill under discussion today, therefore, is to carry out that suggestion in the same embarrassing position the State now finds itself in.

Mr. WATKINS. I yield.

Mr. KNOWLAND. Mr. President, will you ask the Senate's permission to withdraw for a moment?

Mr. KNOWLAND. Mr. President, I should like to approach the knowledgeable members of the Senate that the United States is now in the position the Utah delegation has been in. A reporter from one of the Salt Lake newspapers called Mr. Wooley to his office just before he could begin the Federal Government's diversion of title and revenue from assigned school sections in Utah. Mr. Wooley told the reporter that he couldn't justify it and that he was especially sympathetic to Utah, Arizona, and California during the survey of about eight townships in the lands problem as ever, has urgency in view of the accelerated surveying program now being formulated by the Department.

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The purpose of the bill under discussion today, therefore, is to carry out that suggestion in the same embarrassing position the State now finds itself in.

Mr. KNOWLAND. Mr. President, 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 terms from that of the bill recommended by the subcommittee and recommended to the Senate. Therefore, I move that the bill be reported favorably.

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

Mr. WATKINS. I yield.

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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 CLEER. On page 3, in line 18, and lines 8 and 9, 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 winter games to be held in 1956, and the summer games in 1956, and the winter games to be held in 1958, as National Olympic Day, with the information of the Senate.

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

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

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

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

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

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 conference 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. Mansfield) 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. I had no doubt whether a quorum could have been obtained.

The majority leader seemed somewhat puzzled over the way I handled 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 hour, 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 Senate having been in regard to the conference report had already been agreed to.

I have no parliamentary right to this statement stemming 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 had the 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, and this is a matter of great public concern. There is nothing we can do about such things after such a personal injury has been
Mr. KNOWLAND. Mr. President, will the Senator yield for a correction?

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

Mr. KNOWLAND. Mr. President, will the Senator yield?
Mr. MORSE. Mr. President, in reply to the observations of the Senator from California and the minority leader of the Senate 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 majority leader, the Senator from California 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. When the chairman of the conference committee, in presenting the conference report to the Senate, argues against the Senate's action of having sent the report back to the committee, 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. 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.

When 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 telephoned to call him again 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 conference by way of a motion to recommit?

Then 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 any such 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? 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 present. 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 Senator from California 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. It was reasonable 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 courtesy 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, for 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 take advantage of the good-faith action of 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 bill in question, and the observations of the 48 Senators, I think it was a very courteous or fair way for the Senator from Oregon to have handled the matter.

I have explained to the Senator that I could possibly make it.

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

First, I am willing to have a quorum call 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 Senator from Oregon who accommodated himself to the situation in the Senate when it met at noon today.

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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 giving the Senator from Oregon what he demanded. I think the Member of this body. I do not believe there was another conference report was called up, we not only had dated all the time is something which has extension of time to accommodate me. I am sorry that I have to be involved in this colloquy, but I do say only one thing more. I do not know what that situation in which I found myself this morning, before the conference when I was ready and willing to transact business. It was no accommodation to me last week when the 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. The voting record was too 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. LEWIS. 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 the courtesy of being accommodated 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 an end—had an instance of 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 do not recall a situation where I was on the floor I was here. Last year I missed only one vote, I think, in the whole session. The Republicans 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 tidal lands 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. The phrase of the Senator from Oregon that this was an idle occurrence report was called up, we not only had a quorum call but we had morning business, and there was another conference report which was of some importance 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 the Senate, and the junior Senator from New Jersey.

Mr. MORSE. Mr. President, I am perfectly willing to let the Republicans speak for itself as to what kind of treatment I have given the Senator from New Jersey that if he will check the attendance record of the Senate and check the yes-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 think the voting record of the Senator from Oregon in the years he has been a Member of the Senate, but I will put 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.

Mr. BUTLER of Maryland. Mr. President, will call attention to the fact that there have been certain implications of international relations involved, the distressed condition of American maritime industry—namely, that the Senate Appropriations Subcommittee was, coupled with another action favorable to the maritime industry—namely, that the Senate Appropriations Subcommittee has 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:

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

WASHINGTON, April 7.—The Bureau of Ships, Department of Defense, today revised the 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:

2. The Senate subcommittee will hold a hearing this afternoon on the private financing of the shipbuilding bill, any private institution lending money to a shipbuilder would be guaranteed the same amount of the loan that the Government would make to the shipbuilder.

3. In both the House and Senate bills would require that 70 percent of all military cargo be transported on American ships and 30 percent on American ships.
are facing complete shutdowns due to lack of orders.

FOREIGN ALLOTMENT CUT

Originally, the Department had appropriated $50 million for shipbuilding, but this amount had to be reduced because of the economic situation. The Department of Defense has been reduced by $25 million. The Department of the Interior has received a reduction of $20 million.

Last year, the Department of Defense also announced a reduction of $10 million. In addition, the Department of Commerce has been reduced by $5 million.

It will take place in Milwaukee, Wis.

The Department of Commerce will hold its second field hearing.

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 been heard by the subcommittee. Preparatory meetings have been held in several cities at which time citizens have better opportunity to present their views. In that way, too, witnesses can hear testimony given by preceding witnesses.

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HEARING ON UNITED NATIONS CHARTER IN MILWAUKEE

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It is expected that Senator Guy Gillette, Democrat, of Iowa, author of Senate Resolution 126, under which the subcommittee was empowered to hold field hearings, will attend the hearing. Senator Mansfield, Democrat, of Montana, who had attended the previous hearing of the subcommittee in Akron, Ohio, will be present for the Milwaukee hearing.

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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 of the new 8-cent stamp 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 stamp of the ordinary size, 0.75 by 0.87 of an inch, has been issued. It has carried such a message that could be sent to people throughout the world on a little postage stamp than that we, as Americans, believe in spiritual values.

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

I am confident that the selection of the words 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 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 the record, a description of the new 8-cent stamp.

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

The 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 words "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 order to 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 words "Liberty" prominently displayed across the bottom, in white-faced Gothic.

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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 Administration 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 for the construction of the Post Office buildings 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 "$30,000" 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
Anderson
Anderson
Bennett
Bricker
Bridges
Bush
Butler, Md
Butler, Neb
Byrd
Case
Clements
Cordon
Dirkson
Dobbs
Douglas
Dowhak
Eastland
Elender
Eldon
Engel
Endicott
Ewing
Flanders
Flanagin
Ford
Frost
Fullbright
Gillette
Goldwater
Gore

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 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 strike out "Except as provided in subsection (d) of this section, the.

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 covering more than $250,000 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 the House of Representatives with respect to such lease-purchase agreement.

The amendment was agreed to.

The next amendment was, on page 11, in line 21, 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 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 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 21, after the word "States", 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 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.
appropriations for the Post Office Department, shall be entered into the Treasury as miscellaneous receipts.

(5) 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 1899, as amended, and the Public Buildings Act of 1940 (63 Stat. 170), as amended, which may be used for the payment of interest on the Government's investment in the property, shall be disposed of in accordance with the provisions of section 321 of the act entitled "An act making appropriations for the discharge of the expenses of the Government for the fiscal year ending June 30, 1933, and for other purposes" (47 Stat. 412; 40 U. S. C. 401a), or section 204 of the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 388; 40 U. S. C. 465), 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 the word "or" and insert the word "and".

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

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

Mr. RUCHEL. 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 not a new concept. The existing public buildings law, and will provide a new method of obtaining building space for permanent activities of the Federal Government, has the choice of constructing its own buildings whenever appropriations are provided, or of renting space from private individuals. Unfortunately, however, permanent Government activities occur, the condition of the Federal budget is not very conducive to the appropriation of large sums for building construction. Federal agencies have been under a virtual freeze, if you will, for almost two 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 object of this bill is to provide more economical space for permanent Government activities as they exist today.

Under the conditions of the past 15 years, the maintenance and operation cost of Federal building construction. As a result, it has been necessary to rent space on a large scale. This has been costly, and frequently, as a result of the Public Works Act, 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 transferred to the Federal Government, it 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, at the same time 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.
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 understood that it would 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 larger contracts the detailed terms and conditions which would be assigned the responsibility of the executive branch under the applicable provisions of law. This is the result of his interest in the proposal that the Postmaster General can secure more temporary office buildings by the Government unless the receipts of the post office serving such area exceed $10,000 per year.

It is advisable to proceed with the detailed terms and conditions which would have an initial construction cost of less than $200,000. A typical example might be a building serving such area exceed $200,000. It may be noted that the authority to enter into agreements under this title, to enter into agreements under this title, for the erection of postal buildings and related facilities upon lands which may be acquired by the Postmaster General and of the liability that could be incurred by the Postmaster General to acquire such suitable sites and of the liability that could be incurred by 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 for the Postmaster General to acquire such suitable sites and for special-purpose facilities in cases where relatively temporary occupancy cannot be counted upon. Under such conditions, a lease-purchase contract with ultimate Government ownership 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 106 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 so 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 and credited into 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. He expects it 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 this, because I am a member of the subcommittee of the Committee on Armed Services which is assigned the responsibility of recommending appropriations in connection with the Defense Establishment. It is, of course, the responsibility of 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.

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 annual rentals alone, 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 with respect to the Post Office Department, authority is given to each to utilize appropriations for rental purposes to consummate lease-purchase transactions.

There is only restriction with respect to the amount of money which may be used by either agency in a series of lease purchases that is 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 Committee on Armed Services, and the Committee 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 for consideration of additional sums relative to the amount of the appropriations necessary to be made for rental purposes.

To reiterate, I should say that there is no restriction on the Federal Government in any given year?

Thus the Appropriations Committee will devolve is the responsibility of the Senate Appropriations Committee. That committee can place 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 effective 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 money which might be made available except up to a certain amount. They could do it by imposing a dollar as that to limit the amount which might be made available for administrative purposes shall not be used for lease-purchase contracts which would increase the Government's budgetary liability in excess of $38 million. If one of such a 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 this bill and by the time this bill now provides, the two committees shall come into agreement with the agency concerned.

Mr. KUCHEL. What he says does not cover the entire situation. Such so-called lease-purchase agreement in excess of $300,000 a year in payments shall become effective the day after enactment of this bill now provides, the two committees shall come into agreement with the agency concerned.

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. He 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 in which the Senator and I were discussing earlier today, I indicated that we had evidence that the Post Office Department had returned the same contract to the party 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 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 go under the restrictive provisions of the bill.

Mr. CASE. 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 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 program clearly demonstrated that providing one post-office building for a congressional district resulted in a very antiquated distribution of post-offices, and did not meet the needs of the Government.

I used to represent the Second Congressional District of South Dakota, in which there were wonderful opportunities for adding to the purchase liability unless there is a definite showing of need and that the proposed 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 effective 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 money which might be made available except up to a certain amount. They could do it by imposing a dollar as that to limit the amount which might be made available for administrative purposes shall not be used for lease-purchase contracts which would increase the Government's budgetary liability in excess of $38 million. If one of such a 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 this bill and by the time this bill now provides, the two committees shall come into agreement with the agency concerned.

Mr. KUCHEL. What he says does not cover the entire situation. Such so-called lease-purchase agreement in excess of $300,000 a year in payments shall become effective the day after enactment of this bill now provides, the two committees shall come into agreement with the agency concerned.

Mr. WILLIAMS. The Senate is correct.
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 at an instance that the 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 be a common or ordinary thing than would the straight lease arrangements.

Mr. KUCHEL. I completely agree with the Senator from South Dakota on that point. I think 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. It would be something along those lines.

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 agreement 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 title was conveyed by the Government to the private individual. 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 page 9 of the bill, line 8:

(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 pursuant 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 the authority any site or property 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 that building 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 already owned the real property on which a post-office building is erected, and the Government wanted to remodel the building, a lease-purchase transaction would be possible, 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 or fee simple title 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 encumbered. The Post Office Department determined that the greatest need existed in the city of Rapid City. The Post Office Department 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.

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 beyond its capacity. 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 30 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 once the agreement was reached, 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 useful for purposes at the present time. I fear he would be forbidden to use the existing building site in his negotiations for a facility to be erected 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 purposes of post-office buildings. The specific section, I may say to the Senator, would not restrict the Postmaster General with respect 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 acquire land in the post office, and to 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 not have any responsibility for the building.
Mr. KUCHEL. Yes, that is my understanding, and I am sure it is the understanding of the committee, that this portion of the bill as written could be accomplished. I think 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 which 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 amortization 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 Administrator 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 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 subcommittee from Florida [Mr. HOLLAND]. When there was a new arrangement of the various subcommittees of the Committee on Public Works, the subcommittee on roads, which 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 Florida very much, and I wish to express my indebtedness to the able and genial Senator from Florida, who assisted and guided me in the deliberation. It is the intention of the chairman 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 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, where the University, such as school, and university lands, the pur­ chaser is required to pay taxes on the interest which he has in that particular property. So the provision would not 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 paying such taxes on 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 do not know of any experience where the Government will pay taxes even though indirectly for 10 to 25 years, and a post office building in another community is the only exception to that.

Mr. KUCHEL. The Senator has raised a highly interesting problem, which was discussed in the committee. 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 equitable ownership 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 here, that there will be a provision by which the Government will pay taxes on the property as the case may be, from year to year.

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. 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. 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. I know such a program can be carried out, and that it can be carried out at a considerable saving to the Federal Govern-
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 out in rent?

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 Department, under a lease-purchase authority on the part of the Postmaster General, will make it impossible for the Postmaster General to enter into simple leases. It states very clearly: "The authority conferred on the Postmaster General to enter into simple leases and to give the Department tenancy in buildings which he leases, title to which will not come back to the Government, I think that is quite clear."

Now if the Senate will turn to the provision in section 202 which is the one dealing with lease-purchase, particularly subsection (d) of section 202, it 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 Senate 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 will still be within the jurisdiction of any House of Congress 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 the inclusion of this particular paragraph (B) of (paragraph) (2) of subsection (a), the particular language to which the Senator from Kansas refers begins in line 20, with the word "Provided." I believe that was the first segment 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, under subsection (g) (1) any parcel of Government 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 using Federal 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 proviso the Postmaster General, as I see it, is 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.

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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 post offices are the most public of public property, and the fact that so many of the employee vacancies, even in the civil service, are filled as they are.

Mr. ANDERSON. The席位 has been held 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.

Mr. KOCHEL. I thank the Senator.

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 town.

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 of the case of Albuquerque, New Mexico, which has grown very rapidly in the past few years, and where Government activities have increased very substantially, the plan commissioners of the city, and others, have owned a piece of property. It is located across the street from the present Federal building. The piece of property is 142 by 290 feet. The city has paid approximately $200,000 for it, and it probably is worth considerably more than that today.

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 cost of $67,000. If the YWCA could have hung on to it a few years, it could have obtained $200,000 for it easily today. 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 filling 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 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. ANDERSON. I thank my friend from New Mexico that he need not hurry on this matter. We in the committee have been anxious to know whether the two Public Works Committees should come into agreement, again using the language of the bill, only in the form in which the committee finally approved it, ought to be adopted, because it would give to communities of the States which in part the Junior Senators from New Mexico so ably represents and in 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.

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 Buildings and Post Office Building, and I shall submit the amendment later, and I may say in all kindness that I believe to very nearly be an invasion of an administrative function, I would consider 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 a general way that 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 Senate yield?

Mr. DIRKSEN. I shall be glad to yield on my own time.

Mr. STENNIS. 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 about the action.

When I had the honor to be the comptroller 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 Senate 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. D IRKSEN). He mentioned a very important section of the bill. It is one of the major safeguard of 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 in question 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. D IRKSEN. Mr. President, will the Senator from California yield for an observation?

Mr. KUCHEL. I yield.

Mr. D IRKSEN. The fact is that the Chief Executive has always, it appears to me, 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 upon my memory—for 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 asserted his right to reject it. It must not be forgotten that under the language that is contained in the bill amendment is required by the President before he can sign the bill. 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 Committee 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 21st, I 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 has been obtained as 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 committees in 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 is the fact.

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 is aware of the 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 use purposes in buildings acquired for other purposes.

To make it specific, would the Senator from California join in what I understand to be a correct statement by the Senator? That with the authority vested in the Administrator of General Services existing postal property may be used in connection 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 new policy, and I hope that the Senate will see fit to join the President in the action 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 contract 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 man who is to dispose of that real estate, and so to speak, of the Government today.

Mr. KUCHEL. I think that was one of the motivating reasons for the amendments.

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 reviewed. 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 or damage this bill with this amendment. The record clearly shows that the operation of a similar provision in connection with military construction has saved the purchasing 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 could not afford to go through with that.

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 parcel of real estate which is not subject to the General Services Administration, trade it in negotiations for the construction of a post office at another site?

Mr. CAS E. The bill came from the House there was no restriction with respect to any type of
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, upon 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 put in it with respect to any property presently owned by the General Services Administration or the Post Office Department, and I would like to ask unanimous consent that when 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 he has 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 is less than 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 1938, be covered into the miscellaneous receipts of the Treasury of the United States.

That makes it very undesirable, of course, from the actual 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 that there be some 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 would like to ask unanimous consent that 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 transfer 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.

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 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
MEMORANDUM TO SENATOR KNOWLAND

There are pending before the Senate S. 600 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 9-16) 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. 1094, 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 $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 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 $50,000 shall be executed unless it has been submitted, 30 days prior to its effective date, to the Committee on Public Works of the Senate and of the 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 scrutiny of the committee or committees of 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 a delegation of legislative power to the President, or to a committee of the Congress. Indeed, probably no one would contend that such a delegation is constitutionally improper to make such agreements could be vested in legislative committees. The same principles which underlie the requirement of exercising such power jointly with an executive officer.

It is clear that Congress could reserve to itself the right to prescribe in the form of regular legislation whether a particular purchase contract agreement should be made. Historically, Congress has created specific laws authorizing specific real-estate transactions on behalf of the United States. On the other hand, it is true that it would be very difficult for Congress, in the form of legislation calling for the expenditure of more than $50,000, to make such purchase contract agreements subject to whatever general legislative standards Congress deems desirable. 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 elsewhere than in the Congress. Viewing the power to determine whether such a purchase contract agreement should be made as one properly delegated to individual members or to committees of the Congress; viewing it as an executive power, vested in the Administrator, it would seem that 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 fundamental change in the distribution of the powers of government. If, in authorizing the purchase contract agreements contemplated by H. R. 6342, Congress is attempting to implement the Constitutional practice which, if systematically pursued, could result in a radical change in the balance of power in the Federal Government. It is not a mere technicality but a fundamental change in the form of government. If, in authorizing the purchase contract agreements contemplated by H. R. 6342, Congress is attempting to implement the Constitutional practice which, if systematically pursued, could result in a radical change in the balance of power in the Federal Government. It is not a mere technicality but a fundamental change in the form of government.

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 which may be used for the construction of lease-purchase buildings by the transfer of title, so to speak, to the General Services Administration.

This agency has for years administered the Post Office Department. Frankly, I think the committee has gone too far. The 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 now uses. But, regardless of the reasons it has been 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. It seems to me, however, that the statement that the Post Office Department has not historically constructed the buildings which it now uses is not accurate.

In summary, the provision that the parties to a lease-purchase contract 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 control its administration, if it so desires. Similar waiting period requirements were contained in the Surplus Property Act of 1944. It may be that the Senate was amending 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 the committees of Congress violates the separation-of-powers provisions of the Constitution. The notice and waiting period requirements of S. 690 is a violation of the right of Congress to obtain information, and provide Congress with an opportunity to take corrective legislative action which it disapproves through the regular legislative process.
be concerned too much, Mr. President, with the restriction suggested by the Senate Committee, which was adopted by the committee.

Mr. LONG. Mr. President, will the Senate 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 he was willing for his 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 be made, many of the committee members were willing to agree to the lease-purchase agreements, whereas 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 reason why the Committee on Public Works should not examine all agreements which involve land acquisition, and which should have the advice of that committee.

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 examined by the committee.

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 like to state that if the State has a need for new post buildings under construction, I am sure the State and local governments will be willing to enter into such agreements. If this was made a condition of the lease-purchase agreement and required in the pending legislation, however, such agreements would require review, at least in time, and 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 for taxation of the Federal 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, it means a real need for new Federal buildings, such construction would be delayed if the Congress should see fit to appropriate money to build public buildings in localities in the States. Nevertheless, having struggled with the problem of acquiring new post buildings, 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 proposition, 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 money were available for appropriations every time a building was needed, it could be bought and paid for, it would be used under State or local taxation. So that we have 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 building needed in the States at a less expense, and at the same time, commence construction needed construction which many communities of the Nation need.

Mr. KUCHEL. I yield to the Senator from California.

Mr. HOLLAND. Mr. President, will the Senate yield?

Mr. KUCHEL. I yield to the Senator from California.

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 coro
sition 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.

It 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. 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 immense importance, 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 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 property that comes to 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 this: That the Government will pay the cost of the construction of a building, of course the Government will construct a post-office building, to be leased to the Government—that is the intention. The Government will return the cost of the construction to the contractor before the Government will own the building. It is a vitally important question, because the Government will return the cost to the contractor before the Government will own the building.

Mr. BYRD. Mr. President, will the Senator from California please to correct me?

Mr. KUCHEL. The provision with which the Senator from Virginia has been concerned is this: That the provision is in the bill. 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 $1 million.

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 own the building.

Mr. KUCHEL. The General Services Administration, I would say to the Senator from Virginia, would make exactly the same computations, and the same 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 correct in that 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-
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 for determining 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. KUCHEL. I have no way of 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 actual cost of the building? I have not been able to find such a provision in the bill.

Mr. KUCHEL. The Senator from California answer the question.

Mr. KUCHEL. The only safeguard is that the Comptroller General would have the same authority as the Comptroller of the General Accounting Office of the House of Representatives in auditing, for example, whether a contractor charges the Government $100,000 when he pays out for the building only $80,000?

Mr. KUCHEL. In the absence of legislative direction, does the Senate Committee on Public Works have those specific guidelines which states, "This is the manner in which these agencies should enter into such contracts."

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 have just brought up, which would only cost $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 be fixed or the actual cost of the building.

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 amended.

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 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 a leasehold of a building?

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 such contracts may make large profits. The Senator will concede 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 a very clear interpretation. 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 be served by taking action hereunder—

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 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 purchases made on a rental basis pursuant to the purchase contract agreements entered into under this section, except that any such agreement may be entered into and placed in effect after the initial cost of the property 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.

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 Alhambra 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.

I wish to inform the Senator from California that the language in the bill 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. Under the language contained in the bill 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 auditing and accounting requirements of the Post Office Department Financial Control Act of 1950 (as of Aug. 17, 1950, ch. 735, 61st Congress, 1st Session.)"

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 conduct the auditing of accounts of all of the departments. The Department of Agriculture, for example, and every other large department of Government, has its own auditing department, and an auditing law that applies to it. Here is a specific reference made to the fact that there shall be an auditing and accounting 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 that I would like to make. In 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 has the means to stop 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 the 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 shall 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 two years, I do not think that the honorable Senator had anything to do 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 Committee, it is 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 to a point I am about to make?

Mr. KUCHEL. Yes, Senator.

Mr. HOLLAND. May I ask my distinguished friend from Virginia to listen to a point I am about to make?

Mr. KUCHEL. Yes, Senator.

Mr. HOLLAND. Does the bill language 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. Mr. President, if the Senator from Virginia yield to me.

Mr. HOLLAND. Mr. President, I do not think it would authorize him to see that the contract had been based on the initial cost.

Mr. KUCHEL. Mr. President, will the Senator from Virginia yield to me?

Mr. HOLLAND. 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 not prepared to go 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 inspecting the general language on page 2 of the bill which provides for the Administrator of General Services determining the cost of space, 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. Mr. President, if the Senator from Virginia yield.

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 want to have to be written into the bill. I think we should write into the bill language which would provide that the purpose is that the contract is based upon the initial cost of the property, and then, if we want to add any 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.

Mr. KUCHEL. Mr. President, 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. The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. What is the pending amendment?

Mr. KNOWLAND. What is the pending amendment? Has the amendment of the Senator from California been moved?

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 that the 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 PRESIDING OFFICER. 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 $100 shall be executed under this section unless it has been submitted 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. DIREKSEN. 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. 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. DIREKSEN. 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 at night, who are ready 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. DIREKSEN. 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 would 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. DIREKSEN. 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 in the Record of the Senate, to 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 it would be a very definite and clear-cut infringement of the executive and administrative power.

Mr. Long. I am among those who have expressed the hope of senatorial 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, where the money had 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.

Mr. KNOWLAND. I shall resume my discussion of the amendment.

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, in the case of the Army, or the Administrator of the Federal Civil Defense Administration that is described in (a) through (e) below, 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, the Secretary of the Army, or the Administrator of the Federal Civil Defense Administration that is described in (a) through (e) below, shall be authorized to make an expenditure in any given acquisition on the following basis:

(1) In the case of real property for which there is an 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 for public use where the 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.

Mr. HOLLAND. The President 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 question of the Senator from Louisiana that the Senate, tonight should indicate the objections to the amendment of the Senator from Illinois, I am sure I speak for a great majority when I say we would not have approved the amendment 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 delegate the authority to an agency, 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 delegate the authority to an agency which has a controlling interest in the operation of that committee have resulted in saving to the United States Government, I think he would not want that, he would not want to delegate the authority to a controlling interest in the operations of that committee have resulted in saving to the United States Government.

The other day the RFC turned down on that proposition, they offered one setting up some standards which 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 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.

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 is correct, which building in turn would be rented to the Reconstruction Finance Corporation.

The reason why the Committee on Public Works desired to provide a restriction was in order that the General Services Administration and the Post Office Department would not, without some indication by a committee of this 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 the 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 Senator from South Dakota can hear his own voice.

Mr. HENDRICKSON. Mr. President, I wonder if the Senator from South Dakota will take his argument?
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. DIRESEN. 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 amendment is not just to insert language that takes into the arms of Congress an administrative authority it does not have under the Constitution. I defy anyone who reads the language of the amendment 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 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. I desire in subsection (e) to 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 for the payment of taxes in lieu of taxes. I will not agree to permit any longer what has been the constant encroachment of the Federal 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.

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.

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?

Mr. LANGER. I thank the Senator from New Jersey.

Mr. President, in the CONGRESSIONAL RECORD for April 6 there appears some material that has no materials for 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 an important 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 the facts, which 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:

The Chairman has before it the important question of whether our national security requires an increase in the tariff on jewelled-watch and clock movements 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. It 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 continuously engaged in producing jeweled movements to maintain their skills in this precision work.

For these reasons, the Board concluded that the economic trials of the American watchmaking industry have been essential to our defense needs.

The economic trials of the American watchmaking industry have caused many young men who might, in the normal course of events, have followed other occupations to have entered 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, a war-time price policy has been described as inconsistent with any increase in tariff rates, even for reasons of national security. The preservation of a proper defense posture would appear to be a proper and valid part of a free-trade policy.

To say that the United States should rely on the jewelers of Great Britain during the Second World War to preserve the English industry solely because of the nonexistence of a reservoir of workers skilled in the crafts of watchmaking industry would inspire the deserved wrath of all our people, no matter what considerations might have prompted the adoption of that policy.

Is it not the case that it is the American watchmaking industry which our experience has shown us to be essential to our national defense?

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, 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.

The position the Senator from Massachusetts has taken is fully supported by a detailed study conducted in 1952 and 1953 by the President's Interdepartmental Watch Committee—a study which concluded that: "Precision timepieces 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 the name of the "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 the required certification statement. 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 thus seem to represent the views of our own Defense Department.

Mr. President, I could discuss this matter at much greater length. I could tell you 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 States. I could say these materials are so vital to our national defense that the Department of Defense has financed and established, at Rolla, N. Dak., a plant for their production.

I could say the policy which is being followed here today 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. 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 8 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 have the selection of the source 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 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 final vote of April 7.

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, may I ask whether there is any expectation of a vote on the amendment to the bill?

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 un­make foundation of our hopes, we thank Thee for the privilege and power of prayer.

We rejoice that we may constantly remind ourselves of the eternal truths 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 human courage 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:


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. 385), 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. BUSCH, Mr. CHAVEZ, and Mr. HOLAND to be the conference 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 authorize the necessary expenditures and 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. LeCompte) and by direction of the Committee on House Administration, I came to the House last evening and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the investigation authorized by House Resolution 346, 83d Congress, as amended by House Resolution 458, 83d Congress, incurred by the select committee appointed pursuant to that resolution, not to exceed $300,000, 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. ARENS. 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:

[Names of absent Members]

[Roll No. 50]