By Mr. SHORT:

H. R. 3673. A bill to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to active-duty members of the Civil Air Patrol, and for other purposes; to the Committee on the Judiciary.

By Mr. ENGEL of Michigan:

H. R. 3678. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. JUDD:

H. Res. 227. Resolution to amend rule XIII of the Rules of the House of Representatives with respect to committee reports on bills and joint resolutions authorizing new programs of grants-in-aid; to the Committee on Rules.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to make available an appropriation during the fiscal year ending June 30, 1948, for the control of sea lampreys, as authorized by House Joint Resolution 366 of the Seventy-ninth Congress; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. LYNCH:

H. R. 3674. A bill for the relief of Knickerbocker Insurance Co., of New York, and Atlas Assurance Co., Ltd.; to the Committee on the Judiciary.

By Mr. NODAR:

H. R. 3675. A bill for the relief of Joseph Neumayer; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 3676. A bill for the relief of June C. Dollar; to the Committee on the Judiciary.

By Mr. YOUNGBLOOD:

H. R. 3677. A bill for the relief of Vito Castiglioni; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

590. The SPEAKER presented a petition of the territorial committee of the Union Republican Progressive Party of Puerto Rico, petitioning consideration of their resolution with reference to the legislation amendatory of their organic act now pending before the United States Congress, which was referred to the Committee on Public Lands.

SENATE

MONDAY, JUNE 2, 1947

(Legislative day of Monday, April 21, 1947)

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

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Once again, our Father, the long week end that brings rest and refreshment to so many of our people has brought disaster and sorrow to some, and our Nation is sobered in the reflection that death is in the midst of life. Since we know not at what moment the slender thread may be broken for us, teach us to number our days that we may apply our hearts unto wisdom. And may we be compassionate, remembering the hearts that are sore and our brethren who languish in sorrow and affliction.

Take from us the selfishness that is unwilling to bear the burdens of others while expecting that others shall help us with ours. Make us so disgusted with our big professions and our little deeds, our fine words and our shabby thoughts, our friendly faces and our cold hearts, that we shall pray sincerely this morning for a new spirit and new attitudes. Then shall our prayers mean something, not alone to ourselves but to our Nation.

In the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 29, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 31, 1947, the President had approved and signed the act (S. 854) to amend section 502 (a) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1022) to authorize an adequate White House Police force.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 1633. An act to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia with respect to abandonment of condemnation proceedings;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor;

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; and

H. R. 3611. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

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

DRAFTS OF PROPOSED PROVISIONS PERTAINING TO APPROPRIATIONS OF STATE DEPARTMENT (S. Doc. No. 58)

A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to appropriations of the Department of State, in the form of amendments to the Budget for the fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISIONS APPLICABLE TO APPROPRIATIONS FOR NAVY DEPARTMENT (S. DOC. NO. 59)

A communication from the President of the United States transmitting proposed provisions applicable to appropriations for the Navy Department, in the form of amendments to the Budget for the fiscal year 1948 and an amendment to his letter to the Congress of April 24, 1947 (H. Doc. No. 215) (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

RESTORATION AND CONTROL OF CERTAIN LAND TO TERRITORY OF HAWAII

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to repeal that portion of section 203 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land herein described as available land within the meaning of that act, and to restore the land to its previous status under the control of the Territory of Hawaii (with an accompanying paper); to the Committee on Public Lands.

GROWTH AND CONCENTRATION IN THE FLOUR MILLING INDUSTRY

A letter from the Chairman of the Federal Trade Commission, transmitting a report of that Commission entitled "Growth and Concentration in the Flour Milling Industry" (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Senate Joint Resolution 4

"Joint resolution relative to an appropriation for insect control in national forests

"Whereas forest-tree-killing insects have become so numerous in certain portions of California that they have been destroying merchantable timber at a rate six times faster than the loss of such timber by forest fire; and

"Whereas the control of such insects requires united action by adjacent owners, of whom the United States Forest Service is the largest owner; and

"Whereas the United States Forest Service has inadequate funds for the control of insect depredations on the national forests, and the Bureau of Entomology and Plant Quarantine has grossly inadequate funds for the necessary field investigation of depredations; and

"Whereas efforts to control these insects by private owners on their own lands in cooperation with the Division of Forestry, State of California, are nullified when similar control measures are not performed on adjacent Federal lands: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Legislature of California respectfully memorializes the President and Congress of the United States to appropriate for the United States Forest Service and for the Bureau of Entomology and Plant Quarantine, sufficient funds for necessary insect control in national forests and for field investigations to determine the extent of insect depredations and the extent of control measures to provide adequate protection of forests; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

Petitions of the members of the Tampa Townsend Club, No. 8; members of the Tampa Townsend Club, No. 15; and members of the Tampa Townsend Club, No. 19, all in the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Clearwater Valley Light & Power Association, Inc., at its annual meeting assembled at Lewiston, Idaho, favoring the enactment of legislation appropriating $361,000,000 to REA for loans to cooperatives and similar organizations furnishing electrical service in rural communities for the fiscal year 1948, etc.; to the Committee on Appropriations.

A resolution adopted by the Fourth Quadrennial Convention of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, Cincinnati, Ohio, protesting against the enactment of unfair and discriminatory labor legislation; to the Committee on Labor and Public Welfare.

A resolution adopted by the board of managers of the Pennsylvania Society of Sons of the Revolution, Philadelphia, Pa., urging the President and the Congress to destroy communism and communistic influence in Government, in governmental agencies, in labor unions, in schools and colleges, and wherever it exists in the United States; to the Committee on the Judiciary.

A telegram in the nature of a petition from Property Owners and Associates Protective League of America, of Dallas, Tex., signed by Herbert Pflughaupt, corresponding secretary, praying for the enactment of legislation to end rent control; ordered to lie on the table.

By Mr. CAPPER:

A petition signed by 72 citizens of Bushton, Kans., favoring the enactment of Senate bill 265, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

VETERANS' SOCIAL SECURITY

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter signed by Clifton G. Brown, adjutant, Sumter Post, No. 15, the American Legion, at Sumter, S. C., and a copy of a resolution adopted by that post.

There being no objection, the letter and resolution were received, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

SUMTER POST, NO. 15, AMERICAN LEGION,
Sumter, S. C., May 26, 1947.

Senator OLIN D. JOHNSTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSTON: I have been instructed to forward a copy of the attached resolution to you, said resolution having been unanimously passed by Sumter Post, No. 15. It is our feeling that under the present laws a true inequality exists to the detriment of the veteran insofar as social security is concerned.

We respectfully submit this resolution to you for your consideration and guidance.

With best regards, I am,

Yours very sincerely,

CLIFTON G. BROWN.

Whereas social security provides for death benefits payable on a monthly income basis to (a) children under 18 years of age, and (b) to a widow who has children under 18 until the youngest child reaches 18, and (c) monthly benefits to the widow when she reaches 65; and

Whereas it further provides for a monthly retirement income to a wage earner when he reaches 65 and stops "covered employment," and to his wife when she is 65; and

Whereas these monthly benefits are determined by dividing the wage earner's earnings in "covered employment" by the number of months that have elapsed since he became 21; and

Whereas many persons entered military service with social-security protection they had earned in previous "covered employment" and found at the time of their demobilization that they had lost their insured status or that their service had reduced the amount of possible family benefits, this resulting because the time spent in service was not considered "employment" under social security; and

Whereas other veterans, who had no opportunity to build social-security benefits through civilian work prior to entering the armed force, were unable to acquire social-security protection while they were in service and on demobilization these men were without social-security protection for their families in the event of their death; and

Whereas Public Law 719, August 10, 1946, partially corrects the above-described conditions, i. e., if death occurs within 3 years after discharge the veteran is regarded as fully insured, which entitles his widow's and children's benefits to be computed on an average wage of $160 a month; but

Whereas as the laws exist at the present, in the case of a veteran, if he does not die within 3 years after discharge his status will be determined as under the old law which will not give any credit for time spent in the armed forces; and

Whereas it appears that such is unfair and works to the detriment of the veteran: Now, therefore, be it

Resolved, That Sumter Post, No. 15, recommends that Congress enact appropriate laws to eradicate the aforesaid inequalities accruing to the veteran under the laws presently in existence; that said legislation, among other things, specifically provide that all veterans be permanently credited with a set "average monthly wage" for time spent in the armed services; that this resolution be cicularized to the department and national headquarters of the American Legion, and the United States Senators from South Carolina, and to the Member of Congress from this district.

REQUEST FOR WISCONSIN COMMEMORATIVE COINS

Mr. WILEY. Mr. President, I have received a joint resolution enacted by the Legislature of Wisconsin, petitioning Congress to provide for the coinage of 500,000 silver 50-cent pieces to commemorate the one hundredth anniversary next year of the admission of Wisconsin into the Union as a State. I ask that this Resolution be printed in the RECORD at this point and be appropriately referred to the Committee on Banking and Currency.

Mr. President, I have had extensive consultations with the distinguished chairman of the Coinage Subcommittee of the Senate Banking and Currency Committee [Mr. FLANDERS] on this matter. On March 10, the junior Senator from Vermont reported Senate bill 865 and it was placed on the calendar. I have objected to the passage of this bill since its date of introduction because the bill would attempt to declare the policy of the United States to authorize the striking of only commemorative medals in lieu of commemorative coins and to discontinue the striking of such coins.

WHY I OPPOSE S. 865

The bill states the purpose of this policy principally as a means of foiling counterfeiting of coins and avoiding confusion. I have, however, told the Senator from Vermont that there is no reason whatsoever why the design of the commemorative coins could not be made so similar to other coins, with some slight differences to designate the State centennial, so as to accomplish the objective of Senate bill 865.

I stated to the Senator from Vermont that surely once, twice, or so in the history of a sovereign State, it had the right to ask the Congress for commemorative coins, at no cost whatsoever to the Federal Government, and to have the request granted.

MY PREVIOUS AMENDMENT

On March 25, I prepared an amendment to Senate bill 865 which would have allowed the declaration of policy for medals, but would have made for an exception to the policy in the case of commemoration of an anniversary of the admission of a State into the Union, if such anniversary be a multiple of 50.

NEW AMENDMENT

I would like now to add an additional proviso to the amendment heretofore submitted by me and request that it be reprinted. This additional proviso states that there shall be commemorative coins only for such afore-mentioned anniversaries of statehood and "if the State's legislature duly memorializes the Congress for the striking of commemorative coins."

If my amendment to Senate bill 865 were enacted, then, Wisconsin would already have satisfied the provisions stated above.

I respectfully submit that there is little or no reason why opponents of commemorative coins should continue their opposition to such coins, in view of the compromises we have made: (a) through my amendment, whereby we have limited the issuance of commemorative coins and, (b) through my suggestion whereby the designs of such coins may be comparatively similar to the regular 50-cent coins.

I hope that we may soon resolve this question with mutual satisfaction to all sides of the controversy.

Mr. President, I wish to add a brief word. In commemoration of the one hundredth anniversary of her admission into the Union, Wisconsin desires to put on a show which will really be adequate.

In the past, coins commemorating great events have been minted. In such cases what happens is something like this: The Federal Government, which has plenty of silver, mints the coins. If the coins are 50-cent pieces, the amount charged by the Federal Government is 50 cents. But because such coins become valuable to coin collectors, and are much sought after in this particular case, they can be sold by the State at a higher price than the State paid the Federal Government for them. In this particular case 500,000 50-cent pieces would be bought by the State for $250,000, and would belong to the State. The State then would decide at what price to sell the coins. The State might sell them for $2 a coin. They are well worth that price. In that way the State would be able to finance the commemorative show it desires to put on.

I realize that there is some argument against requests being made of the Treasury Department to mint commemorative coins for one purpose or another every time the clock turns round; but, Mr. President, once in 100 years, when a State commemorates the one hundredth anniversary of its admission to the Union, is not such an occasion. I feel that in the case of a State which has accomplished as much in 100 years as Wisconsin has, which has built its population up to 3,200,000, and which during World War II produced billions of dollars worth of materials for the war effort and sent forth its quota to fight for the Nation, as it has in every other war, including its quota for the North to fight for the preservation of the Union, there should be no hesitancy on the part of the legislative branch or the executive branch or anyone else to act favorably upon the petition presented by the Legislature of the State of Wisconsin.

Mr. President, I ask that, following my remarks, the joint resolution agreed to by the Legislature of Wisconsin be printed in the RECORD and referred to the Committee on Banking and Currency.

The PRESIDENT pro tempore. Without objection, the amendment submitted by the Senator from Wisconsin will be received, printed, and lie on the table; and, without objection, the resolution will be received and appropriately referred, and, under the rule, will be printed in the RECORD.

The joint resolution of the Legislature of the State of Wisconsin was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Assembly Joint Resolution 61

A joint resolution requesting the Congress to pass, at the earliest possible moment, bill S. 126 or H. R. 1180 or any similar bill relating to the coinage of 50-cent pieces in commemoration of the Wisconsin centennial celebration

Whereas Senator WILEY has introduced bill S. 126 and Congressman KEEFE bill H. R. 1180, each providing for the coinage of 500,000 silver 50-cent pieces commemorating the one hundredth anniversary of the admission of Wisconsin into the Union as a State; and

Whereas the committee appointed by the Governor to carry out the anniversary observance has worked diligently and faithfully without remuneration to plan and execute a celebration appropriate to the occasion; and

Whereas it is the desire of the committee, in view of the pressing financial needs of many of our State institutions, especially those devoted to education and public welfare, to make the anniversary largely self-supporting by the sale of the commemorative coins; and

Whereas an added financial burden will unnecessarily be placed upon our State in providing for the celebration of its one hundredth anniversary if bill S. 126 or H. R. 1180 or any similar bill is not enacted into law: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Congress be respectfully requested to enact, at the earliest possible moment, bill S. 126 or H. R. 1180 or any similar bill; and be it further

Resolved, That duly attested copies of this resolution be forwarded to the President of the United States, to the clerk of each House of the Congress and to each Member of the Congress from Wisconsin.

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, identical with the foregoing, which was referred to the Committee on Banking and Currency.)

Mr. FLANDERS subsequently said: Mr. President, I should like to make very brief remarks on the question raised by the senior Senator from Wisconsin [Mr. WILEY]. The special coinage situation has proved to be rather embarrassing owing to the large number of requests for special coinage, the one made today being the eighth up to date, and I have heard of more coming.

I am sympathetic to the case presented by the Senator from Wisconsin, and have endeavored to explore with him some means of taking care of his situation. It would be necessary, however, to my mind, to give the same adequate consideration to events and anniversaries of national significance other than the admission of States into the Union. So that celebrations commemorative of the admission of States into the Union does not seem to me to be the rule which can properly be followed.

I furthermore discovered, somewhat to my distress, in endeavoring to do something for the Senator from Wisconsin, that the State of Wisconsin had had a special coinage only 7 years ago, which is much shorter than "once in 100 years."

The simple way to handle this matter, to my mind, is to say that we will have no more. I am sympathetic to any scheme that any Senator can introduce which will cut down the number of coinage issues, and not make it a routine procedure which thereby would cause such events to lose their significance, but I have as yet found no way to satisfy myself, so my stand respecting the bill is as it has been heretofore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAIN, from the Committee on the District of Columbia:

S. 1125. A bill to amend the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942; with amendments (Rept. No. 215); and

S. 1346. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; with amendments (Rept. No. 216).

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

S. 851. A bill for the relief of Belmont Properties Corp.; without amendment (Rept. No. 213); and

H. R. 888. A bill for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, N. C.; without amendment (Rept. No. 214).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. KILGORE:

S. 1369. A bill to authorize the Veterans' Administration to acquire certain land as a site for the proposed Veterans' Administration Facility at Clarksburg, W. Va., and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. BALL:

S. 1370. A bill to provide for the establishment of the Brainerd War Dead National Memorial; to the Committee on Public Lands.

By Mr. MAGNUSON:

S. 1371. A bill to authorize the construction of a class IV airport for the city of Fairbanks, Alaska, and a public highway or bridge from the city of Fairbanks to the location of the airport; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS of Oklahoma:

S. 1372. A bill authorizing the Wyandotte Tribe of Oklahoma to sell tribal cemetery; to the Committee on Public Lands.

(Mr. HATCH introduced Senate Joint Resolution 122, consenting to an interstate oil compact to conserve oil and gas, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

AUTHORIZATION FOR JUDICIARY COMMITTEE TO EMPLOY ASSISTANTS AND MAKE CERTAIN EXPENDITURES

Mr. WILEY submitted the following resolution (S. Res. 120), which was referred to the Committee on the Judiciary:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized to make such expenditures, and to employ upon a temporary basis such investigators, technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $45,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on the Judiciary.

CHANGE OF REFERENCE

On motion by Mr. MILLIKIN, the Committee on Finance was discharged from the further consideration of the bill (S. 1325) to encourage employment of veterans with pensionable or compensable service-connected disabilities through Federal reimbursement to any employer, insurer, or fund, of amounts of workmen's compensation paid on account of disability or death arising out of such employment, and it was referred to the Committee on Labor and Public Welfare.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or

ordered to be placed on the calendar, as indicated:

H. R. 494. An act to reorganize the system of parole of prisoners convicted in the District of Columbia;

H. R. 1633. An act to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor;

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects; to the Committee on the District of Columbia; and

H. R. 3611. An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; ordered to be placed on the calendar.

THE GREAT LAKES-ST. LAWRENCE SEAWAY—EDITORIAL COMMENT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Who Fights the Seaway?" published in the Minneapolis Tribune of May 20, 1947, and an editorial entitled "Big Ditch for World Trade," published in the San Francisco Chronicle of May 29, 1947.

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

[From the Minneapolis (Minn.) Tribune of May 20, 1947]

WHO FIGHTS THE SEAWAY?

The dream of the upper Midwest for a seaway through the Great Lakes-St. Lawrence River appears possible of fulfillment in less than a year.

The need for this project is increasing each year. The war demonstrated how important that seaway could have been to the Nation.

Now, with great quantities of grain moving from this region to Europe, the seaway again would have been a great asset, making unnecessary transshipment at Buffalo and relieving the congestion at east coast ports. Boxcars to haul this grain always are in short supply during the marketing season. With movement of grain by boat from the head of the Lakes, the cars which are available would be used to greater efficiency.

After years of discussion and education, the opposition to the seaway has been narrowed to southern interests, for the most part. The States on the Gulf of Mexico and on the lower eastern seaboard fear loss of port business if ocean vessels can dock at Duluth, Milwaukee, Chicago, Detroit, or Cleveland.

It is strictly a selfish interest that is attempting to prevent the development of this waterway.

Those who oppose the seaway must realize that this upper Midwest region has suffered serious handicaps since the construction of the Panama Canal.

This region was developed as a rail area. The Canal made it possible to ship lumber by boat from the Pacific Northwest to Ohio, via eastern ports, at lower cost than rail shipment from the Pacific Northwest through the upper Midwest.

Air transportation has made it possible for this region to compete in transportation of some products. But it is not possible to haul grain, iron ore, or coal by air. There is no reason why air transportation should expand in the direction of the movement of such commodities.

It is to the development of cheap bulk transportation through the seaway; therefore, that this region must look for establishment and expansion of its industries.

The question is not whether this region will "steal" business from other ports. It is rather a question of equalizing the opportunities of all regions in the Nation. This region has lost through one project—the Panama Canal. Now it deserves to regain some of its losses, at least, by completion of the St. Lawrence seaway.

[From the San Francisco Chronicle of May 29, 1947]

BIG DITCH FOR WORLD TRADE

Digging a channel through the heart of a continent to make Chicago, Duluth, and Buffalo ports of call for large salt-water vessels is a big idea, an old idea, and a winning idea. Some day we and the Canadians will have the St. Lawrence seaway; why not have it 5 or 10 years hence, instead of half a century hence?

The two nations have been talking about the project since 1895, and every President since Taft has endorsed and pushed it. The pros and cons are an old story to Congress, which heard them ad infinitum at hearings in 1933 and 1941. Now new hearings begin, with Secretary Marshall testifying to the value of the seaway from the defense aspect.

Opening the Great Lakes to direct world trade would be of vast importance to our continental heartland. Entirely apart from its economic benefits, which are obvious, the development there of an outward-looking, salt-water psychology would make a tremendous change for the better. As was said here a few weeks ago, when a man can sit in a Chicago skyscraper and look out upon ships arriving from Stockholm or Singapore, he is bound to think of the world and its affairs as related to the United States in a different light from that which normally governs the thinking of an inlander.

Above all, we have in the seaway project this consideration to resolve: If we believe in a free-enterprise economy, as we do, are we not bound to support any feasible program which lessens the cost of distributing the world's goods? The St. Lawrence seaway, bringing ships 2,200 miles from the sea to far-inland Duluth, would expand and cheapen the distribution of goods; of that the history of world trade leaves no room for doubt.

If this seaway is finally dug it will provide double the water draft now available for St. Lawrence-Great Lakes commerce. The planners say it will cost $500,000,000, an expenditure which is to be self-liquidating through toll payments. We can think of no more profitable employment for the resources of the United States and Canada than this job of dredging deeper channels for bringing this wide-apart world more closely together. The Senate Foreign Relations Committee, under the impetus of Senator VANDENBERG, who sponsors the current seaway proposal, should speed it on its way so that we may start soon what we shall surely undertake sooner or later.

MEMORIAL DAY ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a Memorial Day address entitled "A Living Memorial to the Living Dead," delivered by him at the Memorial Day exercises, Battleground Cemetery, Washington, D. C., May 30, 1947, which appears in the Appendix.]

HELICOPTERS AND THE CHANGES THEY REQUIRE IN AVIATION LAW—ADDRESS BY L. WELCH POGUE

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an address entitled "Helicopters and the Changes They Require in Aviation Law," delivered by L. Welch Pogue, president of the National Aeronautical Association, before the Aviation Law Institute, Milwaukee, Wis., April 25, 1947, which appears in the Appendix]

ECONOMIC EFFECTS OF UNEMPLOYMENT—ARTICLE BY HARRY DANIELS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article prepared by Harry Daniels, of Washington, D. C., dealing with the economic effects of unemployment, which appears in the Appendix.]

APPLICATION OF COMMUNITY-PROPERTY PRINCIPLE TO TAXATION—EDITORIAL FROM MEMPHIS COMMERCIAL APPEAL

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Not a Lost Cause," published in the Memphis Commercial Appeal of May 29, which appears in the Appendix.]

LABOR LEGISLATION—EDITORIAL FROM WASHINGTON NEWS

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "Phony Charges," published in the Washington News of May 31, 1947, which appears in the Appendix.]

TAX REDUCTION—EDITORIAL FROM THE BALTIMORE SUN

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD an editorial dealing with the tax reduction program, published in the Baltimore Sun of June 1, 1947, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—EDITORIAL FROM THE CHARLOTTE (N. C.) OBSERVER

[Mr. UMSTEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Lagging Federal Aid Bill," published in the Charlotte (N. C.) Observer of May 31, 1947, which appears in the Appendix.]

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. BALL. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Appropriations dealing with appropriations for the State, Justice, and Commerce Departments and the Judiciary may sit this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

LEAVES OF ABSENCE

Mr. THOMAS of Utah. Mr. President, having been made a delegate to the International Labor Conference, which is meeting at Geneva, I ask unanimous consent that I be excused from the meetings of the Senate while I am on that duty.

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. ROBERTSON of Virginia. Mr. President, I ask unanimous consent that I may be absent tomorrow from the session of the Senate because of official business.

The PRESIDENT pro tempore. Without objection, the request is granted.

Mr. MAYBANK. Mr. President, I ask unanimous consent to be absent from the Senate for several days.

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

INTERSTATE COMPACT TO CONSERVE OIL AND GAS (H. DOC. NO. 288)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on the Judiciary.

(For President's message, see today's proceedings of the House of Representatives on p. 6179.)

Mr. HATCH. Mr. President, in connection with the message of the President which has just been read, I ask unanimous consent to introduce a joint resolution carrying into effect the President's suggestion and giving consent of the Congress to the compact. I might call attention to the fact that I think probably the joint resolution should go to the Committee on Interstate and Foreign Commerce, under the rules, but the present compact will expire in September, and it is essential that action be taken on the joint resolution at this session, as otherwise the present compact would expire. The joint resolution just introduced will continue the compact until September 1951.

The PRESIDENT pro tempore. The joint resolution will be received. The question of reference is one of considerable complexity to the Chair, inasmuch as the Legislative Reorganization Act, page 8, says that the Committee on the Judiciary shall have jurisdiction of interstate compacts generally.

Mr. HATCH. Mr. President, I was not making a request that it go to any particular committee. My understanding was that the other compacts have gone to the Interstate Commerce Committee, but that was before the Legislative Reorganization Act. I have no preference about the committee. My only desire is that whatever committee receives it may act with promptness so that the Congress may pass on it before the session adjourns.

The PRESIDENT pro tempore. Unless there is disagreement with the judgment of the Chair, the joint resolution and the message will be referred to the Judiciary Committee, because the language of the Legislative Reorganization Act would seem clearly to indicate that reference, even though the general subject matter could very appropriately be considered to belong to the Committee on Interstate and Foreign Commerce.

Mr. HATCH. Mr. President, I certainly would not object to that reference.

There being no objection, the joint resolution (S. J. Res. 122) consenting to an interstate oil compact to conserve oil and gas, introduced by Mr. HATCH, was received, read twice by its title, and referred to the Committee on the Judiciary.

REPORT OF RAILROAD RETIREMENT BOARD (H. DOC. NO. 289)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Labor and Public Welfare.

(For President's message, see today's proceedings of the House of Representatives on p. 6179.)

CONSTITUTION OF THE INTERNATIONAL LABOR ORGANIZATION INSTRUMENT OF AMENDMENT

Mr. THOMAS of Utah. Mr. President, on the calendar there appears No. 208, Senate Joint Resolution 117, a joint resolution providing for acceptance by the United States of America of the Constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States.

The amendments proposed by the instrument in no way change our relations with the International Labor Organization. They make it possible for the Organization to articulate properly with the United Nations organization, and serve to bring the constitution up to date.

I would not make the request I am about to make if there had been any opposition to the consideration of the resolution in the committee or to its being favorably reported, and I shall not press the matter here now if there is any objection. With this brief statement, Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Calendar No. 208, Senate Joint Resolution 117.

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

Mr. THOMAS of Utah. I yield.

Mr. WHITE. Am I correct in understanding the Senator to say that the joint resolution comes to the floor of the Senate with the unanimous report of the Foreign Relations Committee?

Mr. THOMAS of Utah. All members of the committee who were present voted in favor of reporting the joint resolution.

Mr. MILLIKIN. Mr. President, I understand the Senator from Utah has made a request for unanimous consent.

The PRESIDENT pro tempore. The Senator from Utah has asked unanimous consent that the unfinished business be temporarily laid aside for the purpose of considering Calendar No. 208, Senate Joint Resolution 117. Is there objection?

Mr. MILLIKIN. Mr. President, reserving the right to object, I inquire if there is anything in the new constitution that fastens any obligations upon us other than to consider recommendations and recommended conventions?

Mr. THOMAS of Utah. There is no change at all in the organization of International Labor Organization through the new constitution. Every recommendation they make is to be submitted to the member states, and the states will approve them or reject them. There is no power at all in the International Labor Organization except the power of recommendation. It does recommend the consideration of treaties.

There is one provision in the amendments which makes it possible, in a state such as ours, which is a federated state, where the jurisdiction in regard to the recommendation rests in the state, for the Federal Government to pass on the recommendation to the individual states. But there is merely a recommendation, and nothing but information is sent.

Mr. MILLIKIN. There is no implied obligation on the states in cases of that kind?

Mr. THOMAS of Utah. No implied obligation at all to accept. The obligation is merely a moral one, and the moral obligation is, of course, not great, because there have been in the neighborhood of six or seven hundred ratifications of recommendations by the different states since the International Labor Organization was set up.

Mr. MILLIKIN. What is the principal purpose of the proposed action at this time? Is it designed to fit the Organization into the United Nations and take it away from the League of Nations? Is that the principal purpose?

Mr. THOMAS of Utah. That is the primary purpose. This Organization is one of the League of Nations units which has survived, and which continued throughout World War II. With the League of Nations going out of existence, it was necessary to revise the constitution of the Organization in order to bring it up to date, and, of course, the International Labor Organization does have a place in the United Nations.

Mr. MILLIKIN. The object is, is it not, to make it one of the specialized agencies under the United Nations?

Mr. THOMAS of Utah. That is correct.

Mr. MILLIKIN. That is to put it into position so that it may become one of those specialized agencies?

Mr. THOMAS of Utah. That is true, but under the constitution it can work independently of the League of Nations.

Mr. MILLIKIN. I should like to ask one more question, which I have already asked, but I repeat it because it is so important in my mind. There is nothing in the new constitution, or in any changes which have been made, which would increase our obligations toward the organization?

Mr. THOMAS of Utah. There will be a slight increase in our cost, because of the redistribution of funds, and because of the fact that America has become, in the sisterhood of nations, a little bit stronger, comparatively, than she was before. Our share of the payments was around 15 percent, under the old organization. I cannot say what it will be under the new, but it must be well under 20 percent; so that the change is not great at all.

Mr. MILLIKIN. It is true, is it not, that the organization will have no authority other than to make recommendations and to suggest conventions, and we will retain, federally, so far as the States are concerned, complete authority to accept or reject the recommendations?

Mr. THOMAS of Utah. That is true.

The PRESIDENT pro tempore. The Chair would like to add a statement to what the able Senator from Utah has said. There are only two proposals in-

volved which have any importance whatever. One is the integration of the International Labor Organization into the United Nations, as the successor to the League of Nations. The other is the creation of machinery to send recommendations to the States, whereas heretofore they have stopped at Washington, even though the subject matter was within State jurisdiction.

The Chair repeatedly inquired, throughout the hearings, whether there was any increased authority of any nature created in the International Labor Organization as a result of the amendments, and the Chair was repeatedly assured that there was no expansion of authority whatever.

Mr. MILLIKIN. One more question, Mr. President. Is there a strengthened follow-up procedure provided? I have this question in mind: While we are not obligated to accept recommendations or recommend conventions, are we obligated to follow up the matter in a way that sets up such pressures as ultimately to bring us into acceptance of the recommendations and conventions?

Mr. THOMAS of Utah. No; I think we are in no way obligated, and the history of the conventions themselves shows that to be the case. For instance, out of one or two score actual treaties which have been recommended, the United States has been able to accept only five of them, and to only three of them are we parties, because they did not apply to us.

Mr. MILLIKIN. Mr. President, may I ask one more question, please?

Mr. THOMAS of Utah. I shall be glad to answer it.

Mr. MILLIKIN. The pending proposal is in the form of a joint resolution. Am I correct in stating that when we first adhered to ILO, when it was a part of the League of Nations, we adhered similarly, that is to say, by joint resolution?

Mr. THOMAS of Utah. That is true, Mr. President.

Mr. TAFT. Mr. President, I should like to ask the Senator from Utah if he would mind putting the matter over until later in the day. I looked at the report made at the last session, and there is nothing in it showing what the amendments are, nor has any Member of the Senate, except members of the Foreign Relations Committee, seen the amendments. I obtained a copy of them just before the session convened, and I have not had an opportunity to read them. They cover a long list. Every article, if not every section, is amended. The amendments may be entirely harmless, but certainly I have had no opportunity to look at them. If the Senator would agree to put the matter over until a little later in the day, I have no doubt it would be found that many of the amendments would be unobjectionable; but it is not merely the matter of an amendment or two. The amendments are set out in the document which I hold in my hand. As I say, they amend practically every article of the existing charter.

Mr. THOMAS of Utah. Mr. President, in my opening statement I said I would make the request, with the understanding that if there were any kind of objection at all I would be glad to withdraw the request.

Mr. TAFT. I should be glad, a little later in the afternoon, as soon as I have had an opportunity to read them, to have the matter brought up again. I think certainly the Senator might go ahead at that time.

Mr. THOMAS of Utah. I made the request, Mr. President, because of the fact that the conference is beginning.

The PRESIDENT pro tempore. The Senator from Utah withdraws his request for unanimous consent.

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

Mr. THOMAS of Utah. I yield to the Senator from Tennessee.

Mr. McKELLAR. I want to inquire about the increased expense. Our expenses are large; they are apparently getting even larger. It is a very important question. Could the Senator give the Senate any information as to the approximate increase in expenditures that would be involved? What would be the increased cost in millions or hundreds of millions of dollars?

Mr. THOMAS of Utah. It does not run into the hundreds of millions. The total budget of the International Labor Office runs between $3,000,000 and $3,500,000 for the year. We are under obligation to pay about 15 percent of that sum at the present time. That is, of course, very much less than what we pay to the United Nations. Under the redistribution of funds, there may be a slight increase, but it will not reach 20 percent.

Mr. McKELLAR. I hope, when the Senator takes the matter up again, possibly later in the day, he will be able to place in the RECORD an estimate of the difference in cost to this country, by reason of the increased expenses.

CONTINUATION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 1017) providing for the temporary continuation of rent control, transferring rent control to the Housing Expediter, providing for the creation of local advisory boards on rent control, and for other purposes.

Mr. TAYLOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement issued today by the National Fair Rent Committee entitled "Rent Control Crisis."

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

RENT CONTROL CRISIS

Family life in America faces a crisis in the collapse of rent control that is inevitable if the bill now being debated by the Senate is enacted into law.

With the Nation suffering under an acute housing shortage the Senate appears to be seriously considering passage of this legislation which was inspired and sponsored by the real estate lobby.

In the first place, under the McCarthy amendment, this bill provides that rent controls are to be abandoned in at least 30 areas each month. The bill provides no standards for determining how the 30 areas are to be picked each month. This joker can only mean that many communities where rent controls are still needed will soon be without any; and furthermore, that tenants in other communities can only speculate on when their community will be used to fill the required monthly quota. Faced with the imminent, yet uncertain, end of rent controls tenants will have no alternative to yielding to landlord pressure for exorbitant and illegal rent increases. When this situation becomes widespread effective rent control will be gone.

Secondly, the bill will eliminate effective eviction controls which are as important to the stability of family life as rent ceilings. The pending Senate bill (as well as the bill passed by the House) will permit the landlord on 30 days' notice to evict the tenant on the basis of a contract to sell the dwelling unit to a person who desires to live in it.

Under the present rent-control regulations, a landlord cannot evict a tenant because of a sale unless he obtains an eviction certificate from the local OPA rent office. Unless the purchaser is a veteran he must pay at least 20 percent of the purchase price from his own funds in order to obtain an eviction certificate. Also the certificate normally provides a 6 months' waiting period after the sale is completed, during which the tenant is protected from eviction. (In the case of a veteran buyer the delay is only 4 months.) The waiting period affords the tenant a much needed breathing spell, during which the tenant can seek another place to house his family. The elimination of the waiting period will result in conditions even more chaotic than those that originally forced the OPA to adopt this policy. Chain evictions will once again begin at a greatly accelerated tempo.

The Senate bill will also permit a landlord who is adequately housed and has no immediate need for other accommodations to evict the tenant on 30 days' notice merely because the landlord wants to live in the dwelling unit occupied by tenant. Under the present regulations a landlord who can't show an immediate compelling necessity to occupy the tenant's house must obtain an eviction certificate and wait 6 months before he can evict the tenant.

Thirdly, the Senate and House bills will permit real estate speculators to evict tenants from apartment houses by selling stock in phony cooperative housing corporations. The scheme works this way. The purchase of the stock entitles the buyer to a proprietory lease on a particular apartment from which the tenant thereof can then be evicted. This racket became so bad that the OPA, in 1945, was forced to amend its rent regulations to prohibit such evictions except where at least 80 percent of the tenants in an apartment building agreed to buy stock in the cooperative. This did not prevent tenants having a genuine desire to form housing cooperatives from doing so. By the time the OPA adopted this restriction in February 1945, rent controls were seriously threatened in several large cities. Thousands of tenants had become alarmed and demoralized at the prospect of bidders paying outrageous prices for stocks or being evicted.

If real-estate operators push this co-op device aggressively (and the experience of the past indicates that they will), the result will be a complete break-down of rent control. This will mean a housing chaos. Thousands upon thousands of families will be faced with the choice of eviction, purchase of so-called co-op apartment house stock at exorbitant prices, or payment of higher and higher rent. No one can accurately predict what the end will be.

Further threats to tenant security lie in the bill's provisions exempting from controls housing accommodations created by breaking up a single dwelling unit into several smaller units. Anxious to obtain the unlimited rent allowed for these exempt units, many landlords will immediately give tenants eviction notices on the ground of

alleged necessary remodeling. Many cases of pseudo-remodeling will appear.

In short, the removal of strong eviction controls will, by itself, so undermine the rent-control program as to cast doubt on its existence.

The bill provides that if a tenant and landlord, prior to March 31, 1948, enter into a written lease which is to expire on or after December 31, 1948, the lease may fix a rent 15 percent higher than the rent in effect in September 1946. The dwelling unit becomes exempt from further rent control as soon as the lease is made. This legislation is bound to result, generally, in the 15-percent increase for which the real estate lobby worked so hard.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FULBRIGHT. Is it in order now to move to reconsider the vote by which an amendment to the pending bill was agreed to on last Thursday?

The PRESIDENT pro tempore. Such a motion is in order.

Mr. FULBRIGHT. I shall first ask for unanimous consent to reconsider the vote by which the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] was agreed to on last Thursday. I was absent from the Senate Chamber at the time action was taken on the amendment. I was told there were only four or five Senators on the floor. I note from the RECORD that no discussion of the amendment took place. It seems to me to be a very important amendment. Does the Senator from Delaware [Mr. BUCK] object to a reconsideration of the vote by which that amendment was agreed to?

Mr. BUCK. Mr. President, what is the amendment?

Mr. FULBRIGHT. The amendment was offered by the Senator from Wisconsin [Mr. McCARTHY], providing for the automatic decontrol of 5 percent of all the defense-rental areas of the United States. I was not present when the amendment was agreed to. I understand there were only 8 or 10 Senators present at the time. It happened during the noon hour, and there was no discussion of the amendment on the floor. I should like to ask the Senator from Delaware if he objects to reconsideration of the vote by which the amendment was agreed to.

Mr. BUCK. Mr. President, I would have no objection to reconsidering the amendment if the Senator from Wisconsin were present.

Mr. FULBRIGHT. Is he not present?

Mr. BUCK. He is not present at the moment.

Mr. FULBRIGHT. I ask unanimous consent to reconsider the vote by which the amendment was agreed to. I may say that I am scheduled to make a commencement address this afternoon. That is why I bring the question up now.

Mr. BUCK. I have no objection, if the Senator from Wisconsin is present.

The PRESIDENT pro tempore. The Senator from Arkansas [Mr. FULBRIGHT] asks unanimous consent for the reconsideration of the vote by which the so-called McCarthy amendment was agreed to on Thursday last.

Mr. TAFT. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the McCarthy amendment was agreed to on Thursday last be reconsidered. Very few Members of the Senate were present when the amendment was adopted. I had no notice of it. I know that the Senator from Alabama [Mr. SPARKMAN] had no notice of it. To my knowledge it was not presented in the committee, and there was no discussion of it. It seems to me that the amendment is very important, and that it ought to be reconsidered, regardless of the ultimate decision.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] that the vote by which the so-called McCarthy amendment was agreed to on Thursday last be reconsidered.

Mr. TAFT. Mr. President, with the understanding that the amendment itself is not being considered at the present moment, but only the motion to reconsider the vote by which it was agreed to, I have no objection to the motion to reconsider.

Mr. FULBRIGHT. That is what I wanted, because the amendment was really not given consideration last Thursday.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas that the vote by which the amendment of the Senator from Wisconsin [Mr. McCARTHY] was agreed to be reconsidered.

The motion was agreed to.

The PRESIDENT pro tempore. The amendment is before the Senate.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FULBRIGHT. Is there any other amendment pending?

The PRESIDENT pro tempore. No other amendment is pending. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY], which will be stated.

The CHIEF CLERK. On page 7, line 8, it is proposed to strike out the quotation marks; on page 7, between lines 8 and 9, it is proposed to insert the following:

(f) The Housing Expediter is authorized and directed to decontrol defense-rental areas at such rate following the effective date of the Rent Control Act of 1947 that at the end of any month following such effective date the number of such areas decontrolled shall equal or exceed 5 percent of the number of such areas under control on such effective date multiplied by the number of months which have elapsed since such effective date.

Mr. FULBRIGHT. Mr. President, in the meantime I have considered this amendment, and I hope other Senators have noticed it. It is a simple amendment——

Mr. TAYLOR. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? Inasmuch as we are reconsidering the amendment, I think Senators should be present.

The PRESIDENT pro tempore. Does the Senator from Arkansas yield for that purpose?

Mr. FULBRIGHT. I yield for that purpose.

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

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

Aiken	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Brewster	Holland	Pepper
Bricker	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Tydings
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Flanders	Magnuson	Watkins
Fulbright	Malone	Wherry
George	Maybank	White
Green	Millikin	Wiley
Hatch	Moore	Wilson
Hawkes	Murray	Young
Hayden	Myers	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from Missouri [Mr. DONNELL], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. REED] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. McCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Michigan [Mr. FERGUSON] are absent on official business.

The Senator from Delaware [Mr. WILLIAMS] and the Senator from South Dakota [Mr. GURNEY] are unavoidably detained.

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from North Carolina [Mr. HOEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. FULBRIGHT. Mr. President, for the benefit of Senators who were not present earlier, let me say that this amendment was offered and adopted without any debate whatever. The sponsor of the amendment, the Senator from Wisconsin [Mr. McCARTHY], merely stated, on page 6045 of the RECORD, what the amendment means. It means that the Housing Expediter will be required to decontrol at least 5 percent of the areas under control each month. I personally

hope and believe that there will be rapid decontrol under the provisions of the bill as it came from the committee. This amendment is somewhat like the amendment offered last Thursday by the Senator from New Jersey [Mr. HAWKES], which was adopted. I think it imposes an unnecessary restriction upon the action of the boards which the bill proposes to create and to which authority to act is delegated. As I stated on Thursday, I think that if we follow the theory of the bill to give authority to local boards to consider each area on its merits, with particular attention paid to local conditions rather than to national conditions, which we have to consider when we legislate in Washington on a national scale, we should not then lay down specific directions which constitute, I think, an unwarranted interference with the administrative function.

I simply see no justification at all for this amendment. I think it destroys the main thought of the bill. It will make it much more difficult to obtain competent men who must have some discretion. We shall be unable to find anyone to act on the board. The one great difficulty foreseen in setting up the system was the obtaining of men from the responsible citizenship of each community to act on the boards. I think that is probably the greatest difficulty in connection with it, although I have confidence that if it is properly handled and the governors respond as I believe they will, we can obtain good men to serve on the boards. I think this type of amendment simply lessens the chances of accomplishing that objective, and I think the amendment ought not to be adopted.

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

Mr. FULBRIGHT. I yield.

Mr. BUCK. I understand that the Expediter is not in favor of this amendment. In that case I should be very willing to join the Senator in eliminating the amendment.

Mr. FULBRIGHT. I appreciate the Senator's statement.

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

Mr. FULBRIGHT. I yield to the Senator from New Hampshire.

Mr. TOBEY. I merely wish to say, with reference to the remarks of the distinguished Senator from Arkansas, that I share his feeling in the premises. I am glad to have the report of the Senator from Delaware that the Expediter himself does not approve of the amendment. What we have done has been to provide for local boards and then proceed to nullify the powers given to the boards. So I share the Senator's feeling in the matter.

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

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. I should like to say to the Senator from Arkansas that I have just received a communication from the Governor of Massachusetts, who is very much opposed to this amendment. He points out the fact that there are six defense areas in Massachusetts. Assume that three of them are easy to decontrol and are decontrolled under the 5 percent clause; then there are three remaining ones. As a result the State will be required to provide control, and when it does so it will be very difficult to administer because the Federal Government has decontrolled. The Governor of Massachusetts hopes very much, and I share in his hope, that the amendment will be rejected.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from Wisconsin [Mr. MCCARTHY].

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, I should like to have stated the amendment which I sent to the desk on Thursday.

The PRESIDENT pro tempore. The clerk will state the amendment offered by the Senator from Florida.

The CHIEF CLERK. After the end of section 9 it is proposed to insert a new section as follows:

MAINTENANCE OF ACTIONS FOR CERTAIN ALLEGED PAST VIOLATIONS

No action or proceeding, involving any alleged violation of Maximum Price Regulation No. 188, issued under the Emergency Price Control Act of 1942, as amended, shall be maintained in any court, or judgment thereon executed or otherwise proceeded on, if a court of competent jurisdiction has found, or by opinion has declared, that the person alleged to have committed such violation acted in good faith and that application to such person of the actual delivery provisions of such regulation would result or has resulted in extreme hardship.

Mr. HOLLAND. Mr. President, if I correctly understood the announcement of the distinguished Senator from Delaware, who has been handling the measure on the floor, he intends, as soon as he has perfected the Senate bill, to move that it be substituted for title II of the House bill. In title II of the House bill, appearing as section 207 thereof, is the precise section, in exactly the same words, covered by the amendment which I have offered. The reason I should like to have my amendment adopted now is so that it will become a part of the Senate bill when the motion of the Senator from Delaware is made. I understand that the Senator has no objection to the adoption of this amendment.

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from Florida.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 8, line 22, it is proposed to strike out "January 31, 1947," and substitute "October 31, 1946."

Mr. MAYBANK. Mr. President, the purpose of the amendment is to bring about more effective regulation. I understand that the Senator from Delaware has no objection to the amendment.

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from South Carolina. [Putting the question.]

Mr. TAYLOR. Mr. President, I was on my feet before the vote was asked for.

The PRESIDENT pro tempore. The result of the vote has not been announced. The Senator from Idaho is recognized.

Mr. TAYLOR. I should like a little further explanation of the amendment.

Mr. MAYBANK. In a good many communities rent control was established in December, January, and February of last year. Those communities had previously no rent control. I can see no reason for establishing rent control in communities where there was no great influx of war workers, or other conditions making rent control necessary.

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

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. I do not understand the purpose of the amendment. Will the Senator state again what the amendment would accomplish?

Mr. MAYBANK. The amendment would eliminate rent control in communities which were put under rent control in November or December of 1946, a year after the war was over and after the President had declared hostilities at an end.

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

Mr. MAYBANK. I yield.

Mr. TAFT. It seems to me that the amendment has nothing to do with rent control.

Mr. MAYBANK. It has to do with rent ceilings.

Mr. TAFT. The bill provides that no maximum rent shall be established for any housing accommodations which at no time during the period from February 1, 1945, to January 31, 1947, were rented as housing accommodations. That has nothing to do with whether rent control was in force.

Mr. MAYBANK. But certain regulations were put into effect in December of last year.

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

Mr. MAYBANK. I yield to the Senator from Delaware.

Mr. BUCK. The amendment does have the effect of reducing the term by 3 months. If what the Senator is endeavoring to do—and I think I know what he is trying to do—can be done in that way, I have no objection. There have been some areas put back under control.

Mr. MAYBANK. There were some areas put back under control last November, for no reason whatsoever, except that there was a desire to move personnel, and so forth.

Mr. BUCK. By putting the date back to October, that will remove them from rent control.

Mr. MAYBANK. It will remove from rent control only the areas which were placed under rent control after October 31, namely, those which were placed

under rent control in November and December of last year.

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

Mr. MAYBANK. I yield.

Mr. McMAHON. Is it not quite possible that there may have been a factual finding that the physical conditions had changed to such an extent as to warrant the imposition of rent control?

Mr. MAYBANK. I would not state to the Senator that there might not have been such a factual finding, but in the cases of which I know there was none.

Mr. McMAHON Certainly the Senator from South Carolina will admit that there are areas which have become even more crowded in the last 4 or 5 months; is that not so?

Mr. MAYBANK. I would not question that there may be some such areas.

Mr. McMAHON. I myself could not make such a finding of fact, but in view of the distinct possibility that there may be cases in which such a finding of fact could be made, I am afraid that it would be a mistake to adopt the amendment.

Mr. MAYBANK. I am advised by the legislative counsel that the amendment would only decontrol places which were put under rent control in November and December of last year.

Let me say that I have conferred with the Senator from Delaware [Mr. BUCK] about this matter.

Mr. BUCK. Yes; and it is the opinion of the Senator from South Carolina—and I concur in that opinion—that at this time there are no new areas which have to be placed under rent control.

Mr. MAYBANK. That is correct.

Mr. FULBRIGHT. Mr. President, if the Senator will yield to me, let me ask whether he can advise us whether the case he has in mind is that of a university town which was put under rent control in November or December of last year?

Mr. MAYBANK. Several places in the United States of America were put under rent control at that time. They were tourist resorts. I understand that hotels are not subject to control because of an amendment which has been adopted.

Mr. FULBRIGHT. I know that my home town in Arkansas is an example of a town which was late in being placed under rent control. It did not go under rent control until 1945, as I recall, which was quite late. During the war, the number of law students at the university decreased from 2,500 to approximately 1,200 or 1,500. There was plenty of room at that time. But now that the war is over, the enrollment is up to 5,200, and as a result the housing situation there is much the worst in the entire State.

Mr. MAYBANK. But it was not placed under rent control in November 1946.

Mr. FULBRIGHT. No; it was not quite that late. But we have had evidence of a critical housing situation in nearly every university town in the country, and that situation has developed only lately.

Mr. MAYBANK. I agree that housing conditions in university towns have become critical only recently.

Mr. FULBRIGHT. But the trouble with the Senator's amendment is that it was not presented to the committee, was not considered by the committee; and I am not at all sure about the effects of the amendment in some of the cases we have just been discussing. Furthermore, the local communities in which rent control has been imposed can now decontrol; and in order to take care of some special cases, I do not think the Senator should complicate this bill with any such provision as the amendment which he has offered. If the people of those communities do not want rent control, they can decontrol immediately within 30 days after the passage of this bill.

I cannot understand why whoever is concerned should be suspicious that this bill will not be properly administered. I understand, of course, that in the case of the OPA, about whom everyone complains, charges were made that rent control was applied arbitrarily, in order to keep jobs; but that organization is now out of the picture.

Mr. MAYBANK. I understand that. I am fearful of the administration, as the Senator has suggested.

Mr. FULBRIGHT. The Senator from South Carolina is not fearful of the actions in justice of the citizens of his own communities in South Carolina; is he?

Mr. MAYBANK. No; certainly not.

Mr. FULBRIGHT. Well, they are the ones who will make the decision whether certain areas should be decontrolled. Besides, certain categories of housing, such as hotels, tourist courts, and so forth, are not covered.

Mr. MAYBANK. That is correct.

Mr. FULBRIGHT. I hope the amendment will not be adopted and added to the bill. It will simply be a complication, similar to the others which have been proposed. It will again provide for remote control in a restricted number of cases.

Mr. MAYBANK. I do not know how restricted they are. I will say that the OPA and those administering the Housing Act last November and December went about looking for additional places to put under control, because they were forced to decontrol in other places.

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

Mr. MAYBANK. I yield.

Mr. SPARKMAN. If I correctly understand the amendment which the Senator from South Carolina has offered, and which, if I am not mistaken, would change the date in line 22, on page 8, from January 31, 1947, to October 31, 1946——

Mr. MAYBANK. That is correct.

Mr. SPARKMAN. If my understanding of the amendment is correct, I cannot see how it can possibly have the effect of accomplishing what the Senator from South Carolina wishes to have accomplished by it.

Mr. MAYBANK. I can only say that I conferred with the Legislative Counsel who drafted the amendment at my request.

Mr. SPARKMAN. But in that section it is provided that—

> No maximum rents shall be established or maintained under this act for any housing accommodations—

Or certain descriptions, and one of them is—

> which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented as housing accommodations.

If we now move the date back to October 31, 1946, we simply mean that that restriction stands on that property up to October 31, 1946, but that if at any time after that time it was rented as housing accommodations, then it is subject to maximum rents.

So I do not believe the amendment will do what the Senator from South Carolina has argued that it will do. I believe the effect of the amendment will be just the opposite. I do not believe it will have the effect of taking from under rent control the defense rental areas that were put under rent control subsequent to October 31, 1946, because certainly the amendment would not be applicable to housing units which were rented subsequent to October 31, 1946. The amendment would simply shorten the time, rather than lengthen it, as I see it.

Mr. MAYBANK. It would shorten the date, I may say, of the effect and administration of the previous laws. That is the way I interpret the amendment, and it was double checked by counsel for the Banking and Currency Committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK].

The amendment was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment. If there are no further amendments to be proposed——

Mr. BUCK. Mr. President, I move that the Senate proceed to the consideration of House bill 3203, calendar No. 152.

The PRESIDENT pro tempore. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Delaware.

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

Mr. BUCK. I move that the text of Senate bill 1017 as amended be substituted for title II of House bill 3203.

Mr. FLANDERS. Mr. President, the motion, if agreed to, would put title I of the House bill into effect. Title I deals with another subject entirely. It is, in effect, another bill, a bill on which we have not had committee hearings, and to which we have not given consideration. Therefore, I shall vote against the motion.

Mr. BUCK. Mr. President, let me say that it is proposed that the Senate shall consider title I at the proper time. With that title in the bill I do not see how the conferees on the part of the Senate could go into conference about it unless they had instructions from the Senate regarding it.

Mr. TAYLOR. Mr. President, I agree with the Senator from Vermont that the first title of the bill passed by the House of Representatives is absolutely extraneous to rent control and has nothing to do with it. In fact, it removes all the

remaining controls that apply to building materials, as I understand the matter, although, as the Senator has said, no hearings have been held on it by the Senate.

In this connection I should like to call the attention of the Senate to a letter which I received—and which, I assume, other Senators received—from the Office of the Housing Expediter, Mr. Frank Creedon. He tells us that they are doing very well with veterans' housing, and that he expects to continue to do very well, provided the present minimum of controls is retained over building materials under the allocations which now exist. I believe I am correct when I say that this title of the House bill simply would repeal those controls, and would do the very thing that Mr. Creedon urges us not to do. I believe we have made a mistake when, in the past, we have decontrolled housing and have removed various building material allocations, and so forth.

So I hope the Senate will not take the last, fatal step, throw the whole thing wide open, bring about price increases, and break down what is left of our housing program.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Delaware.

Mr. FULBRIGHT. Mr. President, I should like to make an inquiry. Does the Senator from Delaware intend to leave title I in; or what is the explanation?

Mr. BUCK. The motion is to substitute the perfected Senate bill for title II of the House bill.

Mr. FULBRIGHT. We would be in the position then of having approved title I.

Mr. BUCK. Not necessarily. I hope we will later.

Mr. KNOWLAND. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. I wish to address a question to the Senator from Delaware on the parliamentary situation. Will the action we are now taking have the effect, so far as the Senate is concerned, of doing away with the controls over commercial type buildings?

Mr. BUCK. Not yet. If we adopt title I, that will be the effect. If we amend title I according to the suggestion of the Senator, such controls will be included.

The PRESIDENT pro tempore. The Chair will state that sole effect of the pending motion is to substitute the text of the Senate bill for title II of the House bill.

Mr. FULBRIGHT. Does the Senator from Delaware object to substituting the Senate bill for titles I and II of the House bill? Then they would go to conference.

Mr. BUCK. I prefer to do it the other way.

Mr. FULBRIGHT. I cannot approve leaving title I in the bill. I received a copy of the letter which has been read, and everything I have received has indicated that the Housing Administration opposes the removal of what little restrictions there are.

Mr. BUCK. The Senator from Delaware will propose, if the amendment carries, to amend title I to continue the Expediter as the administrator.

Mr. FULBRIGHT. I cannot understand why the Senator wants to approve it now. That is the only thing that bothers me.

The PRESIDENT pro tempore. The motion of the Senator from Delaware would not have the effect of approving title I. Title I would still be open to amendment. The sole effect of the pending motion is to substitute the Senate text for title II of the House bill. The question is on agreeing to the motion of the Senator from Delaware.

The motion was agreed to.

Mr. BUCK. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDENT pro tempore. The Senator from Delaware proposes the following amendment to title I, which the clerk will state.

The LEGISLATIVE CLERK. On page 1, line 4, it is proposed to strike out "Sections 1 through 9," and insert in lieu thereof "Sections 1, 2 (b) through 9."

On page 2, line 6, beginning with the word "head," to strike out all down to and including the word "act" in line 8 and insert in lieu thereof "Housing Expediter."

On page 2, beginning with line 21, to strike out all down to and including line 23 and insert in lieu thereof the following:

(3) As used in this subsection, the term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

On page 9, line 16, to strike out the period and insert a semicolon and the word "and."

On page 10, beginning with line 7, to strike out all down to and including line 14 and insert:

(c) For purposes of this section (1) the Housing Expediter shall prescribe by regulations the time as of which construction of housing accommodations shall be deemed to be completed, (2) the term "person" shall have the meaning assigned to such term in section 1 (b) (3) of this act, and (3) the term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

The PRESIDENT pro tempore. All the amendments will be considered en bloc, if the Chair is correct in understanding that they relate to the same subject.

Mr. BUCK. That is correct.

The PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

Mr. BUCK obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I did not catch the full import of the Senator's amendment. Does the Senator propose now to strike out section (b) on page 2 of the House text?

Mr. BUCK. If the Senator will permit, I will explain it. The amendment reinstates the Expediter, and makes certain changes in other paragraphs in order to conform title I with title II.

Mr. McCLELLAN. I have no objection to doing that, but I want to determine whether it strikes out subsection (b) on page 2, because I want to offer an amendment to that subsection.

Mr. BUCK. No; it does not. It restores the Expediter, and so on.

Mr. McCLELLAN. But it does not impair subsection (b)?

Mr. BUCK. It does not.

Mr. McCLELLAN. I shall want to offer an amendment to that subsection.

Mr. SPARKMAN. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield.

Mr. SPARKMAN. May I ask if the effect of the amendment the Senator has offered, or the series of amendments, would be to take the same action the House took with reference to the removal of all building controls?

Mr. BUCK. That is correct, with the exception that the Expediter would retain the power to place restrictions on materials going into amusement or recreational buildings.

Mr. SPARKMAN. As I understand, the amendment offered by the Senator merely reinstates the Housing Expediter, but takes away all the powers he has to control the allocation of building materials. In other words, it takes from him all the powers he has with reference to veterans' housing or housing in general.

Mr. BUCK. The Senator is correct, except that he would still retain the power to issue restraining orders concerning materials that go into places of amusement or recreation. All other controls would be lifted.

Mr. TAYLOR. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield.

Mr. TAYLOR. Then the Housing Expediter would be an expediter in name only. He would really be director of rent control, without any authority over it in reality. That is exactly what the amendment would do, so far as I can see. It would take away the power of the Expediter. He would be rent director, and his action would be subject to the local committees.

Mr. BUCK. May I ask the Senator from Idaho what controls he has in mind which he thinks should be retained?

Mr. TAYLOR. As I understand, the Expediter has certain controls over allocation of building materials, I judge from the letter he wrote us today.

Mr. BUCK. He has control over the allocation of building materials for commercial buildings, and that is largely the only type of buildings over which he would have control under the proposed act.

Mr. KNOWLAND. Mr. President, will the Senator from Delaware yield?

Mr. BUCK. I yield.

Mr. KNOWLAND. In order to give the Administrator the controls he now has, as I understand the explanation made by the Senator from Delaware, he would

add to subsection (b), relating to the powers of the Administrator, the words "for amusement, recreation, or commercial purposes."

Mr. BUCK. If the Senator cares to include the word "commercial." Does the Senator desire to offer that as an amendment?

Mr. KNOWLAND. I wish to offer an amendment at this time so that the language will read, "facilities to be used for amusement, recreational, or commercial purposes."

Mr. BUCK. I have no objection.

The PRESIDENT pro tempore. Is that an amendment to the amendment?

Mr. BUCK. No; it is an amendment to title I.

Mr. KNOWLAND. It is an amendment to title I.

The PRESIDENT pro tempore. It is not yet in order. The pending question is on the amendments submitted by the Senator from Delaware, to be voted on en bloc.

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

Mr. BUCK. I yield.

Mr. FLANDERS. I have in my hand a list of the powers of which the Expediter would be deprived if title I were accepted, on the theory that the Expediter is to be continued in his office. I read:

2. Limitation of new individual homes to floor area of 2,000 square feet.

3. Requirement of year-round occupancy for new housing.

4. VHP–1, requiring permits for commercial construction (H. R. 3203, sec. 1 (b) (1), requires such permits only for amusement or recreational purposes).

That is taken care of by the amendment proposed by the Senator from California.

5. Allocation of scarce commodities, such as pig iron for cast iron soil pipe, and shop grade lumber for mill work.

6. Guaranteed market program to stimulate prefabricated houses and new-type materials, including 24 contracts now in effect.

7. Premium payments on pig iron and cast iron soil pipe at least through June 30, under existing contracts.

8. Priority assistance to producers of building materials in obtaining replacement equipment and bottleneck production materials.

9. Enforcement of allocations and priorities previously made or granted, to insure the use of such scarce materials for the purposes intended, and agreed to (H. R. 3203, sec. 1 (a), retains such allocations and priorities for purposes of delivery of the materials, but omits protection against misuse by the consignee).

10. Sales prices on houses built under HH priority prior to December 24, 1946.

11. Rent ceilings on new construction (H. R. 3203, sec. 202 (c) (3), merely continues rental contracts already made by veterans for accommodations the construction of which was assisted by HH priorities).

12. Veterans' preference on housing built for rent (30 days) or sale (60 days) and completed prior to enactment of H. R. 3203 (sec. 5 of that bill authorizes 30-day preference on rental or sales housing construction of which is completed after the effective date of the bill and prior to March 31, 1948.

I thought, Mr. President, it might be useful to read over the list of controls that would be dropped, in connection with a consideration of title I of the House bill.

The PRESIDENT pro tempore. The question is on agreeing to the block of amendments submitted by the Senator from Delaware.

Mr. SPARKMAN. Mr. President, before the amendments are submitted to a vote, I think we should consider very carefully what we are about to do. First of all, title I of the House bill is in no sense a rent-control measure. When the House considered the bill, they passed it in three titles. The second title is the one that dealt with rent control. The House then went completely afield and incorporated title I, which removed all building controls. That is the measure we now have under consideration, and the measure we are about to accept in a slightly amended form.

I believe the Senator from Idaho [Mr. TAYLOR] read a letter which had come from the Housing Expediter, who appeared before our committee and who certainly had the complete respect of the committee. In that letter, if I interpret it correctly, he states that it virtually takes away from him any control that he might exercise over new housing.

It is true that under the amendments, as I understand, the Expediter would have the right to exercise certain control over housing for recreation purposes and for other similar purposes. There are a great many other controls in connection with housing that certainly we should not, without giving the matter very careful consideration, merely discard, by accepting title I of the House bill. There is a limitation upon floor space; but I am not certain what it is. It was 1,500 square feet. I believe it has been increased to about 2,200 square feet. I am not sure, but I believe that is correct. That limitation would be removed by the bill, if I understand it correctly, and houses could be built without limitation as to floor space. There is a limitation as to the amount of space that can be given over to bathroom purposes, as to plumbing fixtures that can be used, and as to all those things that are still in the category of scarce items. If I understand correctly the full purpose of the amendment we now have under consideration, all such controls would be eliminated.

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

Mr. SPARKMAN. I yield.

Mr. TAYLOR. I think the Senator is exactly correct. The Senator said that he thought I had read the letter. I did not; I merely referred to it; but I should like to read one paragraph. Mr. Creedon says:

If the few remaining controls are prematurely removed, as provided in H. R. 3203 now before the Senate, I am certain that a serious curtailment of housing construction will result, just as the premature lifting of wartime construction controls in the fall of 1945 was a severe blow to housing construction.

I ask unanimous consent to have the entire letter printed in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

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

OFFICE OF THE HOUSING EXPEDITER,
Washington, D. C., May 31, 1947.

Hon. GLEN H. TAYLOR,
United States Senate,
Washington, D. C.

DEAR SENATOR TAYLOR: Because of the national importance of housing I know that you will be interested in the present status of the veterans' housing program.

Thus far I have consistently refrained from making predictions regarding the number of housing units that would be provided during the year 1947, because I have not had sufficient data to make a firm prediction.

However, 5 months of 1947 have now passed. Based on the accomplishments during those 5 months and present construction trends, I believe that I can now estimate with reasonable certainty that, if the remaining controls (i. e., limitations on nonessential construction and allocations to producers of scarce building materials) continue for a few more months, over 1,000,000 additional dwelling units will be provided this year.

One million dwelling units are more homes and apartments than have been completed in any previous year in our history, and are 340,000 more dwelling units than were completed last year. Considering only new permanent dwelling units, the 750,000 new homes and apartments which will be completed this year surpass 1946 completions by 300,000. However, it is not necessary to present extensive facts and figures to show that an acute housing shortage continues to exist.

If the few remaining controls are prematurely removed, as provided in H. R. 3203 now before the Senate, I am certain that a serious curtailment of housing construction will result, just as the premature lifting of wartime construction controls in the fall of 1945 was a severe blow to housing construction.

My very real concern for the future of housing impels me to write this letter to you.

Sincerely yours,

FRANK R. CREEDON,
Housing Expediter.

Mr. BUCK. Mr. President, I should like to ask the Senator from Idaho if he does not think that the amendment suggested by the Senator from California will fairly well take care of the controls which the Expediter would like to have, in addition to the controls already in the bill?

Mr. TAYLOR. I can see no reason for the Senate approving title I of the House bill.

Mr. BUCK. Is it possible that title I could be perfected so that it would meet with the approval of the Senator from Idaho?

Mr. TAYLOR. If we do not accept it, I should think we could go to conference and tell the House that we do not like it. We might have to take a minimum, certainly; but if we start amending here, with no hearings or anything else, we shall be proceeding in the dark.

Mr. BUCK. If the Senator believes that the Senate bill, as we perfected it, is what he would like to have become law, I do not see how we can go to conference without either title I or title II of their bill, and retain what we have in the Senate bill as perfected.

Mr. TAYLOR. We probably could not retain all that is in the Senate bill, anyway, so long as theirs is different; but I see no reason why we should approve theirs.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KNOWLAND. Mr. President, at this point, with reference to the amendment which I proposed, and which, as I understood, the Senator from Delaware is willing to accept, when will that amendment be in order?

The PRESIDENT pro tempore. The Chair would think it would be in order just as soon as the pending amendment is out of the way.

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

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Delaware, if the amendment of the Senator from California is adopted, will it in his opinion stimulate the buildng of private houses for veterans and ameliorate the housing shortage? In other words, the purpose of the amendment of the Senator from California is to restrict commericial, recreation, and amusement building, with an idea of stimulating the building of houses. Is that correct?

Mr. BUCK. I will say to the Senator, I think it will be left to the discretion of the Expediter. The controls we are talking about, which are in the Emergency Housing Act, have certainly produced houses, so that the idea of leaving some of them might be a good thing, and if the authority is still retained in the hands of the Expediter, I should think that would answer the purpose very satisfactorily.

Mr. SPARKMAN. Mr. President, it seems to me the proper way to take the bill to conference would be to strike out all in the House bill after the enacting clause, and insert the language of the Senate bill, as perfected. If that is done, title I, title II, and title III of the House bill will go to conference, as I see it. If on the other hand we take Title I and amend it in the way proposed by the Senator from Delaware, then the only thing that will be left for consideration in conference, so far as title I is concerned, will be the difference between the Senate and the House with respect to title I. In other words, we are going to agree, by such amendment, to the removal of controls on housing, certainly to the extent that we accept it by our amendments. It is a matter which was not taken up in committee, and it was not considered, I am almost certain, by the subcommittee. I was not a member of the subcommittee. I served on it for a short time, but as I understand, the provision was not studied by the subcommittee. The full committee did not study it, and the proposal is submitted to us on the floor of the Senate in the face of the letter from the Expediter, telling how badly it will curtail and cripple the housing program, which is already so confused that all over the country people are crying for housing. I think it a very dangerous step for us to take. I think we ought to be frank about it. If we are willing simply to remove controls, and say to the veterans and others who are in need of housing, "Go out and do your best; go out into open competition with all the other people who want to put up buildings of every kind and type"—if we want to do that, then let us agree to title I; but if we want to give to people of ordinary means a reasonable opportunity to build homes of their own in the highly competitive housing field, then I think we had better watch our step with reference to the proposed amendments.

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

Mr. SPARKMAN. I yield.

Mr. BUCK. In my judgment, it ought to be possible to amend the title so that it will be satisfactory to the Senator from Alabama and other Senators. If the Senate should strike out the title altogether it would leave the conferees without any knowledge of whether the Senate has considered parts of the title or any part of it. Then we would have nothing whatever in title I of the House bill which we could take to conference.

Mr. SPARKMAN. My view is that we have no business dealing with this subject in connection with rent control. It is not a part of rent control. It never has been, and certainly should not be included in the bill. The only way we can amend title I to my satisfaction is to eliminate it from the bill, so that the bill will go to conference with the House with the definite understanding that the Senate does not want to remove housing controls at this time.

Mr. BUCK. Mr. President, will the Senator yield again?

Mr. SPARKMAN. I yield.

Mr. BUCK. The Senator will agree, will he not, that the House has as much to say about the passage of the bill as the Senate has?

Mr. SPARKMAN. That is correct, and the House had a perfect right to place the title in the bill if it wanted to, but that does not mean that the Senate need accept it. The subject may have been considered in the House committee, I do not know; I am not aware of what the scope of the House committee hearings was. But I know that the Senate committee had no hearings on this subject, and the committee did not consider at all the removal of housing controls. I do not believe that on the floor of the Senate we should have this kind of a proposal put to us and be called upon to say that all controls we have heretofore given to the Expediter in trying to secure houses for those without housing shall be removed simply by accepting title I of the House bill.

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

Mr. SPARKMAN. I yield.

Mr. McCLELLAN. I think I can appreciate the position the able chairman of the committee has taken. He feels that if we ignore title I altogether, leave it out of the Senate bill and go back to the House without any expression concerning it on the part of the Senate, or if the Senate should completely reject the title, it will be more difficult for the conferees to work out something acceptable to both Houses, and unless a bill in some form is passed. rent control will expire. What the chairman of the committee proposes, as I understand, is to incorporate title I in the bill, and then let the Senate amend it to its satisfaction.

Mr. BUCK. That is correct.

Mr. McCLELLAN. And go to conference with a concrete affirmative expression of the views of this body, and then undertake to work out a bill which can be enacted into law. I shall favor the amendment to be proposed by the able Senator from California and then I shall propose a further amendment to the section to clarify it with respect to one type of buildings which I think ought to be excluded from it.

Mr. SPARKMAN. I agree with the Senator from Arkansas with reference to taking up this title and considering it, but it seems to me that the only way we ought to consider it is simply to strike it out. In that way we can serve notice upon the House that we do not like it and we do not want it. It seems to me that if we simply accept the amendment which has been offered by the Senator from Delaware, we are certainly taking the opposite view, and we are saying that we accept the title passed by the House, with minor amendments to it. It seems to me that is quite a dangerous step for us to be taking in connection with rent control.

Mr. KNOWLAND. Mr. President, I wish to say that I agree generally with what my colleague, the junior Senator from Alabama, has said. We certainly still have in this country a tremendous shortage of housing for veterans, and perhaps there is no State in the Union which has a more critical shortage than my own State of California. I believe that unless we amend the bill as I have suggested, or amend it in substantially that way, the private individual, the veteran, who wants to build a home, the individual who wants to build a home, or multiple dwelling units for rent, will be up against a competitive situation in which industrial and commercial firms will not be able to supply him with the limited amount of building materials necessary. Unless the bill is amended I feel that the whole veterans' program, so far as home building is concerned, will be adversely affected. So for that reason I suggested the amendment adding the words "or commercial," but I believe that in addition to that we should add the words "other than housing." Otherwise the interpretation of "commercial" might be applied against multiple dwelling rental units.

Of course, one thing we should encourage is the construction of multiple dwelling units for rent, because a great many veterans at present high prices are not in a position to buy a home, but they are in great need of housing, and if temporarily they can find a place to rent, then as prices ultimately come down from their present high levels they will then be in a position to buy. So I shall at the proper time suggest the incorporation of the words "or commercial other than housing."

Mr. BUCK. I will say to the Senator from California that I have no objection to the addition of the proposed language.

Mr. TAYLOR. Mr. President, I may say that the Senator from California is

addressing himself to subsection (b) on page 2 of the House bill. If we do not adopt the House bill, the amendment suggested by the Senator from California is not necessary because the Housing Expediter has the power of which the Senator from California is speaking.

The PRESIDENT pro tempore. The question is on the amendments en bloc offered by the Senator from Delaware [Mr. BUCK]. [Putting the question.] The Chair is in doubt.

On a division, the amendments were agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I offer an amendment on page 2, line 12 of the House bill, to strike out the word "or", and insert a comma, so the language will be "amusement, recreational," and then add the words "or commercial other than housing", so the entire language will be "amusement, recreational, or commercial other than housing purposes."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I call up the amendment which I have at the desk.

The PRESIDENT pro tempore. The Senator from Arkansas offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 2, line 3, before the period it is proposed to insert a comma and the following, "other than a building or facilities constructed for use in connection with a State or county fair or an agricultural, livestock, or industrial exposition or exhibition, the net proceeds from which are used exclusively for improvement, maintenance, and operation of such exposition or exhibition."

Mr. McCLELLAN. Mr. President, I modify the amendment by inserting the word "and" preceding the word "other" in the first line of the amendment. I do that in view of the amendment offered by the Senator from California [Mr. KNOWLAND], which has just been agreed to.

The PRESIDENT pro tempore. The Senator from Arkansas has modified his amendment.

Mr. BUCK. Mr. President, does not the Senator think, if the Expediter is given the authority to decide on the type of construction which, in his judgment, he could except, that he would except such buildings as the Senator has reference to?

Mr. McCLELLAN. I should hope he would, Mr. President, but I know, and the able Senator from Delaware knows, that this class of construction does not come within the category of amusement or of recreation, but primarily such construction is for educational purposes. It does not involve a great deal.

Mr. BUCK. It would be limited in its effect, would it not?

Mr. McCLELLAN. It would be quite limited, but it would help to promote things which are essential to progress.

I trust the amendment will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN].

The amendment was agreed to.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. Beginning on page 9, line 17, it is proposed to strike out all down to and including line 2 on page 10, and insert in lieu thereof the following:

(5) The Housing Expediter shall prescribe by regulations: (i) the manner in which such housing accommodations shall be publicly offered in good faith for sale or rental to veterans of World War II in accordance with the provisions of this section, and (ii) exceptions to this section for hardship cases: *Provided*, That nothing contained in this act shall affect or remove any veteran's preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of the enactment of this title.

Mr. CAIN. Mr. President, I should like to make a brief statement covering the intention of this amendment.

Public Law 388, Seventy-ninth Congress—the Patman Act—under which the present veterans' housing program is being carried out, establishes a veterans' preference period and contains the following hardship provision:

Provided, That the Expediter by appropriate regulation may allow for hardship cases.

The Housing Expediter has found it necessary and advisable during the past 6 months to establish a procedure by which new construction can be relieved of the holding period in instances in which the first housing completed in a project has not been purchased by a veteran and in such cases the remainder of the houses in the project need be held for a veteran's purchase only during the period of construction.

The Housing Expediter has administered this privilege wisely, and as a result the construction of new housing has not been discouraged, since it can be sold to nonveterans after being held until the date of completion.

Title I of House bill 3203 has no such hardship provision. The primary provisions of section 5 were offered on the floor and approved after limited debate. The National Housing Administrator and the Housing Expediter have both stated that a hardship provision to make proper allowances for instances in which veterans are not purchasing newly constructed homes is essential if the industry is to be encouraged to produce its maximum volume.

The home-building industry has willingly accepted the requirement of veterans' preference and proposes to continue building homes for veterans, but insists that a provision similar to that now in the Patman Act be included in this legislation. Otherwise the 30-day holding period on every conventional and prefabricated house built will work great hardship on the builders and substantially reduce the volume of houses which would otherwise be constructed.

Subsections 3 and 4 set up an ambiguous procedure with no clear method by which a builder can reduce prices. They could be interpreted to prevent reductions or require a succession of 30-day holding periods for each reduced price.

Mr. President, I hope the amendment will be agreed to.

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

Mr. CAIN. I yield.

Mr. BUCK. As I understand the Senator's amendment, it offers what is to be found now in section 4 (b) of the Veterans' Emergency Housing Act of 1946.

Mr. CAIN. That is my understanding.

Mr. BUCK. In that subsection the following language is found:

The Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families: *Provided*, That the Expediter by appropriate regulation may allow for hardship cases.

Mr. CAIN. I am merely asking that that provision be placed in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

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

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

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

Aiken	Hickenlooper	O'Conor
Ball	Hill	O'Daniel
Brewster	Holland	Pepper
Bricker	Ives	Revercomb
Brooks	Jenner	Robertson, Va.
Buck	Johnson, Colo.	Robertson, Wyo.
Bushfield	Johnston, S. C.	Saltonstall
Byrd	Kem	Smith
Cain	Kilgore	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McGrath	Tydings
Ecton	McKellar	Umstead
Ellender	McMahon	Vandenberg
Flanders	Magnuson	Watkins
Fulbright	Malone	Wherry
George	Maybank	White
Green	Millikin	Wiley
Hatch	Moore	Wilson
Hawkes	Murray	Young
Hayden	Myers	

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Washington [Mr. CAIN].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 2, line 5, after the word "effect", it is proposed to insert a colon and the following: "*Provided further*, That the sum of $25,000,000 shall be used to the extent that other funds are unavailable for the construction and maintenance of access

roads to standing timber on lands owned by or under the jurisdiction of an agency of Government, such sum to be inclusive of the sum of $15,000,000 made available for the same purpose by subsection (c) of section 11 of said act, and to be provided in the same manner as the sum made available by such subsection."

Mr. CORDON. Mr. President, the amendment which has just been read is considered necessary because title I provides for the return to the Treasury of funds which were made available by the Veterans' Emergency Housing Act for housing purposes, including the building of access roads into Government-owned timber. The bill providing for an additional $10,000,000 for use in building such roads, which was introduced by my colleague from Oregon and myself, passed the Senate on the 6th of May. It is now held in committee in the House and will not be reported, because House bill 3203 provides for final disposition of the funds from which the $10,000,000 would be diverted.

My purpose in offering this amendment is simply to carry into effect the action taken by the Senate on the 6th of May in passing the bill at that time. I hope that my amendment will be agreed to.

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

Mr. CORDON. I yield.

Mr. BUCK. I regret that the Senator has offered the amendment. It does not belong in the bill; and I should like to suggest that he withhold it and, at the proper time, offer it in connection with Senate bill 866, Calendar 139, the housing bill itself.

Mr. CORDON. The amendment is relevant and germane to title I of House bill 3203. That title provides that the funds made available in Public Law 388 of the Seventy-ninth Congress, and not expended or committed prior to the enactment of the act, "are hereby returned to the Treasury." If this bill be enacted without this amendment, there will be no funds from which access roads can be built. The amendment is germane to title I of the House bill.

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

Mr. CORDON. I shall be glad to yield to the Senator from Delaware.

Mr. BUCK. I submit that before it is possible to construct the access roads referred to the life of the act will terminate.

Mr. CORDON. I understand that there is no operation being carried on in the United States today that can do so much to forward the construction of housing as the securing of timber and the cutting of it into lumber for the purposes of construction. The funds provided for will be used to construct access roads in national forest lands throughout the United States, in some 20 or 25 States. The sole purpose of the money, as was explained when the bill was considered before, is to make available merchantable timber owned by the Federal Government, which can be transported over the access roads and made available for the housing program in the United States. Certainly the amendment is more germane to title I of the bill than is title II as it is now in the bill by substitution.

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

Mr. CORDON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Do I correctly understand that the sum which the Senator is now attempting to provide for the purpose which he has stated was previously appropriated for the same purpose?

Mr. CORDON. Mr. President, in the original Veterans' Emergency Housing Act the sum of $400,000,000 was made available to the Expediter for the purpose of aiding in a housing program for veterans. The act provided that $15,000,000 might be diverted toward the construction of access roads. The money was provided, and, except for a few dollars, has been expended. This amendment would make available an additional $10,000,000 to carry on that program and further open the publicly owned forests for timber production.

Mr. ELLENDER. In other words, the amount set aside under the $400,000,000 program has already been virtually spent, and what the Senator seeks to do at the moment is to obtain an additional $10,000,000. Am I correct in that statement?

Mr. CORDON. If I understand the Senator correctly, if he means that $15,000,000 made available out of the $400,000,000 has been spent, yes. House bill 3203 returns to the Treasury all the unexpended balance of the $400,000,000. The amendment simply provides that before the return is made $10,000,000 shall be made available out of that fund for further access-road construction.

Mr. ELLENDER. That is the way I understand it. It simply means an additional sum of $10,000,000 to obtain additional timber.

Mr. CORDON. That is correct.

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

Mr. CORDON. I yield.

Mr. HAWKES. Perhaps the Senator has stated how much money is left in the $400,000,000 fund which has not yet been expended. Is there sufficient money in the fund to more than cover the $10,000,000 requested?

Mr. CORDON. Oh, yes. There has been approximately fifty or sixty million dollars expended out of the original sum of $400,000,000. The program was not in all respects realized. Only a fraction of the $400,000,000 was used.

Mr. HAWKES. I wanted to be sure that it did not require any funds other than what may be taken out of the $400,000,000.

Mr. CORDON. I will say to my friend that if the $400,000,000 fund did not have a sufficient balance, then my amendment would go no further than that balance. However, the fact is that there was only approximately $50,000,000 or $60,000,000 of the $400,000,000 actually expended.

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

Mr. CORDON. I yield.

Mr. MAGNUSON. Is it not also true that some funds would be used to construct access roads to certain standing areas of timber which are now ripe and probably would be lost to the housing program unless these roads were constructed?

Mr. CORDON. There can be no question that the Senator from Washington is correct. The funds which would be diverted will be returned to the Treasury by reason of the increased price received by the Government for the timber which is sold from the Government lands. In the second place, timber will be salvaged which otherwise would be wasted and for which the Government would not receive a thin dime. The amendment is in the interest of the Government, in the interest of all the people, and certainly in the interest of those who need housing facilities.

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

Mr. CORDON. I yield to the Senator from Idaho.

Mr. TAYLOR. Mr. President, I am opposed to the pending rent-control bill, and shall vote against it, though I imagine it will be enacted anyway. I should like to say that the amendment offered by the Senator from Oregon [Mr. CORDON] is logical and necessary if we are genuinely interested in the housing difficulties of the people of America, because in the West during the war years practically all the stands of timber available by present access roads have been cut down. If more roads could be built into the inaccessible parts of our forest reserves, more lumber for our housing program or for housing could be supplied. I do not know whether there is any program. It looks as if it had come to the point that there will be no further program. Nevertheless, the lumber could be used for the purpose of building more houses and bringing down the price of housing and lowering the rentals people are required to pay. It is a good investment, as the Senator from Oregon has said. The money will be repaid in many different ways. I hope the Senate will adopt the amendment.

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

Mr. CORDON. I yield.

Mr. CAIN. Mr. President, without prejudice to the sponsor of the amendment, who is held in high regard by the junior Senator from Washington, I urge the Senate, from my point of view, to reject the amendment as being both unnecessary and presently without justification.

Legislatively, the amendment now offered is a companion to Senate bill 800, which recently was passed by this body. Before its passage, and since that time, there has been brought to my attention a considerable amount of information and data bearing on the matter of additional governmental expenditures for access roads.

Again I would urge the Senate to consider the problem of access roads as they are currently being managed throughout the United States, before it takes action on this amendment. I should like to give to the Senate my thoughts and reflections on the amendment, which I have had an opportunity to study since its companion measure, Senate bill 800, was passed several months ago.

I number among my friends and acquaintances most of the logging and lumber operations of the Pacific Northwest. If I know those men—and I think I do—most of them want only an opportunity to bid for the purchase of timber stumpage. They do not need, nor do they want, government subsidies. If the United States Forest Service will make available for bid sufficiently large amounts of stumpage, the industry will build at its own expense the roads needed in order to get the logs to market; and, I may add, the industry will do so much more cheaply than will the Government, if it shall build the roads.

Senate bill 800 and the amendment now pending before the Senate were designed to amend the Veterans' Emergency Housing Act of 1946. Under that act, $15,000,000 was made available for the building of access roads. This amendment makes an additional $10,000,000 available for the same purpose. If the amendment is adopted, the Housing Expediter, Mr. Frank Creedon, in the interest of veterans' housing—and I think it proper to emphasize veterans' housing, for that it what this act is related to—would proceed to build additional access roads.

I properly was concerned with what the Housing Expediter thought about the advisability of having additional moneys provided for his use in that connection. Accordingly, I should like to quote from a letter which Mr. Harry L. Smith, Acting Director of the Review and Analysis Branch of the Office of the Housing Expediter, wrote Mr. Thomas B. Malarkey, president of the Douglas Fir Plywood Association in Portland, Oreg., at the request of the Housing Expediter, some weeks ago. Mr. Smith relates the following in the third paragraph of his letter:

> After considering the need and justification for requesting additional funds for this purpose for the balance of the current fiscal year, Mr. Creedon concluded that new production of logs and lumber resulting from such expenditures would be so late in 1947 as to contribute insufficiently to the housing program authorized in the Veterans' Emergency Housing Act of 1946. Accordingly, on February 3, Mr. Creedon notified the Budget Director that emergency activities in this regard will be discontinued and that he was withdrawing the request for authorization of additional funds. Thereafter, the heads of the cooperating agencies in the Federal Government were notified of this decision.

On the basis of that letter, Mr. President, it appears to me to be somewhat evident that this proposed expenditure cannot be considered in the light of making any real contribution whatsoever to the prevailing emergency need for veterans' housing. I stated a few moments ago that the logging operators themselves will build the necessary roads, if given adequate stumpage. To substantiate that statement, I should like to read portions of a letter from the Polson Logging Co., in the Northwest. The letter was addressed to what is known as the Joint Committee on Forest Conservation, in Portland, Oreg., under date of April 3, 1947. Its subject is germane, for it is that of access roads. Over the signature of Mr. F. E. Polson, manager of the Polson Logging Co., the following remarks are presented for consideration:

> APRIL 3, 1947.
>
> JOINT COMMITTEE ON FOREST CONSERVATION,
> *Portland, Oreg.*
>
> (Attention Mr. W. G. Tilton.)
>
> GENTLEMEN: In respect to your letter of March 31, 1947, on the above subject, we are pleased to set forth some of our views on this important question.
>
> In our opinion there are two principal questions which must be determined. First, whether access roads built by any Government agency for the removal of timber sound public policy or merely another restrictive Government subsidy; and second, whether by so doing, the desired results would be accomplished in the most practical and inexpensive manner.
>
> On the first question it would seem that the timber sales could be so arranged that the successful bidders would be able to build their own roads. For the purpose of an example we mention the Humptulips area of the Olympia National Forest only because we are more familiar with it. It would mean placing enough volume of timber in one area of the forest up for sale to insure that roads could be built and the timber removed by a private operator profitably. This is particularly in point in the forest reserve in this locality because of the fact that the timber is of comparatively low grade and the value does not warrant long truck hauls over expensively constructed roads that require high maintenance costs, unless sufficient timber is placed on sale to make the operation economically competitive.
>
> We might mention in relation to this particular sales area in the Humptulips that our own firm has offered to construct a branch line railroad into the general area and haul the logs by rail to market for the successful bidder, but this offer was rejected by the Forest Service in favor of a long access road program that is far from a satisfactory solution to this road problem.
>
> On the second question, the locations of the roads should be left to the discretion of the successful bidder, as their primary purpose is for the economical removal of the timber and their use for fire protection of the land is secondary. It is fundamental that the firm that has their money tied up in Forest Service stumpage is in a far better position to judge the locations of access roads than comparatively inexperienced Government field men.
>
> It is, therefore, our sincere conclusion that by and large a much better, cheaper, and more satisfactory method can be worked out to solve access road problems by the loggers themselves rather than by Government subsidy. It precludes any possible favoritism that a Government agency is inclined to show to individual bidders, eliminates the threat of coercion, condemnations, and long lists of restrictions; and would provide a more natural and cheaper way of removing timber from Government stands. As all costs, including access road building, must be reflected in the stumpage, all concerned, including the Government, would be far better served by the denial by Congress of tax funds for this purpose.
>
> Very truly yours,
>
> POLSON LOGGING CO.,
> F. A. POLSON, *Manager.*

Mr. President, from my point of view the $10,000,000 requested to be used for access roads under the provisions of the amendment is not needed as an emergency fund for veterans' housing, nor is it by any means completely desired or required by the logging industry, particularly that of the Northwest. That is a question with which the Senate will wish to concern itself.

I have before me, although I have great hesitancy in further taking the time of the Senate, a break-down of the way in which the $15,000,000 has been used, the States in which it has been expended, and the recommendations of the Logging Congress of the Pacific Northwest and the West Coast Lumbermen's Association regarding the recommendations which they would like to submit for a legislative program to be carried out by the Congress of the United States in the interest of further and additional forest conservation in our section of the country. However, on the basis of what I have already said—again, without prejudice to the senior Senator from the State of Oregon—I think there is considerable doubt and question whether anywhere near a majority of the logging and lumbering interests of the Pacific Northwest are desirous of having such access roads built by the Government; for they say, over their own signatures, that if stumpage in sufficient quantity is allocated, they are better prepared to build and to pay for the roads themselves.

Mr. TAYLOR. As one interested in small business, I care not what kind of business it may be, so long as it is legitimate—and certainly sawmill operators run legititmate enterprises—I wish to say that most certainly the Weyerhaeuser interests in the Northwest can build roads, providing stumpage in sufficient quantities is made available to them. They could build a road across the United States if there were sufficient timber, or the Potlatch interests could do the same.

The roads we are talking about, to be built by the Government, would make timber available to everybody. The little fellow could go in where the timber is located. There are hundreds upon hundreds of small sawmill operators in the West who, if the other procedure were followed and the timber were sold in great blocks to the private concerns, would have to stay outside and go out of business. That is practically what it amounts to. We would lose great quantities of lumber we so sorely need, and a direct boon would be granted to the monopolies in the industry.

Mr. CAIN. Mr. President, will the Senator from Idaho yield?

Mr. TAYLOR. I yield.

Mr. CAIN. The Senator's remarks indicate that these are the only moneys presently appropriated and being spent for the purpose of building access roads. Is that the Senator's understanding?

Mr. TAYLOR. I am not familiar with that. The Senator from Oregan offered the amendment, and that was the first I had heard of it. But I know there is a great need for access roads in the timber section of the country, and anything I can do to help build the roads so the timber can be gotten out, and lumber made available, and houses built, I am glad to do. Doubtless the Senator from Oregon can tell my colleagues what moneys are available.

Mr. CAIN. The Senator has been very helpful, but one point I wish to make is that he practically is not familiar with what moneys, under other Federal agen-

cies, are being spent currently for access roads.

Mr. TAYLOR. I do not know the total amount. I take it the Senator from Oregon knew what he was doing when he offered the amendment.

Mr. CAIN. The Senator from Oregon never referred to any other sums which may presently be used by other agencies.

Mr. MAGNUSON. Mr. President, I heartily agree with my colleague from Washington that what the logging interests of the State would like is an opportunity to bid on some of the logs and the stumpage in the so-called national reserve; but I cannot agree with him in his opposition to the pending amendment.

The Senator reads a letter from the Folsom logging interests. Of course, those people do not want the proposed access roads. All of us who know the Pacific Northwest are familiar with the fact that the large companies have sections close to the so-called national forests, and unless access roads are constructed by the Government, the only possible bidders on this stumpage within the forests, in some cases, particularly in the Olympic Forest, would be the Folsom interests, the Weyerhaeuser interests, or the other large timber interests which have lands adjoining these sections of timber, so that the small logger would have no chance to bid, or, if he did bid, and was the lowest bidder, he would have no way of getting to the timber, because he would have to cross sections of standing timber owned by other interests.

It is also true that what is proposed probably will not be of any emergency relief this year in the solution of the so-called housing problem; that problem will continue to exist, in my opinion, for many months longer; but at least the action we are about to take will be a start.

The purpose of the amendment of the Senator from Oregon, as I understand, is to assure that if the Government builds some access roads, it will give the large interests and the small logging interests a chance to bid, and if small interests submit the lowest bid, they will have a chance to get to the timber. That is not true in all cases, but it so happens that in the southern part of the Olympic Peninsula the so-called large interests own the standing timber next to the park areas, so that the small logger will have no opportunity to get to the timber unless the Government builds access roads, so that he will have the same chance others have.

My colleague says the question before the Senate is whether or not this action is completely desired. It is not completely desired by all the logging interests in the State, I agree, but I think it will be found upon examination that those who can build their own roads into the available standing timber in the national forests are those who are now in a geographic and stumpage position so that they can move in, whereas an outsider who may make a low bid cannot go over the others' land and get the timber.

I think the purpose is to open up the land so that the timber can be cut and can be transported to market. Successful bidders in all cases cannot build their own roads, because they have to go over land belonging to the large interests. While my figures may be wrong, I think it will be found from a glance at a checkerboard map of the State of Washington that some 62 or 63 percent of the land adjacent to these available national forest stumpage areas is owned by five large companies, and that therefore, of course, if they were successful, they could build their own roads, but the small operator would not have much chance in some of the areas. I think the effect of the amendment of the Senator from Oregon would be to give the small bidder an opportunity. Everyone would have a chance to get into the area.

Mr. President, this is not the whole program. It is merely the beginning, but it is going to help a little. As the Senator well pointed out, while the Government may not receive back an amount commensurate with the outlay, yet it will get money for the timber, and unless there are access roads to the areas, ripe timber will be lost.

The large lumber interests, which have the sections adjacent to the timber areas—and the State, too, is involved, unless they can get a successful bid—have plenty of timber themselves, and there will not be any bids at all, and revenue will be lost to the Government.

I think the amendment is a good amendment for the over-all logging interests, although some may not agree.

Mr. CAIN. Mr. President, I have thoroughly enjoyed listening to my colleague's remarks. Both Senators from the State of Washington are concerned with the increasing decadence of some of out forest areas, and we would like to see much of the overripe timber cut as soon as possible, in order that it may have merchantable and useful qualities.

One of the objections I have to the emergency access road program is that it has not—or has not so far—fulfilled the purpose for which it was designed. In Oregon and Washington approximately a billion and a half feet of timber a year is becoming overripe. All that timber is not by any means being removed because of the development of the access roads, made possible under the Emergency Veterans' Housing Act of 1946. The question arises in my mind—and I think my colleague will concur—why was it that the $15,000,000 of emergency access road funds were not used in areas which contained the greatest degree of decadence?

Of the $15,000,000, portions were appropriated and spent in 32 States, in many of which there has not been a virgin stand of timber, as my colleague knows full well, for a very long time.

I should like to suggest that last year in the State of Washington the Government sold as stumpage $1,592,000 plus, and invested $1,184,000 in the building of 117.3 miles of road, at an approximate cost per mile of $10,000.

In the State of Oregon stumpage returned $2,237,000 plus to the Federal Government and $3,522,000 were spent to develop 184.3 miles of road, at an approximate cost of $20,000 a mile.

The difference in the cost of roads built in Oregon and roads built in Washington may be readily understood when one considers the general geography and topography of the country. Roads built elsewhere would, of course, cost a very great deal less than roads built in either of those States. I am not, therefore, obviously criticizing the cost factor, in that sense.

I have called the attention of the Senate to the fact that the moneys were spent in 32 of the 48 States, and in certain States where, so far as I know, there has been no problem of timber decadence whatever. This morning I talked with Mr. Frank Creedon, the Housing Expediter, concerning the problem of access roads, and, to the best of my recollection, and as accurately as possible, I will give the substance of that conversation. He said, first, "As an expediter, I do not think I should have anything to do with spending moneys of the kind in question. There are old-line Federal agencies which, over a number of years, have been spending moneys for such purposes. If moneys are to be appropriated, they ought, in my opinion," said Mr. Creedon, "to be spent by the old-line agency." He further said, "Insofar as the wisdom and advisability of building access roads is concerned, if it is desired to build them as a project of the Federal Government, there is a very great need in Oregon, Washington, Idaho, Montana, and elsewhere." He said, "Whether or not they must be built by public means rather than private is a moot question. If individuals, in sufficient number, in any given area, would rather build the roads themselves, and they can work out a proper stumpage-purchase relationship with the Government, that is the policy that ought to be followed."

Mr. Creedon had no firm conviction as to whether private or public interests ought to build access roads throughout America, but he was very firm in his contention that if a public agency were to do it, it should be done by the Department of Agriculture. I should like in that connection to say to the Senator from Idaho [Mr. TAYLOR] that the Forest Service in the Department of Agriculture received last year an appropriation of $26,214,222 for the dual purpose of constructing forest highways and development roads, and I think that important. In the 1948 budget estimate there is carried an item of $23,800,000 to accomplish the same purpose. If by way of argument there should be used $10,000,000 more for the purpose of building access roads, why should it not be considered sound policy to provide funds in that amount for an old-line agency, which obviously we have a right to presume has worked out a program, not in the nature of an emergency program to be hurried through?

If I may, I should like to address one or two remarks, because of his interest, to the senior Senator from Washington [Mr. MAGNUSON] and in fact, to all other Senators. I think the Senator from Washington and I are rather familiar with the work of the Joint Committee on Forest Conservation. It is an organization within the Pacific Northwest, which has as its members the West Coast Lumbermen's Association, which generally represents the mill people of the country,

large, small, and middle-sized. It represents the Pacific Northwest Loggers Association. I do not personally know any logger who does not belong to that association. I mention this because as a matter of policy people of every conceivable interest, large or small, in the Northwest, have grouped themselves together and, over the signatures of their leaders, requested Congress not to appropriate $10,000,000 to be used this year for the purposes outlined in the amendment, but that the Congress do some long-range thinking, in concert and cooperation with those in charge of the forest activities of the Federal Government, in solving the access road problem in the years to come.

I should like, Mr. President, at this point in my remarks, to have unanimous consent to have printed in the RECORD, in order that I may not unduly take the time of the Senate, a letter which has come to me over the signature of the chairman of the Joint Committee on Forest Conservation, in which he confines his statements, in a three-page letter, entirely and concisely to the subject under discussion at the moment.

The PRESIDENT pro tempore. Is there objection?

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

JOINT COMMITTEE ON
FOREST CONSERVATION,
Portland, Oreg., April 23, 1947.

The Honorable HARRY P. CAIN,
The United States Senate,
Washington, D. C.

MY DEAR SENATOR CAIN: Individual lumbermen and trade associations have received numerous inquiries from Members of Congress regarding their position on access roads. Many of these have been referred to the Joint Committee on Forest Conservation for reply, and for this reason this letter is being sent to all members of the Washington and Oregon congressional delegations.

The joint committee represents the Pacific Northwest Loggers Association, as well as the West Coast Lumbermen's Association. It was created in 1933 to carry out the forestry provisions of the NRA Lumber Code, and since that time has directed the conservation activities of the organized forest industries of the Pacific Northwest.

The joint committee has recently completed a fresh summary of the forestry situation and needs of the Douglas-fir region, published under the title "More Timber." This review deals with the subject of your inquiry—a long-range plan for the construction of access roads into Federal timber holdings, in its relation to the other needs and opportunities of the region. I enclose a copy of this publication in which I have underscored pertinent sections which bear upon this subject (pp. 8, 29, 30, and 36).

In accordance with the conclusions reached in this recent study, the joint committee strongly endorses the proposal for initiating a long-range program of access-road construction in the national forests, under proper safeguards.

The primary need for access roads is the conservation and more effective utilization of national-forest timber, particularly the ripe and overripe timber beyond the reach of logging roads constructed by purchasers in the normal course of operation. A system of main arteries is necessary in many national forests to bring log production up to their sustained yield and distribute it over all logging units instead of overcutting those now accessible.

This necessity is especially evident in the Douglas-fir region. Fifty-three percent of its timber, or 231,000,000,000 feet, is owned by the Federal Government. Fifty-six percent of these Federal holdings carry stands of decadent, old-growth timber, in which the loss from decay and mortality probably is close to one and one-half billion board feet every year. The sound management of these public properties should progressively reduce this loss by opening up overmature stands to cutting. Thereby the Government will not only salvage immense quantities of ripe timber otherwise going to waste; it will also steadily increase the current growth on its holdings by converting stagnant old stands into growing forests.

While heartily advocating a long-range plan for access road construction, I wish to point out certain limitations and restrictions which appear necessary in the light of past experience. I suggest the wisdom of incorporating these in the basic legislation which sets up the program.

First. Federal funds should be limited to the construction of main-line, permanent roads which cannot be built by contractors for Government timber as part of the cost of their logging installations. Many hundred miles of the shorter, less expensive and spur roads have been built into national forest timber areas by successful bidders for stumpage and paid for through adjustments in the appraised price of the timber. This practice should be continued and public funds concentrated upon the permanent road system which only the Government can finance.

Second. Access roads should be selected and located primarily as timber roads, for the long-range management of the forest resources. The fund should be protected from diversion to the construction of roads for other purposes.

Third. The cost of access roads should be repaid, in course of time, through the greater utilization of national forest timber and the higher prices obtained for it. The prices appraised on all timber made available by Government roads should reflect fully the higher values resulting from road construction.

Fourth. As a means of public information and protection of the program, the regional offices of the United States Forest Service should, from time to time, publish lists of the access roads proposed for construction, their estimated cost and the volumes of timber which they will, respectively, make available for use; and should invite comment or discussion of such proposals at a stated hearing or otherwise.

While it does not pertain to this proposal alone, I would like to call your attention to the final recommendation of our joint committee, on page 36 of More Timber. The development and management of national forests in areas like the Pacific Northwest have many important relations to forest industries and private forest management. We feel strongly that a joint forest policy committee as outlined would be of great practical service both to the Government and to private forest owners and operators. An access-road program is one of the many practical phases of joint progress in which such a committee should function.

We greatly appreciate your interest in this important problem and will be glad to give you any further information you may wish.

Sincerely yours,

CORYDON WAGNER,
Chairman.

Mr. CAIN. Mr. President, in this connection I desire to make it very clear that both large and small operators in the Northwest are generally more concerned with having the Government agree to provide for them sufficient areas of stumpage to justify their building access roads, rather than to grant them a subsidy; which they do not want. Were it within my province, I should like to suggest that, in connection with the building of access roads, I think the Government could greatly benefit by adopting what I consider to be a much better system of procedure. I challenge anyone to find out how the Federal Government would expend the $10,000,000 provided for in the amendment of the Senator from Oregon, if it were appropriated, and where it would be expended. Would it be spent to cut out decadent timber in Oregon, Washington, Idaho, and Montana? Or would a part of it be spent in Mississippi and Florida, New Hampshire, and elsewhere? Perhaps the money should be spent elsewhere, but we are entitled to an answer as to where it would be spent.

Furthermore, many of the access roads built under this program are serving a dual purpose; which is proper, from one governmental point of view, but not from the point of view of access roads. An access road is what it purports to be—a road to make possible the getting of timber which is otherwise inaccessible. An access road should not be built to twice the necessary width. It should be built merely wide enough to accomplish its primary purpose.

Without any real criticism of the administration of the program in the past, the moneys invested in the interests of the veterans' emergency housing program have not been so well spent or so well managed and administered as they might have been, had private interests built a good many of the roads.

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

Mr. CAIN. I yield.

Mr. MAGNUSON. I do not think the impression should be created that the proposal is in the nature of a subsidy. It is like the case of a man who owns a house which he wants to sell and who builds a sidewalk in order that a larger number of prospective buyers may come to inspect the house. That illustrates what the Government is doing in connection with access roads. I do not disagree with my colleague that it would be better to have private bidders—that is, successful bidders—build the access roads into the timber, but the problem is that much of the timber is bottled up on the outside by private interests who would be the only bidders, and therefore the Government gets less. I know many examples of that in my own State, and I am sure the same thing is true in the State of Oregon.

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

Mr. CAIN. I yield.

Mr. CORDON. I should like to suggest in that connection, Mr. President, that any thought of a subsidy in connection with this subject is utterly wrong. Timber in the forest is sold on competitive bidding. There is plently of competition. When the competitive bid is entered, there is taken into consideration the accessibility of the timber and the type of hauling that is made available. When the Government builds a road, the value of the road to the man who is going to buy and move the timber is

taken into consideration in the submission of his bid on the timber. There is no subsidy in connection with it whatever.

Mr. MAGNUSON. Of course, the Senator from Oregon and the Senator from Washington well know the history of the exploitation of so-called timber-bearing lands in the Pacific Northwest. The practice used to be—and there are still remnants of it on the edge of our national forests—that individuals or corporations would buy up sections of land around certain other sections, and the sections in the middle might be owned by the National Government or by the State or by a private individual. Because of the fact that the purchasers of the outside sections completely surrounded the other land, ultimately they would obtain the timber on such land at the price they wanted to pay. The same thing would be true if the southern part of the Olympic National Forest were to be opened up. I do not believe a small logging operator could bid for the timber on the land there for the simple reason that three or four of the large lumber interests own the surrounding land. They could build their access roads because they are right there on the edge of the national forest, and they could afford to bid on the timber. I think what is now proposed will not only give assurance of more timber—perhaps not for a year—but it will do something to break down the old, bad practice of timber groups buying up land geographically around certain sections of timber and holding their interests there and keeping others out. The result of the present proposal will be to give the Government more money for the timber.

My colleague criticizes, and rightly so, the expenditure of the first $15,000,000. I do not know; but perhaps that money was expended unwisely. I hope the $10,000,000 will not be expended unwisely, because there are sections of timber in our part of the country which can well be utilized by the Government, or can well be utilized by private interests, and unless it is taken out in the next 2 years it will be lost anyway. It may be that we shall have to do some more checking on how the money has been spent. If it has been expended in some States where there is no virgin standing timber, such action would be unjustified. But the proposal of the Senator from Oregon [Mr. CORDON] is a wise one. It will be of some help in the next 2 years in opening up the timber areas in question.

Mr. CAIN. Mr. President, I should like to ask the senior Senator from Washington a question. Assuming by way of argument that his contentions are correct, and that moneys for this purpose should be spent by a Federal agency; can he justify the spending of $10,000,000 for access roads by one governmental division, of an emergency character only, concerned only with constructing roads in order to bring logs out, rather than by an old-line agency which during the course of the same fiscal year is to receive $23,000,000? Why not take the $10,000,000, if it is going to be appropriated, and give it to an agency which has a continuous life?

Mr. MAGNUSON. Normally that proposal would be the correct one. Normally the Department of Agriculture or the Public Roads Administration should do this job. But again we have been cut in our access-roads program. Twenty-three million dollars represents a great cut from the estimate of what is needed. When I see a chance of adding $10,000,000 for access roads, whether it be in a rent-control bill, an appropriation bill for the Department of Agriculture, or a Public Roads Administration appropriation, I am going to vote for it, because the money is so sorely needed in our State. Normally I would say the Senator would be right in his statement. The work should be done by the Department of Agriculture. But a considerable cut has been made in the appropriation for access roads, and $23,000,000 is completely inadequate for the purpose.

Mr. CAIN. The Senator says the money is sorely needed in the States of Washington and Oregon. With reference to the veterans' emergency housing program, which is the only thing we should concern ourselves with in the pending legislation, for what purpose are the moneys in question actually going to be used?

Mr. MAGNUSON. I assume they will be used for access roads in some of the forest areas. I do not care what agency expends the money. I suppose it would be better if the Department of Agriculture were to expend it. If I can obtain $10,000,000 more in the appropriation for the Department of Agriculture I shall vote for that amount also.

Mr. CAIN. If we restrict ourselves to the veterans' housing program, is the senior Senator from Washington of the opinion that a lack of lumber any longer constitutes a bottleneck in the construction of houses for veterans?

Mr. MAGNUSON. That I do not know. I cannot answer.

Mr. CAIN. I should merely like to state in a very positive fashion to the Senator from Washington that on the basis of all available research and data I can obtain lumber is no longer a bottleneck, and at this very time representatives of the States of Washington and Oregon are appearing before committees of Congress pleading with them to unfreeze export controls. Why? Because they have more lumber than they can sell at home, and unless they can get rid of it to foreign markets they are going to be less inclined to cut the very timber for which Senators are considering appropriating an additional $10,000,000.

Mr. MAGNUSON. I understand that that is for certain types of lumber which they want to export, the exportation of which will not interfere with the housing program. There is, however, still a scarcity of certain types of mill work, though I do not have the figures.

Mr. CAIN. But that scarcity interferes with the housing program very positively, in this fashion: In order to get at the better lumber which is processed by higher skills, it is necessary to cut a vast amount of lumber. The lumbering interests, large and small, will merely say, "If we cannot get rid of our surplus at a reasonable return to us we are not going to be very much interested in cutting the better type of lumber." The Senator is familiar with that end of logging, is he not?

Mr. MAGNUSON. The Senator knows that there is another reason than the desire to export lumber which is surplus. Our lumber interests want, and rightly so, to establish again their export market and keep up their contacts. That is another reason for the desire to export lumber. The third reason is that they are apt to receive a better price in the export field than they receive in the local field. And they want some sort of a balanced lumber foreign trade economy. So the reason assigned by the Senator is not the only reason. There is going to be a shortage of lumber for some time until housing is provided for everyone in the United States. I agree with the Senator that this might not be the best place to have the appropriation in question, but it is here. It is going to help us. It is going to help the Government. That is why I am supporting it.

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

Mr. CAIN. I yield.

Mr. MALONE. Is the Senator from Washington familiar with the fact that in many areas of the West builders and contractors and workers are idle because the CPA refuses to allow them to proceed with their plans, although there is plenty of building material available and plenty of commercial buildings need to be constructed? By reason of this refusal, or for some other reason, the builders and contractors and workers are kept idle, particularly in my State.

Mr. CAIN. That is my understanding.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oregon [Mr. CORDON].

Mr. CORDON. I think perhaps there is a misunderstanding with reference to the use of funds from the Veterans' Emergency Housing Act in road building in the United States. I believe I am correct in saying that the Housing Expediter in using those funds has never yet built 1 foot of access roads in the United States. Neither has a dollar of that money been used by agencies not already constituted and having experience in the matter of access roads in the United States. The funds were transferred from the Veterans' Emergency Housing Fund to the agencies which administered the timberlands. Those agencies expended the funds. Some $13,000,000 last year was diverted from the Veterans' Emergency Housing Fund and was expended by the Department of Agriculture through the National Forest Service in furthering an access-roads program. The money that was expended was not simply thrown hit or miss here or there, but was expended upon a predetermined road program, the purpose of which was to make available the maximum amount of merchantable timber at the earliest practicable time. It was not the purpose of that program that the money should be spent solely to reach old and diseased timber. The major and primary purpose was to get out logs and make lumber. The money was expended for that purpose. Funds from

that source were expended in the States of Alabama, Arkansas, California, Colorado, Florida, Georgia, Idaho, Kentucky, Louisiana, Minnesota, Mississippi, Montana, New Hampshire, New Mexico, North Carolina, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming.

The question has been raised as to why any of the funds should have been spent in any but the major national-forest States. The reason is perfectly simple. The Federal Government owned timberland in the other States. That timber could be made available at an early date by the construction of access roads to it, so the money was spent where it should have been spent and the purpose was achieved.

One may not measure the value of such a road in getting out logs by the number of feet of logs that came over the road in the year the road was built. If we build a road in a given year and it requires 11 months to construct the road, we have 1 month in which to move timber over it. It is not a proper comparison to compare the value of timber moved over the road with the cost of the road. The road built last year is still there, and logs will continue to move over it for many years to come.

This program has been a considered program. The amendment offered here is designed for the use of $10,000,000, in addition to approximately $14,500,000 heretofore made available in a practical plan, the net result of which will be an increase in the lumber supply of the United States.

The question has been asked: "Is lumber now a bottleneck to housing in the United States?" Mr. President, lumber never was a bottleneck to housing in the United States. Certain kinds of lumber have been the bottleneck, and those kinds of lumber are still the bottleneck. Those types of lumber are not desired for export. Export lumber is cut in special sizes by export mills, and is not sold in this country.

Mr. President, I have spent many years in a study of the forest situation in the United States. In offering this amendment, I do so as a considered matter. Had I listened to lumber operators in my own State, I would not have offered the amendment. The majority of such operators do not want the amendment. My considered judgment is that, whether they want it or not, the funds should be made available and the timber made available to all who can come and get it and make it into lumber.

I know the arguments made on both sides of the case. My considered judgment is that, looking at the over-all problem and the best interests of the people of the United States, who have an interest in 175,000,000 acres of timberlands, the program should go forward. It is sound in principle, and is now but a continuation of the only segment of the Veterans' Emergency Housing Act that can be pointed to as having actually yielded results and put roofs over veterans' heads.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I desire to offer an amendment on page 2 of the House bill, which is now before the Senate. I move to strike out all of section 2 of title 1, beginning after line 23 on page 2, and including line 4 on page 3. The language which I propose to strike out reads as follows:

SEC. 2. Title III of the Second War Powers Act, 1942, as amended, and the amendment made by such title III, shall, insofar as they authorize the making of allocations of building materials and of facilities relating to the utilization of building materials, cease to be in effect on the date of the enactment of this act.

I am very fearful that if this language is left in the bill it will deprive the Administrator of some power that he may need in order to help to expedite the housing program, and might take away from him the power to regulate exports, if that were necessary in order to meet the problem facing the country in regard to housing.

Mr. BUCK. Mr. President, I have no objection to this amendment. I think the differences can be ironed out in conference.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment.

Mr. TAYLOR. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is an amendment in the nature of a substitute for the pending bill.

The PRESIDENT pro tempore. The amendment offered by the Senator from Idaho will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That the provisions of the Emergency Price Control Act of 1942, as amended, and all regulations, orders, and requirements thereunder, insofar as rents are concerned, shall be continued until June 30, 1948.

No general increase in rents shall be granted under authority of that act except as may be required under the provisions of section 2 (b) thereof.

Mr. TAYLOR. Mr. President, I do not wish to detain the Senate long. I should like to recall that during the last session of the Congress we enacted a so-called extension of price control which had within it mandatory provisions calling for increases in prices. It turned out to be no price-control bill at all. It did not work, and the President had to throw the whole thing out the window.

Mr. President, I am not going to be in the position of voting for a bill to deceive the people into believing that they still have rent control, when in reality there will be no rent control under the pending bill. For one thing, it would extend rent control only until February 29, 1948, a matter of approximately 8 months. It would wind up in the dead of winter, and people could be—and in all likelihood would be—evicted into the cold. If there are those who doubt that with the end of rent control unconscionable advantage of the situation will be taken by those in a position to do so, I should like to read a few clippings from the Twin Falls, Idaho, Times-News. Rent control has been discontinued in Twin Falls, after being in effect for some time. I may say that the Times-News is a Republican newspaper. It is not in favor of Government controls in any way, shape, or form, so it cannot be accused of bias in reporting the facts as they are. At least it cannot be accused of bias in favor of rent control. Here is an item dated Thursday, May 1, 1947. "Rent raised to $210 per month on apartment" is the heading. It reads as follows:

RENT RAISED TO $210 PER MONTH ON APARTMENT

With removal of this area's rent controls Thursday, Roy Lindell, of Twin Falls, was among the first to face an insoluble problem in economics, namely, how to pay $210 monthly rent on a salary of $190 a month.

Lindell, who resides at the Magic Valley Court, 447 Addison West, with his wife, 2-year-old son, and his mother, has been paying $60 monthly rent for a three-room apartment.

He has been notified by Robert Burgess, the operator, that "as of May 1, rent control is no longer in effect in this area. Your rent is due May 20. After that date it will be put on a daily basis of $5 a day per couple and $1 a day for all extra persons. Rent will be paid in advance daily."

On this basis, the rent for the couple during a 30-day month would be $150. Added to this would be $30 for Lindell's mother, plus $30 for the small child. Total, $210.

Mr. President, I have here any number of clippings from the Twin Falls News dealing with the situation in one small community, a town of ten or fifteen thousand people.

"Family of seven hunts for a house" is the heading of another clipping under date of Tuesday, May 6. It seems that they have been evicted. The clipping reads as follows:

FAMILY OF SEVEN HUNTS FOR HOUSE

Mr. and Mrs. Arba Robinson have until June 6 to find a house for the family of seven, Mrs. Robinson reported Tuesday after receiving notification they must vacate a house at 538 Second Avenue East by June 6.

In event the family is unable to vacate the house by June 6, rent will be increased from $30 to $100 per month, according to the notice given the Robinsons by Mrs. Glenn Donason, owner of the building.

Here is another one from Coeur d'Alene, Idaho, where rent controls have been removed. It reads as follows:

RENT DECONTROL HITS PENSIONER—OPA OFFICIALS UNABLE TO HELP 73-YEAR-OLD WOMAN

Predicament of a 73-year-old, gray-haired grandmother, who is having the rent on her unfurnished, three-room cabin raised from $21.95 to $120 a month as a result of recent rent decontrolling action in Coeur d'Alene was brought before Spokane OPA area rent control officials yesterday.

Although the woman, a widow living entirely on a $58 monthly pension, has lived in the cabin and one other in the same project for 11 years, OPA officials admit they are powerless to do anything about the 500 percent rent increase.

TWO COUNTIES AFFECTED

"Decontrol action in Idaho's Bonner and Kootenai counties was taken by the administrator of temporary controls in Washington, effective yesterday," said Area Rent Attorney Joseph H. Hurley, "and the effect of the decontrol action was to remove all rent controls from these two counties. Consequently our office now has no jurisdiction over that area whatsoever."

According to the 73-year-old widow, Mrs. Bert Hutchoroft, and her daughter, Mrs. Bernice McKenzie, the two cabins they have lived in are only 2 out of 23 cabins in the project which will have their rents raised.

"I've lived in my cabin for 7 years," Mrs. McKenzie said, "and the rent has never been higher than $21.95 a month. But Wednesday we received a registered letter from the proprietor telling us our rent would be $4.00 a day, payable in advance, effective the first of June."

CABINS UNFURNISHED

"Why, the cabins we live in aren't even furnished, and I've had to foot all decorating and repair costs myself."

Explaining that while the Coeur d'Alene area is not under the jurisdiction of the Spokane area rent office any more, the office is intensely interested in receiving as much information as possible on the effects of the recent decontrol action in the two Idaho counties.

Mr. Hurley said he would welcome any other reports from tenants or landlords concerning unreasonable rental raises or evictions.

FEW ARE UNREASONABLE

"Sometimes only a few unreasonable landlords will create a bad picture by their mercenary tactics," Mr. Hurley said, "We always have the outlaw type of individual.

"But the rent administrator in Washington has authority to restore these abolished rental controls in cases where unreasonable rent increases and evictions follow in the wake of decontrol action.

"He has done so in the past in other areas, and if the Coeur d'Alene situation gets out of hand we may be sure that some action will be taken."

I ask that these various clippings be placed in the RECORD as a part of my remarks at this point, Mr. President.

There being no objection, the newspaper clippings were ordered to be printed in the RECORD, as follows:

[From the Twin Falls (Idaho) Times-News of May 9, 1947]

INCREASE TOLD IN EVICTION NOTICES

A sharp rise has been noticed in the number of the notices of eviction given the sheriff's office to be served upon tenants, sheriff's deputies said Thursday, since the removal of rent controls from this area on May 1. During the period of rent control, there were only a few such notices.

Since April 24, the sheriff's office has been given 12 notices to serve with most of them filed after May 1. A few were brought in before the lifting of rent ceilings.

Most of the notices contain a provision that the tenant may remain in the property by paying rents which are doubled, tripled, or even higher. One deputy said that a very conservative estimate of the average rent increase would be between 50 and 75 percent.

[From the Twin Falls (Idaho) Times-News of May 21, 1947]

LANDLORD INCREASES RENT FOR THREE-ROOM HOUSE TO $9 DAILY

Rent for a three-room house at 761 Main Avenue East has been raised from $27.50 per month to $9 a day, Mr. and Mrs. George Scott, who occupy the house, were notified Wednesday.

Increase of rent for the house will become effective 15 days from now, R. W. Baker, owner and landlord, informed the tenants in his notice of rent increase, which was served Wednesday morning.

A slide-rule expert figured the rent increase at 981.81 percent increase.

Mrs. Scott said she and her husband had lived in the small house for nearly 2 years. She said the house had one bedroom, a small living room, kitchen, and bathroom.

However, Mrs. Scott said Wednesday morning that she and her husband intended to vacate the house rather than pay $9 per day rent. She said two apartments being built on the second floor of Scott's Frozen Food Lockers building were nearing completion. One of the new apartments will be occupied by the Scotts and the other will be occupied by Julian Wilson, his wife, and son. Wilson is an employee at the locker plant.

Each of the new apartments will have two bedrooms, large living room, kitchen-dinette, utility room, and bathroom, Mrs. Scott said.

The notice of rent increase served this morning was dated May 19. It said: "You and each of you are hereby notified that the rent of the dwelling house now occupied by you on lot 16 of block 93 of Twin Falls town site, in Twin Falls County, Idaho, being No. 761 Main Avenue East in the city of Twin Falls, will be increased from the existing rate of $27.50 per month to the sum of $9 per day, payable weekly in advance, such rent increase to take effect 15 days after the service of this notice upon you.

"This notice is given under the provisions of section 54-307 I. C. A., and you will govern yourselves accordingly."

The notice was signed by R. W. Baker, owner and landlord.

PROBE OPENED ON LIFTING OF RENT CONTROLS FOR BOISE

BOISE, May 15.—An investigation on the possibility of lifting rent controls in Boise has been started by the Federal Government in response to a request by Ned Harlan, as secretary of the Boise Chamber of Commerce, for immediate removal of rent controls.

Keith Burns, area rent control officer, said Harlan in a letter dated March 27 had written Senator HENRY C. DWORSHAK, Republican, of Idaho, asking for immediate lifting of the rent regulations.

In response to an inquiry from Burns, Gov. C. A. Robins has replied that "I believe that there should be no precipitate action taken now. I believe that the rent controls should be continued for at least 6 months more in this crowded area."

Burns said H. C. Brandley, of Denver, regional rent official, had been sent to Boise to conduct the investigation at the request of DWORSHAK in response to Harlan's demand.

Harlan was not available for comment. The chamber of commerce office said he was out of the city and would not return until the last of the month.

[From the Twin Falls (Idaho) Times-News of May 20, 1947]

AREA RENT OFFICE HERE TO END OPA'S RULE

Remnants of OPA control were passing from the lives of Twin Falls residents Tuesday as Robert E. McClusky worked to clear records and other property in preparing to lock the doors of the area rent control office in Twin Falls.

Telephone service at the office has been discontinued and the office is to be closed in accordance with orders received from Washington, D. C., which removed rent control as of May 1 and eliminated the local office May 20.

Only hold-over remaining from the old OPA set-up is sugar rationing which is now under the United States Department of Agriculture. Present plans in Washington, D. C., provide for the demise of sugar rationing in October.

Questions pertaining to sugar rationing should be addressed to the United States Department of Agriculture, Sugar Rationing Administration, at room 309, Kittredge Building, Denever, Colo.

COUNCIL GETS $64 QUERY ON RENT CONTROLS DEATH

A. E. Robison posed some $64 questions during Monday night's city commissioner's meeting, but no one could provide the answers.

"Why," asked Robison, "was rent control taken off in the Twin Falls area?"

Mayor H. G. Lauterbach vowed he didn't know, but opined that the answer probably could be found some place in Washington, D. C.

Then Robison mentioned that the reason he was asking was that his rent had been raised from $30 to $100 a month on the seven-room house occupied by his wife and him and their five children. He had lived at 538 Second Avenue East for 9 years, but now had until June 6 to pay the new rent or move.

Pointing out that he had been searching for some place to live, but unsuccessfully, he asked the commissioners what he was going to do after June 6.

"That's a $64 question," replied Mayor Lauterbach.

Robison agreed.

Then Robison asked if it would be permissible to find a building some place and bring it into the city—if he could find a lot on which to put it.

The commissioners indicated that this would probably be all right if the details were approved by the building inspector.

So Robison took the matter up with Building Inspector Stuart Swan. He added that if this plan didn't work, his last alternative would be to get a tent and put it up in the city park.

If he landed in jail for doing this, he commented philosophically, at least he'd have a place to stay.

Mr. TAYLOR. Mr. President, certainly the Congress does not want to turn citizens of the United States out into the cold in such a situation as this, when rents go up an average of 50 to 75 percent in a rural area, so to speak. It is a farming community in which the pressure is not the greatest. If rents are increased to that extent there, the Lord only knows how much rents will go up in heavily populated communities.

Mr. President, the Banking and Currency Committee went on record definitely against an across-the-board increase in rents. An amendment was submitted in committee for that purpose, but it was rejected. However, a very clever amendment has been adopted on the floor providing that a landlord and his tenant may voluntarily enter into a lease agreement raising the rent 15 percent. If that be done, the contract must remain in effect until January 1, 1949; that is, through all of 1948. Any tenant who expects to live in a place after February 29 next year, when the Rent Control Act expires, must agree to a 15-percent increase in his rent immediately. If he does not agree he will probably be evicted next winter, or at least his rent will be increased by the landlord to some unconscionable figure, in order to be sure that he receives the money he would have received if the tenant had voluntarily agreed to a 15-percent increase. What the amendment of the Senator from New Jersey amounts to is an across-the-board 15 percent rent increase.

Another provision of the bill which we are considering provides for the decontrol of all residential hotels and tourist camps. A number in excess of 300,000 married couples are now living in hotels, commercial rooming houses, trailers, and the like. I do not know exactly what percentage of them live in residential hotels and tourist camps, but certainly a number of the clippings which I have submitted for the RECORD deal with instances in which people have been living for years in tourist camps, and when controls were taken off the rents were raised two or three hundred percent. That is what would happen to the people to whom I am referring.

I am afraid the Senators do not realize what a serious thing it is for a man with a family to be turned out of his housing accommodations in days such as these. I know what it means, because when I first came to Washington with my wife and two small boys we lived in a hotel for 5½ months. It was one of the worst ordeals I have ever been through in my life. Mrs. Taylor and I pride ourselves on the fact that we have never had a real argument in all of the years of our married life, but we had a hard time to keep from arguing when we were living in that hotel with our two small boys. Finally we had to buy a house because no one would rent to us. Even if we could find anything, they would not rent to us, because we had children. We had to buy a house. I have often wondered what we would have done if I had not been a United States Senator and therefore could not raise the money to make a down payment on the house which we purchased.

Mr. President, since I have come to the United States Senate the legislation passed has not been of the nature which I had hoped to see enacted when I became a Member of the Senate. About the first thing we did was to enact a carry-back provision in connection with the tax bill. There was a repeal of excess-profits taxes. We were told that this would aid industry to reconvert to peacetime production. About all it has done, I am afraid, has been to give us reports of greater profits, many times greater in many instances, than ever before in the history of the United States.

Then there was the so-called Price Control Act, which, as I have said before, was a "phony" and was really a price-increase act.

Recently, we have passed a tax bill, which the newspapers have played up by stating that it does more for the little fellow than for the big fellow. Anyone who will look into it will see that the poor little fellow hardly gets a smell out of it. When it applies to salaries such as are received by Members of the Senate, there is a saving of $500 or $600 or $700, depending on how many children are involved; but from there on up it mounts up, and the big fellows save plenty and the little fellow saves nothing. I am opposed to that.

We have on the calendar the Bulwinkle bill to exempt railroads from provisions of the antitrust law.

Housing legislation has been just about a wash-out. There has been reported from the Banking and Currency Committee the Taft-Ellender-Wagner bill on which I hope some action will be taken.

Now comes the rent-control amendment. I read in the newspaper today that the majority party has a plan to reduce the debt by increasing excise taxes; in other words, to increase the taxes which the little fellows pay. We shall let them pay the national debt. We have reduced the income taxes on the big boys, we have reduced their excess-profits taxes; we have given them the carry-back provisions. They are pretty well taken care of. Now we will pay the national debt by saddling it on the little everyday taxpayer, the man with a family.

I want to dissociate myself from all these measures. I disapprove of them. I want no part of the credit, if any be due, for enacting them. I want none of the credit for cutting the reclamation appropriations. I want none of the credit for cutting down the Grazing Service. Our ranges in the West are practically worn out and eroded. I want none of the credit for cutting the Department of Agriculture appropriations. I want none of the credit for cutting $5,000,000 from the appropriation for cancer control, as was done by the Senate in considering the Department of Labor-Federal Security appropriation bill.

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

Mr. TAYLOR. I yield.

Mr. PEPPER. I understand that as a part of the economy drive in the House of Representatives, the school lunch program appropriations were rather completely cut out of the Department of Agriculture appropriation bill. Would the Senator from Idaho wish to be entitled to any of the great credit for saving that money at the expense of the school children of the United States?

Mr. TAYLOR. Mr. President, the Senator from Florida took the words right out of my mouth. I was just coming to that point, when the Senator asked me to yield. But I am glad to let him make known the fact that he, too, is not in favor of depriving the children of their school lunches.

Furthermore, Mr. President, the appriations for enforcement of the antitrust laws have been cut. I want no credit for any of those things.

I remember that when the bill ending the OPA was enacted last year, some Senators almost came to blows in arguing who had done the most to kill the OPA. I must state that for some time I have not heard anyone talking about taking credit for killing the OPA. They keep very quiet about it now.

Mr. President, I have before me an article from the Washington Daily News of April 25. In it Mr. Alf Landon is quoted as saying that—

> High prices of today are more dangerous to free enterprise than the Communist Party in the United States has ever been.

I agree with Mr. Landon as to that.

I now ask unanimous consent that the entire article be printed in the RECORD at this point. It is entitled "The Elephant Has Ears But Hears Not."

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

THE ELEPHANT HAS EARS BUT HEARS NOT

(By Peter Edson)

It all depends on who says what—when and where and how. For instance, the other day a fella who used to be considered pretty important got up and said:

"High prices of today are more dangerous to free enterprise than the Communist Party of the United States has ever been."

NO, IT WASN'T

It wasn't Henry Wallace who said this from a soap box in Europe. But suppose it had been. The cries of anguish that would have arisen from Republican leaders, the National Association of Manufacturers, and like-minded parties would have been enough to drown the neighbors' radio. It would have been denounced as New-Dealism or prolabor, left-wing propaganda intended to destroy the free-enterprise system.

So it may come as a shock to know that the quote above came from good old conservative Alf Landon, addressing the GOP National Committee at Kansas City.

Governor Landon led the Republican Party in the worst licking it ever got. He therefore speaks as an authority on what it takes to beat the GOP. At the Kansas City meeting of the party bosses he showed no restraint in giving them several pieces of his mind. Among other notable quotes was:

"Congressional authority over tariff rates and excess profits—which it should not hesitate to use by drastically lowering the first and taxing the second, if necessary—is a powerful weapon to encourage industrial and labor leaders alike to work together toward a sensible price structure."

Note again that this is not Henry Wallace speaking, but Alf Landon, advocating those good Democratic doctrines of "soak the rich" taxes and lower tariffs as cures for communism.

DON'T GET IT

What the Governor had to say to the party bosses, though, apparently went right over their heads. They missed the significance just as GOP majorities in Congress seem to be missing it.

The United States may miss the recession that so many experts are now predicting, but there seems to be a lot of effort around here to head right into it. A little depression is even suggested in some quarters as a good thing. It comes from the same people who in 1941 were suggesting that a little inflation would be a good thing.

All the blame for this can't be put on the Republicans. They get lots of help from the Democrats. The only thing the Republicans can be blamed for is lack of leadership to head in any other direction than toward glorious boom and inglorious bust.

On this current issue of high prices, Congress got in its main licks against stabilization last year, when the Democrats were in control. But this year, congressional aid to wool growers looks toward high prices. Removal of sugar controls looks toward high prices. The new Wolcott housing bill, if passed, would mean higher-cost housing. The Knutson tax bill is believed to be definitely inflationary in its implications.

All these things have been said before. They can't be said too often. Because, in the words of Alf Landon, they are "more dangerous to free enterprise than the Communist Party" has ever been.

"MANDATE" THEY SAY

Drastic labor curbs, the proposed freeing from Government controls in the public interest for the private power, natural gas, railroad and radio industries and other special interests whose lobbies are hard at work in Washington, the abandonment of the re-

ciprocal trade agreements which seems to be a definite plank in next year's GOP program—all such things can only make a lot of people think that some form of socialism might not be so bad after all.

The trouble is that the people who claim to hate communism the most can't see it—can't see what another uncontrolled spree would lead to. The last time it led to the New Deal.

It is difficult to grasp the congressional frame of mind on all this. There is no denying that most Congressmen have their ears close to the ground. They know what the people back home want. But it is open to question whether the people back home know what this Congress is going to do to them if it continues on its merry way.

GOP congressional leaders feel that the last election gave them a mandate to take off Government controls, restore free enterprise, curb labor, cut Government expense to the bone. When Franklin Roosevelt and the New Dealers claimed they had a mandate from the people to curb industry and install tight Government regulation over business, Republicans said that was a lot of nonsense.

It all depends on who says what—when and where and how. Which was where we came in.

Mr. TAYLOR. Mr. President, I also offer for the RECORD, and ask to have printed at this point, an article which I believe was published in the Washington Post. The article is entitled "Prices of Food in Canada Found Far Below United States Level."

In the article it is stated that in Canada, where there are legitimate price controls and where the legislators conscientiously did what they knew was best for their country, prices are far below United States prices, and there is not the imminent danger of economic collapse, inflation, boom and bust that threatens the United States today. Attached to the article is a comparative table showing food prices in the United States and in Canada.

There being no objection, the article and attached table were ordered to be printed in the RECORD, as follows:

CONTROLS STILL ON—PRICES OF FOOD IN CANADA FOUND FAR BELOW UNITED STATES LEVEL

(By John W. Ball)

Food prices in Canada, under controls, are far below those in the United States, a survey by the Canadian Wartime Prices and Trade Board revealed yesterday.

Since August 1939, the cost of living in Canada has increased about 30 percent, the report shows. Since VJ-day the increase has been held to 6 percent.

This compares with an increase of 54.8 percent from 1939 to date in the United States.

After World War I, the report says, living costs in Canada rose 22 percent in the first 23 months after the armistice; and 87½ percent from July 1914, when the war began, until October 1920.

The comparisons were made in adjacent cities on both sides of the line: Vancover and Seattle; Winnipeg and Minneapolis; Toronto, Detroit and Cleveland; Ottawa and Syracuse and Montreal and Boston. Only items comparable in identity, quality, and style were priced, the report says. The surveys were conducted on both sides of the line by the same pricing experts.

A summary states:

"Food costs, on the average, are substantially lower in Canada. Clothing prices in Canada are the same or lower, excepting for women's stockings. Home-furnishings prices are very similar or lower in Canada.

"On both sides of the border, supplies at the stated prices are not always adequate. This was perhaps more true of Canada, especially for some clothing lines."

TABLE OF COMPARISON

Comparison of actual retail prices in the United States and Canada (for the period April 14–24, 1947; dollars per units):

	Canadian cities	United States cities
	Dollars	*Dollars*
Milk, imp. quart	0.13 -0.16	0.20 -0.225
Butter, pound	.41 - .46*	.63 - .75
Cheese, cheddar, pound	.33 - .45*	.49 - .70
Eggs, dozen	.39 - .49	.53 - .69
Bread, 24 ounces	.075- .10*	.15 - .18
Flour, 24 pounds	.73 - .89*	
Flour, 25 pounds		2.05 -2.19
Rolled oats, 48 ounces	.17 - .25	.27 - .33
Sugar, pound	.08 - .10	.09 - .11
Tea, one-half pound	.43 - .49	.45 - .49
Coffee, pound	.45 - .51*	.49 - .55
Cocoa, one-half pound	.15 - .19	.145- .16
Prunes, pound	.15 - .21*	.23 - .31
Raisins, pound	.15 - .25*	.265- .39
Corn, sirup, 2 pounds	.26 - .31	
Corn sirup, 1½ pounds		.15 - .25
Strawberry jam, pound	.26 - .29	.45 - .72
Potatoes, 10 pounds	.24 - .38	.33 - .59
Canned peaches:		
20 ounces	.21 - .29	
28 ounces		.26 - .43
Canned peas, 20 ounces	.12 - .19	.17 - .25
Canned tomatoes:		
20 ounces		.17 - .24
28 ounces	.15 - .19	.24 - .35
Beef:		
Sirloin steak, pound	.44 - .58	.59 - .75
Round steak, pound	.41 - .49	.59 - .79
Blade roast, pound	.27 - .39	.39 - .55
Veal, leg, boned and rolled, pound	.34 - .39	.52 - .59
Lamb, leg, pound	.39 - .44	.49 - .69
Pork:		
Loin, pound	.39 - .45	.49 - .69
Shoulder, pound	.27 - .38	.43 - .59
Bacon, sliced, pound	.55 - .63	.55 - .75
Lard, pound	.24 - .28	.29 - .45
Vegetable shortening, pound	.26 - .35*	.41 - .53
Soap:		
Toilet, each	.06 - .07	.10 - .125
Laundry, each	.05 - .07	.08 - .20
Flakes, med	.24 - .28	.34 - .39
Clothing items, men's:		
Pajamas, cotton, broadcloth, each	2.50 -6.50	3.95 -7.95
Underwear, combinations, cotton knit, each	1.50 -3.25	1.49 -4.50
Socks, wool and cotton mix, pair	.69 -1.00	.49 -1.10
Shirts:		
(a) Business, cotton broadcloth, preshrunk, each	2.55 -4.00	2.95 -5.95
(b) Work, cotton covert preshrunk, each	1.35 -3.85	1.35 -2.69
Clothing items, women's:		
Hosiery:		
(a) Nylon, 45 gage, pair	1.59 -1.75	1.00 -1.75
(b) Rayon, 45 gage, pair	1.00 -1.25	.79 -1.15
Slips, rayon crepe, tailored, each	2.39 -2.98	1.98 -4.00
Pajamas, spun rayon, each	3.25 -5.98	3.95 -6.98
Panties, knit rayon, elastic waist, band leg type, each	.75 -1.38	.69 -2.00
House dresses, cotton, each	1.59 -2.59	2.79 -4.00
Clothing items, children's:		
Underwear, cotton knit, boy's, 6 years, vests, each	.47 - .79	.39 - .79
Shorts, each	.37 - .79	.33 - .85
Boy's longs, tweed, all wool, 12 years, each	3.98 -5.75	5.40 -8.95
Socks, ankle length ribbed cotton, sizes 6 to 9 years, pair	.19 - .55	.39 - .58
Shoes, oxford, Goodyear welt, calf or elk, sizes 1 to 3, pair	3.95 -6.95	3.69 -7.95

*Subsidized.

NOTE.—Prices in Canada of garments containing cotton are affected in varying degrees by the cotton subsidy.

Mr. TAYLOR. Mr. President, I am not in favor of these measures. I am not in favor of enacting laws that profess to do something but do not do it.

Therefore, I have offered a substitute for the pending bill. The substitute simply extends rent control, as is, until June 30 of next year. The Congress will be in session at that time, and will have been in session long enough to have had a chance to study the situation. If at that time the Congress wishes to permit rent control to die, that can be done.

In respect to the pending bill, let me say that I know that what the sponsors of the so-called advisory committees provision had in mind was to allow greater autonomy by local groups. But, Mr. President, the present law will expire this month. In order to set up the new machinery provided by the bill, the governor of each State will have to appoint the various boards. There are 600 areas throughout the United States; and in many communities in different areas, boards will have to be appointed. That provision has been made on the theory that the citizens will volunteer to serve on those boards. Let me point out that summer is coming on, and everyone will wish to take a vacation. The war is no longer in progress. It will not be easy to find citizens to serve on those boards. Moreover, let me point out that the boards are to be appointed by the governors of the States, and the boards will really run the business, although the Expediter will have to take all the blame. So the local boards will be able to play politics in any way they please, and no stigma at all will attach to them for anything that happens; they will be able to pass the buck back to the poor old Housing Expediter.

Mr. President, I am afraid that plan will not work. If we really want rent control continued, we must reenact the rent control measure as is, and I am convinced that the sensible date is June 30 of next year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Idaho [Mr. TAYLOR].

Mr. TOBEY. Mr. President, this bill is in the very competent hands of the distinguished Senator from Delaware [Mr. BUCK], as chairman of a subcommittee which I appointed from the Banking and Currency Committee. This committee of ours has handled the matter at great length. Some of us have maintained all the way through that what we wanted was real rent control. Nevertheless, attempts have been made by some persons to torpedo and kill the present rent-control law.

Mr. President, despite all that has been said, my position has been, from the very beginning, that the Senate should vote to have the present rent control continued until 1948 and further extended until such time as the Congress in its wisdom may decide to terminate rent control.

But, Mr. President, I do not like the red herrings that have been drawn across the trail. I do not like to see the people of the country confused and led to believe that they will get something which they really will not get.

I look upon the amendment which has been offered by my friend the Senator

from New Jersey [Mr. HAWKES] as an amendment nullifying rent control. Accordingly I shall vote against the bill, inasmuch as that provision has been placed in it. I shall vote against it as a protest against such legislation. I wish my position to be clearly understood. In my opinion, the Hawkes amendment nullifies rent control beyond peradventure; and now that the Hawkes amendment has been adopted, the real-estate lobbyists and real-estate organizations throughout the country are singing te deums and hallelujahs in their hearts over the accomplishment by indirection of what they were unable to accomplish by direct means.

In addition, Mr. President, I wish to call attention to a matter which I could not present before, due to my absence from the Senate last week because of an illness in my family. Twice during the debate last week attention was drawn to the fact that a very distinguished American soldier and patriot, General Fleming, has stated without equivocation, when he was before the Banking and Currency Committee, that he felt that the proper way to handle the inequities existing under present rent controls was to grant an arbitrary 10-percent increase straight across the board.

I was present in the committee when General Fleming was before the committee. At one point in the hearings he had to go to Iowa, for the funeral services of his beloved aged mother. On a Thursday, a gentleman who was his understudy, came to me and said, "At 5 o'clock there will be issued from the White House a pronunciamento increasing rents 10 percent. It is all fixed up." But, Mr. President at 5 o'clock that day, that declaration was not made. Something happened; a monkey wrench was thrown into the machinery.

Next morning, General Fleming returned to the city, and I asked him to appear before the committee. He came to the committee with his underlings and his counsel, and sat across the table from me in the committee. At that time he was sworn as a witness, and then he proceeded to read one of those determinative statements which sometimes are prepared by someone in a Government bureaucracy. In reading page 1, he read a very dogmatic conclusion to the effect that—

> We have considered the matter, and in justice rents should be increased across the board 10 percent.

Then he continued reading.

Well, Mr. President, when I was a boy in school I formed the very pernicious habit in English class of skipping over to the end of the novel and finding out how the hero and the heroine came out. So when General Fleming had finished page 1 and had progressed to page 6 I was reading on page 12, the concluding page. To my utter amazement and astonishment, I found on this last page, a statement in utter contradiction to what General Fleming had read on page 1, the two statements being as far apart as alpha and omega, or Dan and Beersheba. That statement on the concluding page was in effect that—

> We have come to the conclusion that under no circumstances should a 10-percent increase be made at this time.

So, when he paused for a moment, I said to him, "General Fleming, please read paragraph 3, on page 1, again"; which he did. When he had read that, I said, "Now read the statement appearing on the last page of your prepared statement." When it was read, his face fell. I felt sorry for my good friend, General Fleming, a citizen of New Hampshire, who is an honest gentleman and a great administrator. I said, "When was this statement prepared?" He said, "This morning."

> The fault, dear Brutus, is not in our stars,
> But in ourselves, that we are underlings.

The underlings of that Department had just written pages 1, 2, 3, 4, 5, and 6 the day before, when they thought it was going out with a 10-percent-rent-increase figure in it, but in the cold gray dawn of the morning after, realizing it had been repudiated by the White House, they wrote a new paragraph.

I asked General Fleming which statement he wished to stand on, paragraph 3 on page 1, or the next to the last paragraph on the concluding page. That was the end of the reading.

Mr. President, when that first statement, on page 1 of the General's statement, is cited as evidence, as exhibit A, to carry through a piece of legislation which really amounts to a 15-percent across-the-board increase, I call a halt and say it is not fair. I do not know how many more times they are going to change their opinion, but as far as I am concerned, they made one statement one place and another at another, and Senators can take their choice.

Now, about rent control, I spoke in New York a few nights ago, and said advisedly, and I say again here, there are 130,000,000 people in this country, most of them little people, people of ordinary means, and I believe putting into effect even the Hawkes amendment, which really means a 15-percent across-the-board increase, is an injustice to these people. If any do not agree with me that it means an immediate increase in rentals, let them note the look of glee that has been on the faces of many in the last few days.

I believe rent control should be continued at least until 1948. Take it off now, and it may well be the last straw that will break the camel's back, especially in view of the tragically high costs of living which burden homes today. I want to see rent control carried through in accordance with the principles and philosophies of the rent-control law of today, up to December 31, 1947, or March 31 of next year. That is my considered position.

Mr. President, I shall conclude with one more statement. In the Washington Post of last Saturday there appeared an article which has been handed to me by a gentleman on the floor of the Senate. My distinguished friend the Senator from New Jersey [Mr. HAWKES], according to the article, "predicted that most tenants will agree to 'voluntary' 15-percent increases if his rent-boost formula becomes law." The last paragraph of the article reads:

> HAWKES said the average tenant would rather strike such a "good faith" bargain now than take a chance on a "landlords' choice" rent boost of 20 to 100 percent when rent control ends, probably next spring.

Coming events cast their shadows before them. They are written in the sky for all to read. What is going to happen when we take these controls off, I believe, is an increase in rentals that will stagger people, especially those with small incomes. I want to see the little man protected, because I think he deserves it and has a right to expect it from us.

With malice toward none, and not questioning the motives of any of my colleagues, I believe the Hawkes amendment was adopted through error of judgment. I could not have voted for it had I been present. To me it is what the Senator from Kentucky describes as a sword of Damocles. It will mean that the landlord will say, "Come across and agree—or else." It will mean that the tenant will get it "in the neck" by an increase he will not like, unless he "comes across" and agrees to an increase in his rent.

Mr. President, I hope my colleagues will pardon my resorting to the vernacular, but I feel very strongly about this matter. I yield to no man in my desire to have all controls taken off just as soon as that is justified, but this is not the time to take off rent controls, in my sincere judgment. The bulk of the people feel so, and I have talked with many of them.

So, Mr. President, as I have said, I shall record my vote when the time comes against the bill, because I do not believe it is in the interest of the people of moderate incomes throughout this country, and I shall so record myself in protest.

Mr. HAWKES subsequently said: Mr. President, I wish to make a brief statement in connection with a statement made by my able and distinguished friend the Senator from New Hampshire [Mr. TOBEY] this afternoon while I was in attendance upon a committee meeting.

I understand that he made the statement that I had stated that Mr. Fleming, who appeared before the Committee on Banking and Currency, had said that the only way he could see to solve this problem was by a 10-percent straight increase across the board. The distinguished Senator from New Hampshire stated that Mr. Fleming had made two statements in a prepared statement. One of them was to the effect that there should be a 10-percent increase straight across the board, and the other statement was that he was opposed to it.

I understand perfectly that that statement was made in the original appearance of General Fleming before the Banking and Currency Committee. Two or three weeks after that, as the distinguished Senator from New Hampshire

[Mr. TOBEY] will find in the record of the committee hearings, General Fleming made the statement which I attributed to him the other day, that, considering all the things in front of the Administrator at the present time, he could see no way of doing justice except by a straight 10-percent increase across the board. I think the Senator from New Hampshire was perhaps not present at that meeting, but I am sure the Senator from Delaware [Mr. BUCK] was present and that there were half a dozen other Senators there, and the record will clearly show that the statement which I made the other day is an accurate one.

Mr. TOBEY. Mr. President, reverting to the remarks made by my distinguished colleague, the Senator from New Jersey [Mr. HAWKES], with respect to the statement I made regarding General Fleming, the statement I made was the truth, substantiated in documentary form. I am advised by the distinguished Senator that what he was referring to was some subsequent appearance which General Fleming made before the committee, at which time he said he favored a 10-percent increase across the board. What will his next statement be? It is a case of "off again, on again, gone again, Finnigan." Who knows what will come next? I do not. I suppose the next statement will be the reverse, to be consistent with previous utterances. I think on all the evidence we should disregard the statements made by General Fleming and his group in the matter of rent increases. They are rendered null and void by the inconsistencies and vagaries of the opinions he expressed.

Mr. BUCK. Mr. President, as I understand, the Senator from Idaho [Mr. TAYLOR] has moved to substitute his amendment for the bill reported by the committee. I most strenuously object to his amendment. The subcommittee of the Senate Committee on Banking and Currency spent nearly three months trying to write the bill we are now considering, and reported it with the help of the full committee. The Senator from Idaho [Mr. TAYLOR] was a member of the subcommittee. Many of the matters he has criticized today he did not mention at the time the bill was under consideration, as I recall—and I think I attended all the meetings.

The bill is the best product the committee could bring forth and present to the Senate. In the opinion of the committee, it certainly is more desirable than continuing rent control under the present act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute proposed by the Senator from Idaho [Mr. TAYLOR].

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

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

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

Aiken	Buck	Chavez
Ball	Bushfield	Connally
Brewster	Byrd	Cooper
Bricker	Cain	Cordon
Brooks	Capper	Downey
Dworshak	Lodge	Saltonstall
Eastland	McCarran	Smith
Ecton	McClellan	Sparkman
Ellender	McFarland	Stewart
Flanders	McGrath	Taft
George	McKellar	Taylor
Green	McMahon	Thomas, Okla.
Hatch	Magnuson	Thomas, Utah
Hawkes	Malone	Thye
Hayden	Maybank	Tobey
Hickenlooper	Millikin	Tydings
Hill	Moore	Umstead
Holland	Murray	Vandenberg
Ives	Myers	Watkins
Jenner	O'Conor	Wherry
Johnson, Colo.	O'Daniel	White
Johnston, S. C.	Pepper	Wiley
Kem	Revercomb	Wilson
Kilgore	Robertson, Va.	Young
Knowland	Robertson, Wyo.	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment in the nature of a substitute submitted by the Senator from Idaho [Mr. TAYLOR].

Mr. PEPPER. Mr. President, this is a proposal submitted by the Senator from Idaho to continue rent control as it is now, until June 30 of next year. I think it is a matter of sufficient importance to justify a yea-and-nay vote, and I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Nebraska [Mr. BUTLER], who is absent on official business, is paired with the Senator from Wyoming [Mr. O'MAHONEY].

The Senator from Connecticut [Mr. BALDWIN], the Senator from Missouri [Mr. DONNELL], and the Senator from Pennsylvania [Mr. MARTIN] are absent by leave of the Senate. If present and voting, the Senator from Pennsylvania would vote "nay."

The Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Oregon [Mr. MORSE], and the Senator from North Dakota [Mr. LANGER] are necessarily absent.

The Senator from Kansas [Mr. REED], who is absent by leave of the Senate, has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON] are absent on official business.

The Senator from South Dakota [Mr. GURNEY] and the Senator from Delaware [Mr. WILLIAMS] are unavoidably detained.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. HOEY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on public business.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Illinois [Mr. LUCAS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Nebraska [Mr. BUTLER] are paired on this vote.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. If present and voting, the Senator from New York would vote "yea."

The result was announced—yeas 16, nays 58, as follows:

YEAS—16

Aiken	McCarran	Sparkman
Chavez	McGrath	Taylor
Downey	Magnuson	Thomas, Utah
Green	Murray	Tobey
Hill	Myers	
Kilgore	Pepper	

NAYS—58

Ball	Hayden	Revercomb
Brewster	Hickenlooper	Robertson, Va.
Bricker	Holland	Robertson, Wyo.
Brooks	Ives	Saltonstall
Buck	Jenner	Smith
Bushfield	Johnson, Colo.	Stewart
Byrd	Johnston, S. C.	Taft
Cain	Kem	Thomas, Okla.
Capper	Knowland	Thye
Connally	Lodge	Tydings
Cooper	McClellan	Umstead
Cordon	McFarland	Vandenberg
Dworshak	McKellar	Watkins
Eastland	McMahon	Wherry
Ecton	Malone	White
Ellender	Maybank	Wiley
Flanders	Millikin	Wilson
George	Moore	Young
Hatch	O'Conor	
Hawkes	O'Daniel	

NOT VOTING—21

Baldwin	Fulbright	Morse
Barkley	Gurney	O'Mahoney
Bridges	Hoey	Overton
Butler	Langer	Reed
Capehart	Lucas	Russell
Donnell	McCarthy	Wagner
Ferguson	Martin	Williams

So Mr. TAYLOR's amendment was rejected.

Mr. FLANDERS. Mr. President, I wish to make an inquiry, which I suppose is in the nature of a parliamentary inquiry. We are in the position on this bill of having to act on provisions which have not followed the regular course of procedure of being referred to the committee, and having hearings held and a report submitted by the committee. So with respect to title I, which relates to matters which the Senate has not considered, we are left apparently to the alternative course in making any changes we may wish to make, of writing legislation on the floor, which seems to me to be an impracticable process.

Section 1 of the House bill contained a provision which reads as follows:

> Section 1 through 9, and sections 11 and 12, of Public Law 388, Seventy-ninth Congress, are hereby repealed,

A short time ago I read the large number of provisions which are repealed thereby.

What I wish to ask is this: Is there any way, formal or informal, by which the Senate may be polled on those 8 or 10 or a dozen items which are so incontinently and abruptly repealed, so far as we are concerned, so that our formal or informal votes on them may be a guide to the Senate conferees in the conference? We manifestly cannot rewrite the bill on the floor.

The PRESIDENT pro tempore. What is the Senator's request?

Mr. FLANDERS. I am asking the President of the Senate whether there is any formal or informal way by which we can instruct the Senate conferees on the

10 or a dozen provisions of law which are repealed? It seems to be obvious that we cannot rewrite the bill with reference to them.

The PRESIDENT pro tempore. The Chair knows of no way that the Senate can express itself except by voting on direct amendments. Any of the text of title I which is not amended will not be in conference, because it will be the same text in both the House and Senate bills.

Mr. FLANDERS. I accept the judgment of the Chair on that point. I think, however, there ought to be some way by which we could avoid being forced into the predicament in which we find ourselves, and I suggest that the elder statesmen consider whether ways cannot be devised by which the Senate will not be driven into a corner by the other House.

Mr. KILGORE. Mr. President, I move that the Senate reconsider the vote by which title II of the House bill was amended by the substitution of the text of Senate bill 1017, as amended.

I may say, Mr. President, for the benefit of Senators present that the purpose of the motion is to get into position to ask to strike from the substituted text one certain amendment.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE] to reconsider the substitution of the Senate bill as amended, for title II of the House bill.

Mr. TAFT. Mr. President, the Senate has already perfected its own bill. Action on the bill was completed. It was then substituted for title II of the House bill. It seems to me that that is beyond the scope of the present discussion. I am not making any point of order. The Senate bill was an amendment to the House bill, which amendment has already been adopted. It seems to me that if we are ever to get through with this legislation we cannot go back and reconsider amendments for the purpose of offering other amendments, and perhaps substituting something else. Action on the Senate bill was completed, and it seems to me that it ought to be left as it was completed, without further consideration.

Mr. KILGORE. Action on the Senate bill was completed, and it was substituted for title II of the House bill. I may say that action was completed while a great number of Senators were absent from the Chamber, during a period of time when many of us normally make engagements to go to our home States to deliver addresses in memory of the deceased of our many wars. That was when the bill was amended. It seems to me that it is only fair to some of us to give us an opportunity to vote on some of these questions, and that any move to block such opportunity is merely a motion in the direction of a gag rule.

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

Mr. KILGORE. I yield.

Mr. BUCK. The bill was taken up Thursday at the special request of the minority leader.

Mr. KILGORE. Let me say to the Senator from Delaware that it was necessary for some of us to leave before Thursday. We do not live so close to the city of Washington as does the Senator from Delaware.

Mr. BUCK. But the Senator implied that the majority had tried to put the bill across.

Mr. KILGORE. I am not making any such implication. I am saying that the action was taken by a group of Senators in the absence of a great many other Senators. I should like to have an opportunity for the majority of the Senate to pass upon it.

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

Mr. KILGORE. I yield.

Mr. HAWKES. The vote on the particular amendment to which the Senator refers was 48 to 26. Forty-eight is an even half of the total number of Senators. The total vote—74—is a very substantial vote in the United States Senate, when compared with the votes on other legislation.

Mr. KILGORE. Let me say that the amendment at which I am particularly striking is the amendment offered by the Senator from New Jersey, which provides that a man who is in a position to contract for a year may take a 15-percent increase and have his lease renewed. That is one thing which I think is most unfair in a rent-control bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE].

Mr. TAFT. Mr. President, there is no possible way by which the Senate can complete its work and make allowance for Senators being absent on certain days. We cannot possibly complete our work unless we meet on every day which is available to the Senate—Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays. This action was taken on Thursday last. Unfortunately, the Senator from West Virginia was absent. But from now on until the end of the session we cannot delay action because some Senator happens to be absent. That applies just as much to Republican Senators as to Democratic Senators. I urge very strongly on the Senate that we may have an important vote on any day of the week from now until the 4th of July, and I hope every Member of the Senate can be present. I do not believe that the fact that any Senator is unable to be present should be accepted as a proper and sound reason for reopening questions which have been debated and disposed of. I do not believe that we should order another vote in order that a particular Senator may be accommodated.

Mr. BUCK. Mr. President, I am reminded of the fact that the vote to which the Senator from West Virginia objects was taken earlier in the afternoon on the question of substituting the Senate bill, as perfected, for title II of the House bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE] to reconsider the vote by which the Senate bill was substituted for title II of the House bill.

Mr. KILGORE. The Senate bill, as amended, was substituted for title II of the House bill.

The PRESIDENT pro tempore. That is correct.

The question is on agreeing to the motion of the Senator from West Virginia.

The motion was rejected.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. CONNALLY. Mr. President, I have been consulting the Senate bill, and I cannot locate the place in the House bill where my amendment should go. However, the Senator from Delaware [Mr. BUCK], with whom I have conferred about the matter, will know. There is a provision in the bill that housing commenced before March 1, 1947, shall be exempt from control. I wish to strike out the word "commenced" and insert in lieu thereof the words "was completed."

Mr. BUCK. Mr. President, as I understand, the Senator's amendment would permit the exemption of a few more houses.

Mr. CONNALLY. They are already in the course of construction.

Mr. BUCK. I have no objection.

Mr. CONNALLY. The Senator accepts the amendment, so I shall not argue it.

The PRESIDENT pro tempore. The Chair understands that the amendment is on page 8, line 24, in the Senate bill. Without objection, the amendment may be offered. The Chair hears no objection.

The amendment offered by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 8, line 24, of the Senate bill, after the words "construction of which" it is proposed to strike out "commenced" and insert in lieu thereof "was completed."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. CONNALLY].

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1017 will be indefinitely postponed.

Mr. BUCK. Mr. President, I ask unanimous consent that the enrolling clerk be authorized to make appropriate changes in the section numbers of the matter which has been adopted as title II of House bill 3203, and that he be further authorized to change the word "Act" to the word "Title" wherever it may be appropriate to make such change.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. BUCK. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr.

BUCK, Mr. MCCARTHY, Mr. CAIN, Mr. FULBRIGHT, and Mr. TAYLOR conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 565. An act to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins;

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins;

S. 583. An act to authorize the exchange of lands acquired by the United States for the Silver Creek recreational demonstration project, Oregon, for the purpose of consolidating holdings therein, and for other purposes;

S. 993. An act to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes; and

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments.

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATIONS

Mr. CORDON. Mr. President, I move that the Senate proceed to the consideration of House bill 2436, a bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2436), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. CORDON. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

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

Mr. CORDON. Mr. President, I should like to make a short statement with reference to the bill as it comes from the Senate Appropriations Committee.

May I say, first, that the Senate Appropriations Committee, in returning its report, has dealt only with the changes in the bill recommended by the Senate Appropriations Committee. Those changes were not numerous, and, except in three major instances, were of minor amount. A summary of the bill as reported is as follows:

The amount in the bill as it passed the House was $3,202,056,750.

The net increase by the Senate was $40,994,423.

The amount as reported to the Senate is $3,243,045,173.

The amount of the regular estimates for 1948 is $4,099,123,500.

The amount appropriated for 1947 is $4,267,826,360.

The bill as reported to the Senate is under the appropriation of 1947 by $1,024,781,187, and under the estimates for 1948 by $856,078,327.

Mr. President, at this time I want to call attention to the fact that the decrease as recommended to the Senate by the Senate Appropriations Committee, being $856,078,327, does not in its entirety represent a reduction in controllable appropriative items of that amount. Approximately $800,000,000 of that decrease is represented by the Senate Appropriations Committee in following the action taken by the House on recommendation of its Appropriations Committee, namely, that the Congress adopt the procedure of making fixed appropriations for those items which are not controllable by the Appropriations Committee, due to the fact that they are fixed in amount by substantive law. The major items affected represent refunds of taxes erroneously collected, refunds of payments collected in customs, certain drawbacks, and so forth. In other words, as the Government goes about its business it is compelled in some instances to collect funds from citizens on the basis of an estimate. Thereafter, on an accurate determination, moneys may be returned which were erroneously collected. Those amounts are not controllable by the Appropriations Committees or by the Congress at this time, but are based upon yardsticks and conditions which are embodied in legislation already on the statute books.

Heretofore for a number of years Congress has made indefinite appropriations for those several purposes. The House felt this year that it was better practice to substitute fixed appropriative amounts and correct them in the coming year if they are found to be wrong.

An argument could be made for either procedure. The Senate Appropriations Committee elected to adopt the program which the House has initiated, having in mind the thought that we might try it out. In any event, the amount of money which will be refunded by the Federal Government pursuant to the laws to that effect will not be affected by this appropriation. Such repayment is dependent upon facts not within the control of the Congress at this time.

I make that explanation because I want it perfectly clear, so that there shall be no misunderstanding as to the reduction in the amount of the appropriation estimate requested by the administrative departments for the current year.

Mr. President, I shall not read the balance of the recapitulation, but shall rather go immediately to the major items in which changes were made in the appropriation amounts.

First, Mr. President, the House combined four functions of the Treasury Department and made one over-all appropriation for the four functions. Those are the Office of General Counsel, the Tax Legislative Counsel, Division of Tax Research, and Division of Research and Statistics.

The committee went very carefully into the jurisdiction of the several divisions of the Treasury Department, into the type of inquiry and effort put forth by each of the divisions, and came to the conclusion that a better division would be made if the Office of the General Counsel and the Office of Tax Legislative Counsel were combined and a second agency made up of the Division of Tax Research and the Division of Research and Statistics. So the Senate committee makes the recommendation that that type of division be adopted rather than that which is set forth in the House bill, and the appropriation was appropriately changed, the Senate recommending $100,000 more than did the House for the combined activities as divided by the Senate.

The House appropriation for the Bureau of Customs was most carefully investigated by the Senate committee, due primarily to the fact that very considerable public notice was taken of the House action, and what was undeniably a pressure campaign was indulged in to influence action by the Senate.

After careful investigation, which included two requests by the committee that the Secretary of the Treasury investigate and reinvestigate the Bureau with respect to certain matters, the committee reached the conclusion that the appropriation made by the House of Representatives for the Bureau of Customs should be increased by $1,500,000. That action was taken, as I have heretofore stated, only after two examinations into conditions in the field. Those examinations were made at the request of the committee, and two comprehensive reports were prepared for the committee. Your committee is of the belief that that increase will permit the Bureau of Customs to function, even with an added load, in a way entirely adequate for the benefit of the people as a whole.

Your committee also recommends an increase of $25,000,000 in the appropriation for the Bureau of Internal Revenue, over and above the amount allowed by the House of Representatives. Here, again, the committee made an exhaustive survey of the facts, and requested and secured itemized statistical data showing the returns to the Treasury resulting from the activities of the enforcement agencies of the Internal Revenue service. The committee had that information broken down into units, so that it could obtain a most careful analysis of the facts. The conclusion of the committee was that the retention of approximately 17,000 enforcement agents would be for the best interest of the people of the United States and would represent a return of almost $20 to the Treasury for each dollar expended in that particular effort. That item accounts for the major increase which was made by the committee in the Treasury division of the appropriation bill.

As to the Coast Guard, Mr. President, again the committee was confronted with a most troublesome situation. The House of Representatives had taken the

view that the Coast Guard was expanding its activities unduly, and that it should not be made, as the statement appeared in the report, a "blue water" agency, but should confine its activities solely to domestic waters. During the war the Coast Guard took on additional duties, after it was integrated with the Navy. Among those duties was the operation of navigational aids in various parts of the world, including what are known as loran stations and weather stations. The appropriation made by the House of Representatives for the Coast Guard was clearly insufficient to permit those activities to be carried on by that agency. Investigation indicated that no other agency of the Government had included in its requested appropriations any estimate to cover those activities. The necessity for the maintenance of the loran stations and weather stations was made clearly apparent. With reference to the loran stations, Mr. President, let me say that we have international commitments requiring our participation. There was abundant evidence to indicate the value of both the loran and the weather stations to both water and air navigation. Therefore, your committee felt that, in view of all the additional evidence which it had secured, an additional appropriation should be made, so that those aids to navigation might be continued for the next fiscal year. The item for that purpose represents an increase of $12,483,123 over the appropriations made by the House of Representatives for the Coast Guard. Those items represent the major increases in the Treasury section of the bill.

In the Post Office division of the bill certain increases are recommended by your committee. Most of them are in minor amounts.

For the Office of the Postmaster General your committee recommends an increase of $15,000.

The increases recommended by your committee in salaries in bureaus and offices are as follows:

For the Office of the First Assistant Postmaster General, $30,000;

For the Office of the Second Assistant Postmaster General, $20,000;

For the Office of the Third Assistant Postmaster General, $15,000;

For the Office of the Fourth Assistant Postmaster General, $25,000;

For the office of the purchasing agent, $5,800.

Or a total increase in salaries in bureaus and offices of $95,800.

Your committee recommends an increase of $200,000 in the item for binding and printing.

Mr. President, in regard to the Post Office Department field service, the committee found it necessary to make an increase of $817,600, due to what was clearly a mistake on the part of the House of Representatives in failing to provide salaries for certain Post Office clerks as to whom a recommendation had been made that they be promoted to the position of assistant postmaster. The House cut out the funds to take care of such promotions, but failed to provide sufficient appropriations to take care of the salaries of those clerks in their present positions. Accordingly, the Senate committee recommends that such an appropriation be made.

The committee also recommends an increase in the amount of $200,000 in the appropriation for carfare and bicycle allowance; an increase of $457,000 in the appropriation for rent, light, power, fuel, and water; and an increase of $20,000 in the appropriation for transportation of equipment and supplies—or a total increase in the amount of $1,805,400 for the Post Office Department.

Mr. President, with that brief explanation, I ask that the Senate proceed to consider the amendments of the committee.

The PRESIDENT pro tempore. The first amendment of the committee will be stated.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department," in the subhead on page 2, line 14, after the word "Counsel" to insert "And Tax Legislative Counsel."

Mr. HAYDEN. Mr. President, I intend to discuss some of the amendments briefly, but prior thereto I ask unanimous consent that the minority views be printed at this point in the RECORD as a part of my remarks.

There being no objection, the minority views (Rept. 201, pt. 2) were ordered to be printed in the RECORD, as follows:

The undersigned heartily concur in the several recommendations to increase appropriations contained in the committee report because such increases, as a whole, will have the effect of recovering 20 times as much money in additional revenues, which would otherwise be lost to the Treasury. The Treasury and Post Office Departments are the two great revenue-producing agencies of the Government and, if properly sustained, can produce greater revenues and at the same time give greater service to the public. We believe that, for these same two reasons, it would be wise and in the interest of overall economy to grant additional sums to each of these Departments for other phases of their work.

BUREAU OF INTERNAL REVENUE

With particular regard to the Bureau of Internal Revenue we are convinced that an appropriation above the budget estimate will pay handsome dividends. This conviction is based upon actual experience. During the fiscal year ending June 30, 1946, Congress made deficiency appropriations amounting to $32,650,000 which enabled the Bureau to employ about 5,000 additional deputy collectors and revenue agents. During the present fiscal year about 2,500 more have been put to work and, in a letter to Senator CORDON, printed in the hearings, the Secretary of the Treasury estimates that if the approximately 27,000 men now assigned to that duty are retained they will bring into the Treasury $2,500,000,000 in taxes which otherwise would not be collected.

In his testimony before the Senate committee on page 22, Mr. A. L. M. Wiggins, the Under Secretary of the Treasury and a former president of the American Bankers Association, demonstrated how increasing this personnel has increased the Federal revenues:

"I do not make this statement lightly. Let me give you some figures. During the fiscal year 1944, with an average of 16,163 enforcement officers, the Bureau collected $814,312,825 which would not otherwise have been paid. During the fiscal year 1945 an average of 19,344 enforcement officers collected $1,088,916,075. During the fiscal year 1946 an average of 24,411 enforcement officers, about 5,000 of whom were newly recruited and had not developed to the point of maximum efficiency, collected $1,478,949,000.

"During the first 7 months of this fiscal year, to January 31, 1947, an average of 26,968 enforcement officers, many of whom were still in the training period, collected $1,128,000,000 which likewise would not have been paid. This is at an annual rate of roughly $2,000,000,000.

"ESTIMATED 1948 INCOME FROM ENFORCEMENT OFFICERS

"In 1948, we estimated an income of $2,500,000,000 from our enforcement efforts. The estimate is a conservative one and it was based on the assumption that the number of enforcement officers employed during 1948 would be the same as we have at present and on the further assumption that by virtue of one additional year of training these men would be even more productive.

"Moreover, the class of tax cases on which they would be working during 1948 would be chiefly the high income and high tax rate years of 1944 and 1945, which will be more productive than those of previous years."

During his appearance at the hearings, the very able Commisisoner of Internal Revenue, Mr. Joseph D. Nunan, Jr., stated (p. 229) that the proposed tax-reduction bill now under consideration in the Senate "is going to cause a great many more refunds than now, and, if anything, it should increase our personnel rather than to decrease it. * * * There is no decrease in the number of taxpayers or returns to be filed under the present bill, so that our staff which is now undermanned, will certainly be undermanned under the new bill."

At pages 235–236, the Commissioner said:

"I can also demonstrate that there are today thousands of profitable tax cases that we have to put back into the files untouched because the present enforcement group is simply not large enough in number to handle them. * * *

"I made the following statement to the House committee: (1) That our enforcement group would produce 2.5 billion dollars in 1948 over and above that which would be voluntarily paid; and (2) that we would provide a return of $20 for each $1 expended in enforcement. Since the House cut became known I have stated, in answer to questions put to me, that we would lose some $600,000,000 in revenue due to the $30,000,000 cut."

In the belief that the representations made by responsible Treasury officials are true, the committee has restored $25,000,000 of the reduction of $30,000,000 made by the House of Representatives in the appropriation asked for by the Bureau of Internal Revenue. We think that the full Budget estimate of $208,000,000 should not only be granted but increased. That conclusion is fortified by a written statement filed by Messrs. Robert N. Miller, H. C. Kilpatrick and W. A. Sutherland, well-known attorneys engaged in Federal tax practice, all of whom are members of the standing committee on Federal taxation of the American Bar Association. The following is taken from their statement printed on page 270 of the hearings:

"Since the present $208,000,000 budget contemplates what seems to us a dangerously inadequate coverage of investigations, it is our hope that the committee will not only keep in the budget every dollar which has been asked for, but that the Joint Committee on Internal Revenue will be directed to study the enforcement problem which confronts the Bureau and to determine whether there should not be an increase in the enforcement activities of the Bureau to the extent that its training facilities will permit it to assimilate new personnel.

"It is apparent from the above figures that the personnel suggested is inadequate to the present task of the Bureau and that instead of reducing the budget by $30,000,000 and per-

sonnel by some 7,000 persons, at least 10,000 more persons could be advantageously and economically employed, if so many trained personnel were available, with an increased appropriation of at least $40,000,000 or $50,000,000.

"It might be impossible effectively to train so large a group at once, but the need is clear and the force should be limited below the effective minimum, if at all, by the training facilities available and not by considerations of cost. It would certainly be a great disservice to the immediate revenue and to the future integrity of our income-tax system to cut the personnel below the number now proposed."

In his personal appearance before the subcommittee Mr. Miller said at pages 274–277:

"We feel, that while it is very necessary and very profitable to go after the real fraud cases—and there is easily $1,500,000,000 in this backlog—a greater amount of money is really involved in the nonfraud cases.

"Now those nonfraud cases do get barred in 3 years unless there is a waiver, and for very good reasons a vast number of these cases are not held open until the Government gets around to looking at them.

"It is my own conviction as well as my associates' here, that in case of corporate taxes especially, where the problems involved are numerous, a taxpayer might well have decided that he will stay in the twilight zone waiting to have the questions raised. There are tremendous cases without fraud in them, that have been set up by the ablest and most honest of accountants that are still just full of questions, some of them involving a million dollars or so, that deserve to be ironed out.

"The dangerous thing about those is that they do get barred unless they are discovered and that is the reason for going in now, solely because of the gradual fading away of this tremendous asset. * * *

"ADDITIONAL REVENUE COULD BE OBTAINED BY INCREASING APPROPRIATION

"Senator HAYDEN. Do I understand you to say that it would be good business on the part of the Government, instead of making a deduction of $30,000,000, to add $30,000,000 to this bill?

"Mr. MILLER. We believe that would be true. It is our settled conviction. We think that the current practice of spot-checking returns is entirely inadequate to keep the taxpayers in sufficient fear of discovery. Just as a company builds up good will by advertising and loses it if they do not keep the advertising going, we must keep going to preserve a rather remarkable past habit of the American public of tax compliance. It is a wonderful asset of this country and just as different as anything from France, which I mentioned before.

"IMPORTANCE OF MAINTAINING TAX COMPLIANCE

"Noncompliance busted France. They never could get the taxpayers to let the investigators start. You could not convict anybody because everybody was doing it. Public opinion was against the collection of taxes.

"Now we are wonderfully lucky. I made a study of compliance in 1938 which is published in the report of the Bar Association. It is a very precious thing this country has, and we just cannot afford to lose it.

"Senator CORDON. It is your view, I take it, that it would be on the part of good judgment to maintain a sufficient force to induce tax compliance rather than later to have to put on perhaps a greater force to prosecute tax law violations?

"Mr. MILLER. That is right. Further, if we waited we would not get the cash, because in a very large number of fraud cases the money—and the money in those cases is just as good as any other money—disappears.

"Then there are the really big cases involving difficult questions. In the great big returns where these marginal questions come up, the tax may depend on a problem of valuation. Anybody who touches valuations of railroads or anything else knows that the twilight zones are horribly wide and the degree of judgment employable is immense.

"Senator KNOWLAND. Your theory is that the return on the Government's investment would be much greater now?

"Mr. MILLER. Yes; and particularly while these last 3 or 4 years of high taxes are still fresh and subject to investigation.

"Also, there is the other one involving the people who play fast and loose with taxation. They are the ones who go busted in a few years. They may owe $5,000,000 or $10,000,000 in taxes. We used to find that they were the very fellows who did not have it, when we came around to collect a few years later. It was a kind of a practical statute of limitation for crooks to go busted in some way other than the legal limitation."

We are highly impressed by the suggestion made by Messrs. Miller, Kilpatrick, and Sutherland, that the Joint Committee on Internal Revenue be directed to study the enforcement problem which now confronts the Bureau of Internal Revenue, with a view to determining how many additional deputy collectors and revenue agents could be employed with profit to the Government. That committee, with its efficient staff, should be able to make a prompt recommendation to Congress so that deficiency appropriations can be made before the present session ends in July. What was done in 1946 to increase the number of enforcement officers can be repeated in 1947 with equally beneficial results.

A practically certain return of $20 for $1 on an investment is marvelous. Any businessman who was sure that he could recover 10 for 1, or 5 for 1, or even 2 for 1 would not hesitate to advance all the funds needed to accomplish such results even though he had to borrow money to do it. The testimony before the Senate and House Committees on Appropriations is clear and definite that there are very large amounts of money due to the United States in unpaid taxes and that if what is due is not collected this great asset will fade away due to the operation of the 3-year limitation fixed by law. Every dollar that can be collected now is needed to reduce the national debt and to assist in balancing the Budget. Congress should not let this opportunity pass by practicing false and foolish economy.

CUSTOMS SERVICE

We commend the increase of $1,500,000 recommended by the Senate committee in the appropriations for the customs service as a step in the right direction, but the step is not long enough since it leaves that service with working funds only about equal to the sums available during the present fiscal year. This does not take into consideration that the present personnel of the Bureau is inadequate to give proper care to the constant increase in international trade and travel which has naturally followed the cessation of hostilities, and of which a still greater expension may be reasonably expected.

The prospects are that because of increased smuggling and avoidance of the tariff laws the Treasury will lose much more than the saving of $2,000,000 below the Budget estimate which is proposed by the Senate committee. The commercial interests of the Nation will also suffer because of delays in the customs clearance of merchandise, not to speak of the inconveniences which will be experienced by returning travelers whose baggage must be inspected at the seaports and airports. We do not hesitate to predict that the complaints from both sources will be so general that Congress will be compelled to make deficiency appropriations for the customs service during the next fiscal year. It would be better to make these increased appropriations now.

Just because some employees in the customs service were foolish enough to believe that by inspiring a flood of letters and telegrams they could influence Congress to save their jobs is no reason why the Government should be deprived of much-needed revenue or that the public should be punished by lack of adequate service. Congress should be guided, not by resentment, but by sound business sense.

"PHONY" ECONOMY

There can be no doubt that the sums of money provided in the bill will be insufficient to carry on a number of functions which the Treasury and Post Office Departments are required by law to perform. The most glaring example is the reduction of $800,000,000 in the budget estimate of $2,031,000,000 required for refunding internal revenue collections. It is certain that during the fiscal year ending June 30, 1948, additional money must be appropriated by Congress to meet the repayments which will accrue.

It is also highly improbable that the several sums aggregating $16,500,000 which are made available for the refund of money erroneously collected, the payment of certified claims, and for customs refunds and draw-backs, will be sufficient to meet the actual requirements. The total amount carried in the bill is $3,200,000 less than the sum which the Bureau of the Budget estimated would be needed to meet firm obligations of the Government over which the Treasury Department has no control. We believe that the guess made by the House and Senate Committees on Appropriations is too low and that it would be better to make these appropriations now.

THE POST OFFICE DEPARTMENT

We are also convinced that both committees have underestimated the amount of money that must be provided to sustain certain essential activities of the Post Office Department. The public demand for better city and rural delivery service is so insistent that some part of the reduction of $538,000 below the sums recommended in the President's budget will have to be restored by deficiency appropriations made early in 1948.

The bill as it stands reduces by $240,000 the money made available to pay indemnities for the injury or loss of registered, insured, or collect-on-delivery mail, which is an absolute obligation of the Government, and decreases by $520,000 the money to redeem unpaid money orders over 1 year old, which is also an absolute obligation of the Government. The hearings show that each of these cuts, like a number of others, is "phony" and will not result in an actual saving of such sums to the Treasury. As in the case of the customhouse and other refunds, unless Congress makes deficiency appropriations in ample time many people will be deprived of money due them and which they are entitled to receive without delay.

Altogether it is entirely probable that Congress will have to appropriate sums which, including the $800,000,000 additional normally provided and needed for lawful tax refunds, will approach a billion dollars, and which should have been included in this appropriation bill.

CARL HAYDEN.
MILLARD E. TYDINGS.
THEODORE FRANCIS GREEN.
ELMER THOMAS.
RICHARD B. RUSSELL.
PAT MCCARRAN.
JOSEPH C. O'MAHONEY.

Mr. HAYDEN. Mr. President, I should like to discuss the amendment now pending before the Senate.

There may be some possible advantage in combining the Office of the General Counsel of the Treasury Department and

the Office of Tax Legislative Counsel, although each office performs different functions. It is certainly better to unify the Division of Tax Research with the Division of Research and Statistics than to jumble these four agencies under one head as proposed by the House. The unification recommended by the Senate committee may, after a time, be made workable; but I reserve the right to express grave doubt as to whether the best results can be fully accomplished with a total reduction under the budget estimates of $145,600, as provided in the bill as reported to the Senate.

Now that the enormous expenditures incident to carrying on the war are no longer required, everyone agrees that there should be a general revision of the Federal tax structure. Congress is entitled to have the benefit of the best advice that can be given by those in the Treasury Department who, by actual experience, are qualified to state what the effect will be of numerous proposed changes in the laws relating to Federal taxation. To compel the discharge of men possessing these exceptional qualifications by a failure to appropriate the money to pay their salaries may prove to be short-sighted and unbusinesslike.

It is a matter of even more grave concern when the Treasury Department can be deprived of the services of a number of men who have rendered highly efficient service in the field of public-debt management. The testimony of Under Secretary Wiggins at the hearings in that regard may well be repeated to the Senate. He said:

> Developments in the money markets and in the banking position must be kept under constant review. The flow of funds to the various investor classes must be studied, and their investment position must be examined continually. In addition, alternative proposed financing programs must be developed and the terms of possible Treasury securities worked out for each operation. The Division of Research and Statistics performs this technical-staff work for us.

If, for lack of information, a blunder were made in managing the public debt, it would be worse than a crime.

The PRESIDING OFFICER (Mr. McGRATH in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 2, line 17, after "District of Columbia", to strike out "$450,000" and insert "$250,000."

The amendment was agreed to.

The next amendment was, on page 2, after line 17, to insert:

DIVISION OF TAX RESEARCH AND RESEARCH AND STATISTICS

Salaries: For personal services in the District of Columbia, $300,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Customs", on page 10, line 3, after the word "exceed", to strike out "$826,000" and insert "$832,438", and in line 7, before the word "of", to strike out "$32,500,000" and insert "$34,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue", on page 11, line 18, after the word "exceed", to strike out "$2,480,000" and insert "$2,530,000"; in line 19, after the word "exceed", to strike out "$1,425,000" and insert "$1,500,000"; and in line 20, after the word "ammunition", to strike out "$178,000,000" and insert "$203,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Secret Service Division", on page 16, line 11, after the word "United", to strike out "States," and insert "States;".

The amendment was agreed to.

The next amendment was, on page 16, line 21, after "(3 U. S. C. 62)", to strike out "$270,000" and insert "$372,900."

The amendment was agreed to.

The next amendment was, on page 17, line 2, after the word "determine", to strike out "$6,000" and insert "$9,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Federal Supply", on page 23, after line 15, to strike out:

> No part of any money appropriated by this or any other act shall be used during the fiscal year 1948 for the purchase, within the continental limits of the United States, of any standard typewriting machines (except bookkeeping, billing, and electric machines) at a price in excess of the following for models with carriages which will accommodate paper of the following widths, to wit: 10 inches (correspondence models), $77; 12 inches, $82.50; 14 inches, $85.25; 16 inches, $90.75; 18 inches, $96.25; 20 inches, $103.40; 22 inches, $104.50; 24 inches, $107.25; 26 inches, $113.85; 28 inches, $114.40; 30 inches, $115.50; 32 inches, $118.25; or, for standard typewriting machines distinctively quiet in operation, the maximum prices shall be as follows for models with carriages which will accommodate paper of the following widths, to wit: 10 inches, $88; 12 inches, $93.50; 14 inches, $99; 18 inches, $104.50: *Provided*, That there may be added to such prices the amount of Federal excise taxes paid or payable with respect to any such machines.

And in lieu thereof to insert the following:

> No part of any money appropriated by this or any other act shall be used during the fiscal year 1948 for the purchase, within the continental limits of the United States, of any standard typewriting machines (except bookkeeping, billing, and electrical machines) at a price in excess of 70 percent of the commercial list price in effect at time of delivery for the various models and carriage widths purchased.

The amendment was agreed to.

The next amendment was, under the heading "Coast Guard", on page 25, line 3, before the word "*Provided*", to strike out "$97,000,000" and insert "$109,483,123."

Mr. HAYDEN. Mr. President, the Senate committee very properly concluded that the Coast Guard was the only available agency to operate the loran stations and weather stations as essential aids to ocean navigation by air and surface ships. Such aids are so vitally needed that they will have to be expanded to a greater degree than can be attained by the $12,483,123 recommended to the Senate.

The hearings show that the total request for funds made by the Treasury Department for the Coast Guard for the next fiscal year was $171,279,333, which sum was reduced by the Bureau of the Budget to $132,904,400, and then "meat-axed" by the House of Representatives to a flat $97,000,000. Even with the restoration of $12,483,123, the bill as reported to the Senate is $23,421,277 below the budget, the effect of which may well be an impairment in the efficiency of the life-saving and lighthouse services on the coasts of both oceans and on the Great Lakes, and inadequate inspection of vessels of the merchant marine, all of which could lead to marine disasters, and the consequent loss of human life, which otherwise might have been prevented.

Mr. CORDON. Mr. President, the subcommittee went into this matter in very considerable detail. The Coast Guard's own figures were taken in determining the additional amount to be added by the committee to the appropriation. The Weather Bureau stations for the year would represent $4,712,713, which covered all expenses, including personnel, general expenses, and the like.

The loran stations would cost $5,711,710, according to the Coast Guard's own figures, and that included pay of personnel, equipment, general expenses, and so forth. Then there was included, for the construction of two loran stations in Alaska, the additional sum of $2,058,700. Those three amounts add up to the figure used by the committee and the amount added to the appropriation.

It is the view of the committee, Mr. President, that if these additional aids to navigation are operated efficiently there will of necessity be much less attention needed to be paid to rescue equipment and that type of activity.

The loran stations themselves represent the most advanced activity known in the way of safety appliances. The Weather Bureau stations add the additional knowledge as to weather conditions, and certainly the two should result in a lowering of any need for other types of rescue and safety operations by the Coast Guard.

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

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 28, line 19, after the word "exceed", to strike out "$70,000,000" and insert "$77,153,271", and on page 29, line 5, after "Civilian Employees, Coast Guard", to insert "and Office of the Commandant."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Post Office Department, Washington, District of Columbia—Office of the Postmaster General", on page 32, line 15, after "(Public Law 658)", to strike out "$375,000" and insert "$390,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries in Bureaus and Offices", on page 32, line 23, after "Office of the First Assistant Postmaster General", to strike out "$1,100,000" and insert "$1,130,000."

The amendment was agreed to.

The next amendment was, on page 32, line 25, after "Office of the Second Assistant Postmaster General" to strike out "$900,000" and insert "$920,000."

The amendment was agreed to.

The next amendment was, on page 33, line 2, after "Office of the Third Assistant Postmaster General", to strike out "$1,325,000" and insert "$1,340,000."

The amendment was agreed to.

The next amendment was, on page 33, line 4, after "Office of the Fourth Assistant Postmaster General", to strike out "$700,000" and insert "$725,000."

The amendment was agreed to.

The next amendment was, on page 33, line 8, after "Office of the purchasing agent", to strike out "$78,000" and insert "$83,800."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent Expenses, Post Office Department", on page 33, line 19, after "Postal Service", to strike out "$1,500,000" and insert "$1,700,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General," on page 37, line 5, after "(Public Law 658)" to strike out "$487,000,000" and insert "$487,817,600."

The amendment was agreed to.

The next amendment was, on page 38, line 6, after the word "bicycles" to strike out "$1,700,000" and insert "$1,900,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General," on page 42, line 19, after the word "offices" to strike out "$13,000,000" and insert "$13,457,000."

The amendment was agreed to.

The next amendment was, on page 43, line 21, after the word "which" to strike out "$5,400,000" and insert "$4,514,000."

The amendment was agreed to.

The next amendment was, on page 44, line 10, after the word "expenses" to strike out "$500,000" and insert "$520,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

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

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 31, between lines 20 and 21, it is proposed to insert a new paragraph, as follows:

The Joint Committee on Internal Revenue Taxation is authorized and directed to make a study of the enforcement of the internal-revenue laws with a view to ascertaining the numbers of deputy collectors, revenue agents, and other personnel, who should be employed by the Bureau of Internal Revenue in order to insure the maximum net return to the United States from taxes imposed by such laws, and to report the results of such study to the Senate and the House of Representatives.

Mr. HAYDEN. Mr. President, I have submitted the amendment to the Senator from Colorado [Mr. MILLIKIN] and the Senator from Georgia [Mr. GEORGE], who are members of the Joint Committee on Internal Revenue Taxation, and I understand it is acceptable to the Senator in charge of the bill.

Mr. CORDON. Mr. President, the amendment is entirely acceptable. I have no objection to it.

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

The amendment was agreed to.

Mr. CORDON. Mr. President, I desire to offer a further amendment to the bill. It is not a committee amendment. It would have been recommended by the committee, but I believe it was omitted through an oversight. However, it has not been presented to the committee, and I am offering it as my personal amendment to the bill.

The PRESIDING OFFICER. The Clerk will read the amendment.

The CHIEF CLERK. On page 10, line 12, it is proposed to change the period to a comma and add the following:

and of which not to exceed $100,000 shall be available, for defraying, on a contract basis or otherwise, the expense of a management study of the Bureau of Customs.

Mr. CORDON. Mr. President, the purpose of the amendment is to authorize the Secretary of the Treasury to make a further and more complete examination of the operation of the Bureau of Customs, with a view to increasing the efficiency of that agency. It will be noted that the amount is simply set as a maximum, and it is a limitation on funds already appropriated. No further appropriation is necessary for the purpose of having the examination and investigation made. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill, H. R. 2436, was read the third time and passed.

Mr. CORDON. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. CORDON, Mr. REED, Mr. BRIDGES, Mr. SALTONSTALL, Mr. FLANDERS, Mr. TYDINGS, Mr. MCKELLAR, and Mr. HAYDEN conferees on the part of the Senate.

CONSTITUTION OF THE INTERNATIONAL LABOR ORGANIZATION INSTRUMENT OF AMENDMENT

Mr. VANDENBERG obtained the floor.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Utah.

Mr. THOMAS of Utah. Mr. President, I desire to renew the unanimous-consent request I made this morning concerning the constitution of the International Labor Organization. The Senator from Ohio, who asked that there be a delay until he could investigate the matter further, has informed me that he has no objection to my unanimous-consent request at this time. I think there is no other objection. I ask unanimous consent that the Senate proceed to the consideration of Calendar 208, Senate Joint Resolution 117.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 117) providing for acceptance by the United States of America of the constitution of the International Labor Organization Instrument of Amendment, and further authorizing an appropriation for payment of the United States share of the expenses of membership and for expenses of participation by the United States.

Mr. THOMAS of Utah. Mr. President, I think the explanation made earlier in the day is sufficient. I therefore suggest that we proceed to vote, unless some Senator desires to ask a question.

Mr. TAFT. Mr. President, I note that in the committee report, while it is a summary, there is no copy of the amended constitution of the International Labor Organization. With the approval of the Senator, I ask that, following his remarks, there be printed in the RECORD the amended constitution of the International Labor Organization.

Mr. THOMAS of Utah. I hope that that will be done.

The PRESIDING OFFICER. Is there objection?

There being no objection, the constitution of the International Labor Organization was ordered to be printed in the RECORD, as follows:

INSTRUMENT FOR THE AMENDMENT OF THE CONSTITUTION OF THE INTERNATIONAL LABOUR ORGANISATION

The General Conference of the International Labour Organisation,

Having been convened at Montreal by the Governing Body of the International Labour Office, and having met in its Twenty ninth Session on 19 September 1946; and

Having decided upon the adoption of certain amendments to the Constitution of the International Labour Organisation, a question which is included in the second item on the agenda of the Session,

adopts, this ninth day of October of the year one thousand nine hundred and forty-six, the following instrument for the amendment of the Constitution of the International Labour Organisation, which may be cited as the Constitution of the International Labour Organisation Instrument of Amendment, 1946:

ARTICLE 1

As from the date of the coming into force of this Instrument of Amendment, the Constitution of the International Labour Organisation, of which the text at present in force is set forth in the first column of the Annex to this Instrument, shall have effect as amended in the second column of the said Annex.

ARTICLE 2

Two copies of this Instrument of Amendment shall be authenticated by the signatures of the President of the Conference and of the Director-General of the International Labour Office. One of these copies shall be deposited in the archives of the International Labour Office and the other shall be communicated to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. The Director-General will communicate a certified copy of the Instrument to all the Members of the International Labour Organisation.

ARTICLE 3

1. The formal ratifications or acceptances of this Instrument of Amendment shall be communicated to the Director-General of the International Labour Office, who shall notify the Members of the Organisation of the receipt thereof.

2. This Instrument of Amendment will come into force in accordance with the provisions of Article 36 of the Constitution of the Organisation.

3. On the coming into force of this Instrument, the Director-General of the International Labour Office shall so notify all the Members of the International Labour Organisation, the Secretary-General of the United Nations, and all the States having signed the Charter of the United Nations.

THE CONSTITUTION OF THE INTERNATIONAL LABOUR ORGANISATION

(Amended text)

(Preamble)

Whereas universal and lasting peace can be established only if it is based upon social justice;

And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provisions for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of equal remuneration for work of equal value, recognition of the principle of freedom of association, the organisation of vocational and technical education and other measures;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The HIGH CONTRACTING PARTIES, moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world, and with a view to attaining the objectives set forth in this Preamble, agree to the following Constitution of the International Labour Organisation:

CHAPTER I—ORGANISATION

Article 1

1. A permanent organisation is hereby established for the promotion of the objects set forth in the Preamble to this Constitution and in the Declaration concerning the aims and purposes of the International Labour Organisation adopted at Philadelphia on 10 May 1944 the text of which is annexed to this Constitution.

2. The Members of the International Labour Organisation shall be the States which were Members of the Organisation on 1 November 1945, and such other States as may become Members in pursuance of the provisions of paragraphs 3 and 4 of this Article.

3. Any original Member of the United Nations and any State admitted to membership of the United Nations by a decision of the General Assembly in accordance with the provisions of the Charter may become a Member of the International Labour Organisation by communicating to the Director-General of the International Labour Office its formal acceptance of the obligations of the Constitution of the International Labour Organisation.

4. The General Conference of the International Labour Organisation may also admit Members to the Organization by a vote concurred in by two thirds of the delegates attending the session, including two thirds of the Government delegates present and voting. Such admission shall take effect on the communication to the Director-General of the International Labour Office by the Government of the new Member of its formal acceptance of the obligations of the Constitution of the Organisation.

5. No Member of the International Labour Organisation may withdraw from the Organisation without giving notice of its intention so to do to the Director-General of the International Labour Office. Such notice shall take effect two years after the date of its reception by the Director-General, subject to the Member having at that time fulfilled all financial obligations arising out of its membership. When a Member has ratified any International Labour Convention, such withdrawal shall not affect the continued validity for the period provided for in the Convention of all obligations arising thereunder or relating thereto.

6. In the event of any State having ceased to be a Member of the Organisation, its readmission to membership shall be governed by the provisions of paragraph 3 or paragraph 4 of this Article as the case may be.

Article 2

The permanent organisation shall consist of:

(a) a General Conference of representatives of the Members;

(b) a Governing Body composed as described in Article 7; and

(c) an International Labour Office controlled by the Governing Body.

Article 3

1. The meetings of the General Conference of representatives of the Members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four representatives of each of the Members, of whom two shall be Government delegates and the two others shall be delegates representing respectively the employers and the workpeople of each of the Members.

2. Each delegate may be accompanied by advisers, who shall not exceed two in number for each item on the agenda of the meeting. When questions specially affecting women are to be considered by the Conference, one at least of the advisers should be a woman.

3. Each Member which is responsible for the international relations of non-metropolitan territories may appoint as additional advisers to each of its delegates:

(a) persons nominated by it as representatives of any such territory in regard to matters within the self-governing powers of that territory; and

(b) persons nominated by it to advise its delegates in regard to matters concerning non-self-governing territories.

4. In the case of a territory under the joint authority of two or more Members, persons may be nominated to advise the delegates of such Members.

5. The Members undertake to nominate non-Government delegates and advisers chosen in agreement with the industrial organisations, if such organisations exist, which are most representative of employers or workpeople, as the case may be, in their respective countries.

6. Advisers shall not speak except on a request made by the delegate whom they accompany and by the special authorisation of the President of the Conference, and may not vote.

7. A delegate may by notice in writing addressed to the President appoint one of his advisers to act as his deputy, and the adviser, while so acting, shall be allowed to speak and vote.

8. The names of the delegates and their advisers will be communicated to the International Labour Office by the Government of each of the Members.

9. The credentials of delegates and their advisers shall be subject to scrutiny by the Conference, which may, by two thirds of the votes cast by the delegates present, refuse to admit any delegate or adviser whom it deems not to have been nominated in accordance with this Article.

Article 4

1. Every delegate shall be entitled to vote individually on all matters which are taken into consideration by the Conference.

2. If one of the Members fails to nominate one of the non-Government delegates whom it is entitled to nominate, the other non-Government delegate shall be allowed to sit and speak at the Conference, but not to vote.

3. If in accordance with Article 3 the Conference refuses admission to a delegate of one of the Members, the provisions of the present Article shall apply as if that delegate had not been nominated.

Article 5

The meetings of the Conference shall, subject to any decisions which may have been taken by the Conference itself at a previous meeting, be held at such place as may be decided by the Governing Body.

Article 6

Any change in the seat of the International Labour Office shall be decided by the Conference by a two-thirds majority of the votes cast by the delegates present.

Article 7

1. The Governing Body shall consist of thirty-two persons:

Sixteen representing Governments,
Eight representing the employers, and
Eight representing the workers.

2. Of the sixteen persons representing Governments, eight shall be appointed by the Members of chief industrial importance, and eight shall be appointed by the Members selected for that purpose by the Government delegates to the Conference, excluding the delegates of the eight Members mentioned above. Of the sixteen Members represented, six shall be non-European States.

3. The Governing Body shall as occasion requires determine which are the Members of the Organisation of chief industrial importance and shall make rules to ensure that all questions relating to the selection of the Members of chief industrial importance are considered by an impartial committee before being decided by the Governing Body. Any appeal made by a Member from the declaration of the Governing Body as to which are the Members of chief industrial importance shall be decided by the Conference, but an appeal to the Conference shall not suspend the application of the declaration until such time as the Conference decides the appeal.

4. The persons representing the employers and the persons representing the workers shall be elected respectively by the employers' delegates and the workers' delegates to the Conference. Two employers' representatives and two workers' representatives shall belong to non-European States.

5. The period of office of the Governing Body shall be three years. If for any reason the Governing Body elections do not take

place on the expiry of this period, the Governing Body shall remain in office until such elections are held.

6. The method of filling vacancies and of appointing substitutes and other similar questions may be decided by the Governing Body subject to the approval of the Conference.

7. The Governing Body shall, from time to time, elect from its number a Chairman and two Vice-Chairmen, of whom one shall be a person representing a Government, one a person representing the employers, and one a person representing the workers.

8. The Governing Body shall regulate its own procedure and shall fix its own times of meeting. A special meeting shall be held if a written request to that effect is made by at least twelve of the representatives on the Governing Body.

Article 8

1. There shall be a Director-General of the International Labour Office, who shall be appointed by the Governing Body, and, subject to the instructions of the Governing Body, shall be responsible for the efficient conduct of the International Labour Office and for such other duties as may be assigned to him.

2. The Director-General or his deputy shall attend all meetings of the Governing Body.

Article 9

1. The staff of the International Labour Office shall be appointed by the Director-General under regulations approved by the Governing Body.

2. So far as is possible with due regard to the efficiency of the work of the Office, the Director-General shall select persons of different nationalities.

3. A certain number of these persons shall be women.

4. The responsibilities of the Director-General and the staff shall be exclusively international in character. In the performance of their duties, the Director-General and the staff shall not seek or receive instructions from any Government or from any other authority external to the Organisation. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organisation.

5. Each Member of the Organisation undertakes to respect the exclusively international character of the responsibilities of the Director-General and the staff and not to seek to influence them in the discharge of their responsibilities.

Article 10

1. The functions of the International Labour Office shall include the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and particularly the examination of subjects which it is proposed to bring before the Conference with a view to the conclusion of international Conventions, and the conduct of such special investigations as may be ordered by the Conference or by the Governing Body.

2. Subject to such directions as the Governing Body may give, the Office will—

(a) prepare the documents on the various items of the agenda for the meetings of the Conference;

(b) accord to Governments at their request all appropriate assistance within its power in connection with the framing of laws and regulations on the basis of the decisions of the Conference and the improvement of administrative practices and systems of inspection;

(c) carry out the duties required of it by the provisions of this Constitution in connection with the effective observance of Conventions;

(d) edit and issue, in such languages as the Governing Body may think desirable, publications dealing with problems of industry and employment of international interest.

3. Generally, it shall have such other powers and duties as may be assigned to it by the Conference or by the Governing Body.

Article 11

The Government departments of any of the Members which deal with questions of industry and employment may communicate directly with the Director-General through the representative of their Government on the Governing Body of the International Labour Office or, failing any such representative, through such other qualified official as the Government may nominate for the purpose.

Article 12

1. The International Labour Organisation shall co-operate within the terms of this Constitution with any general international organisation entrusted with the co-ordination of the activities of public international organisations having specialised responsibilities and with public international organisations having specialised responsibilities in related fields.

2. The International Labour Organisation may make appropriate arrangements for the representatives of public international organisations to participate without vote in its deliberations.

3. The International Labour Organisation may make suitable arrangements for such consultation as it may think desirable with recognised non-governmental international organisations, including international organisations of employers, workers, agriculturists and co-operators.

Article 13

1. The International Labour Organisation may make such financial and budgetary arrangements with the United Nations as may appear appropriate.

2. Pending the conclusion of such arrangements or if at any time no such arrangements are in force—

(a) each of the Members will pay the traveling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the Conference or the Governing Body, as the case may be;

(b) all other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid by the Director-General of the International Labour Office out of the general funds of the International Labour Organisation;

(c) the arrangements for the approval, allocation and collection of the budget of the International Labour Organisation shall be determined by the Conference by a two-thirds majority of the votes cast by the delegates present, and shall provide for the approval of the budget and of the arrangements for the allocation of expenses among the Members of the Organisation by a committee of Government representatives.

3. The expenses of the International Labour Organisation shall be borne by the Members in accordance with the arrangements in force in virtue of paragraph 1 or paragraph 2 (c) of this Article.

4. A Member of the Organisation which is in arrears in the payment of its financial contribution to the Organisation shall have no vote in the Conference, in the Governing Body, in any committee, or in the elections of members of the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years: Provided that the Conference may by a two-thirds majority of the votes cast by the delegates present permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

5. The Director-General of the International Labour Office shall be responsible to the Governing Body for the proper expenditure of the funds of the International Labour Organisation.

CHAPTER II—PROCEDURE

Article 14

1. The agenda for all meetings of the Conference will be settled by the Governing Body, which shall consider any suggestion as to the agenda that may be made by the Government of any of the Members or by any representative organisation recognised for the purpose of Article 3, or by the public international organisation.

2. The Governing Body shall make rules to ensure thorough technical preparation and adequate consultation of the Members primarily concerned, by means of a preparatory Conference or otherwise, prior to the adoption of a Convention or Recommendation by the Conference.

Article 15

1. The Director-General shall act as the Secretary-General of the Conference, and shall transmit the agenda so as to reach the Members four months before the meeting of the Conference, and, through them, the non-Government delegates when appointed.

2. The reports on each item of the agenda shall be despatched so as to reach the Members in time to permit adequate consideration before the meeting of the Conference. The Governing Body shall make rules for the application of this provision.

Article 16

1. Any of the Governments of the Members may formally object to the inclusion of any item or items in the agenda. The grounds for such objection shall be set forth in a statement addressed to the Director-General who shall circulate it to all the Members of the Organisation.

2. Items to which such objection has been made shall not, however, be excluded from the agenda, if at the Conference a majority of two thirds of the votes cast by the delegates present is in favour of considering them.

3. If the Conference decides (otherwise than under the preceding paragraph) by two thirds of the votes cast by the delegates present that any subject shall be considered by the Conference, that subject shall be included in the agenda for the following meeting.

Article 17

1. The Conference shall elect a President and three Vice-Presidents. One of the Vice-Presidents shall be a Government delegate, one an employers' delegate and one a workers' delegate. The Conference shall regulate its own procedure and may appoint committees to consider and report on any matter.

2. Except as otherwise expressly provided in this Constitution or by the terms of any Convention or other instrument conferring powers on the Conference or of the financial and budgetary arrangements adopted in virtue of Article 13, all matters shall be decided by a simple majority of the votes cast by the delegates present.

3. The voting is void unless the total number of votes cast is equal to half the number of the delegates attending the Conference.

Article 18

The Conference may add to any committees which it appoints technical experts without power to vote.

Article 19

1. When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals should take the form: (a) of an international Convention, or (b) of a Recommendation to meet circumstances where the subject, or aspect of it, dealt with is not considered suitable or appropriate at that time for a Convention.

2. In either case a majority of two thirds of the votes cast by the delegates present shall be necessary on the final vote for the adoption of the Convention or Recommendation, as the case may be, by the Conference.

3. In framing any Convention or Recommendation of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organisation, or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

4. Two copies of the Convention or Recommendation shall be authenticated by the signatures of the President of the Conference and of the Director-General. Of these copies one shall be deposited in the archives of the International Labour Office and the other with the Secretary-General of the United Nations. The Director-General will communicate a certified copy of the Convention or Recommendation to each of the Members.

5. In the case of a Convention—

(a) the Convention will be communicated to all Members for ratification;

(b) each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference, bring the Convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action;

(c) Members shall inform the Director-General of the International Labour Office of the measures taken in accordance with this Article to bring the Convention before the said competent authority or authorities, with particulars of the authority or authorities regarded as competent, and of the action taken by them;

(d) if the Member obtains the consent of the authority or authorities within whose competence the matter lies, it will communicate the formal ratification of the Convention to the Director-General and will take such action as may be necessary to make effective the provisions of such Convention;

(e) if the Member does not obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the Member except that it shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of its law and practice in regard to the matters dealt with in the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and stating the difficulties which prevent or delay the ratification of such Convention.

6. In the case of a Recommendation—

(a) the Recommendation will be communicated to all Members for their consideration with a view to effect being given to it by national legislation or otherwise;

(b) each of the Members undertakes that it will, within a period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months after the closing of the Conference, bring the Recommendation before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action;

(c) the Members shall inform the Director-General of the International Labour Office of the measures taken in accordance with this article to bring the Recommendation before the said competent authority or authorities with particulars of the authority or authorities regarded as competent, and of the action taken by them;

(d) apart from bringing the Recommendation before the said competent authority or authorities, no further obligation shall rest upon the Members, except that they shall report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice in their country in regard to the matters dealt with in the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as it has been found or may be found necessary to make in adopting or applying them.

7. In the case of a federal State, the following provisions shall apply:

(a) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system for federal action, the obligations of the federal State shall be the same as those of Members which are not federal States;

(b) in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system, in whole or in part, for action by the constituent States, provinces, or cantons rather than for federal action, the federal Government shall—

(i) make, in accordance with its Constitution and the Constitutions of the States, provinces or cantons concerned, effective arrangements for the reference of such Conventions and Recommendations not later than eighteen months from the closing of the session of the Conference to the appropriate federal, State, provincial or cantonal authorities for the enactment of legislation or other action;

(ii) arrange, subject to the concurrence of the State, provincial or cantonal Governments concerned, for periodical consultations between the federal and the State, provincial or cantonal authorities with a view to promoting within the federal State co-ordinated action to give effect to the provisions of such Conventions and Recommendations;

(iii) inform the Director-General of the International Labour Office of the measures taken in accordance with this article to bring such Conventions and Recommendations before the appropriate federal, State, provincial or cantonal authorities with particulars of the authorities regarded as appropriate and of the action taken by them;

(iv) in respect of each such Convention which it has not ratified, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent States, provinces or cantons in regard to the Convention, showing the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement, or otherwise;

(v) in respect of each such Recommendation, report to the Director-General of the International Labour Office, at appropriate intervals as requested by the Governing Body, the position of the law and practice of the federation and its constituent States, provinces or cantons in regard to the Recommendation, showing the extent to which effect has been given, or is proposed to be given, to the provisions of the Recommendation and such modifications of these provisions as have been found or may be found necessary in adopting or applying them.

8. In no case shall the adoption of any Convention or Recommendation by the Conference, or the ratification of any Convention by any Member, be deemed to affect any law, award, custom or agreement which ensures more favourable conditions to the workers concerned than those provided for in the Convention or Recommendation.

Article 20

Any Convention so ratified shall be communicated by the Director-General of the International Labour Office to the Secretary-General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations but shall only be binding upon the Members which ratify it.

Article 21

1. If any Convention coming before the Conference for final consideration fails to secure the support of two thirds of the votes cast by the delegates present, it shall nevertheless be within the right of any of the Members of the Organisation to agree to such Convention among themselves.

2. Any Convention so agreed to shall be communicated by the Governments concerned to the Director-General of the International Labour Office and to the Secretary-General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations.

Article 22

Each of the Members agrees to make an annual report to the International Labour Office on the measures which it has taken to give effect to the provisions of Conventions to which it is a party. These reports shall be made in such form and shall contain such particulars as the Governing Body may request.

Article 23

1. The Director-General shall lay before the next meeting of the Conference a summary of the information and reports communicated to him by Members in pursuance of Articles 19 and 22.

2. Each Member shall communicate to the representative organisations recognised for the purpose of Article 3 copies of the information and reports communicated to the Director-General in pursuance of Articles 19 and 22.

Article 24

In the event of any representation being made to the International Labour Office by an industrial association of employers or of workers that any of the Members has failed to secure in any respect the effective observance within its jurisdiction of any Convention to which it is a party, the Governing Body may communicate this representation to the Government against which it is made, and may invite that Government to make such statement on the subject as it may think fit.

Article 25

If no statement is received within a reasonable time from the Government in question, or if the statement when received is not deemed to be satisfactory by the Governing Body, the latter shall have the right to publish the representation and the statement, if any, made in reply to it.

Article 26

1. Any of the Members shall have the right to file a complaint with the International Labour Office if it is not satisfied that any other Member is securing the effective observance of any Convention which both have ratified in accordance with the foregoing Articles.

2. The Governing Body may, if it thinks fit, before referring such a complaint to a Commission of Enquiry, as hereinafter provided for, communicate with the Government in question in the manner described in Article 24.

3. If the Governing Body does not think it necessary to communicate the complaint to the Government in question, or if, when it has made such communication, no statement

in reply has been received within a reasonable time which the Governing Body considers to be satisfactory, the Governing Body may appoint a Commission of Enquiry to consider the complaint and to report thereon.

4. The Governing Body may adopt the same procedure either of its own motion or on receipt of a complaint from a delegate to the Conference.

5. When any matter arising out of Articles 25 or 26 is being considered by the Governing Body, the Government in question shall, if not already represented thereon, be entitled to send a representative to take part in the proceedings of the Governing Body while the matter is under consideration. Adequate notice of the date on which the matter will be considered shall be given to the Government in question.

Article 27

The Members agree that, in the event of the reference of a complaint to a Commission of Enquiry under Article 26, they will each, whether directly concerned in the complaint or not, place at the disposal of the Commission all the information in their possession which bears upon the subject matter of the complaint.

Article 28

When the Commission of Enquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions of fact relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.

Article 29

1. The Director-General of the International Labour Office shall communicate the report of the Commission of Enquiry to the Governing Body and to each of the Governments concerned in the complaint, and shall cause it to be published.

2. Each of these Governments shall within three months inform the Director-General of the International Labour Office whether or not it accepts the recommendations contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the International Court of Justice.

Article 30

In the event of any Member failing to take the action required by paragraphs 5 (b), 6 (b) or 7 (b) (i) of Article 19 with regard to a Convention or Recommendation, any other Member shall be entitled to refer the matter to the Governing Body. In the event of the Governing Body finding that there has been such a failure, it shall report the matter to the Conference.

Article 31

The decision of the International Court of Justice in regard to a complaint or matter which has been referred to it in pursuance of Article 29 shall be final.

Article 32

The International Court of Justice may affirm, vary or reverse any of the findings or recommendations of the Commission of Enquiry, if any.

Article 33

In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Enquiry, or in the decision of the International Court of Justice, as the case may be, the Governing Body may recommend to the Conference such action as it may deem wise and expedient to secure compliance therewith.

Article 34

The defaulting Government may at any time inform the Governing Body that it has taken the steps necessary to comply with the recommendation of the Commission of Enquiry or with those in the decision of the International Court of Justice, as the case may be, and may request it to constitute a Commission of Enquiry to verify its contention. In this case the provisions of Articles 27, 28, 29, 31 and 32 shall apply, and if the report of the Commission of Enquiry or the decision of the International Court of Justice is in favour of the defaulting Government, the Governing Body shall forthwith recommend the discontinuance of any action taken in pursuance of Article 33.

CHAPTER III—GENERAL

Article 35

1. The Members undertake that Conventions which they have ratified in accordance with the provisions of this Constitution shall be applied to the non-metropolitan territories for whose international relation they are responsible, including any trust territories for which they are the administering authority, except where the subject matter of the Convention is within the self-governing powers of the territory or the Convention is inapplicable owing to the local conditions or subject to such modifications as may be necessary to adapt the Convention to local conditions.

2. Each Member which ratifies a Convention shall as soon as possible after ratification communicate to the Director-General of the International Labour Office a declaration stating in respect of the territories other than those referred to in paragraphs 4 and 5 below the extent to which it undertakes that the provisions of the Convention shall be applied and giving such particulars as may be prescribed by the Convention.

3. Each Member which has communicated a declaration in virtue of the preceding paragraph may from time to time, in accordance with the terms of the Convention, communicate a further declaration modifying the terms of any former declaration and stating the present position in respect of such territories.

4. Where the subject matter of the Convention is within the self-governing powers of any non-metropolitan territory the Member responsible for the international relations of that territory shall bring the Convention to the notice of the Government of the territory as soon as possible with a view to the enactment of legislation or other action by such Government. Thereafter the Member, in agreement with the Government of the territory, may communicate to the Director-General of the International Labour Office a declaration accepting the obligations of the Convention on behalf of such territory.

5. A declaration accepting the obligations of any Convention may be communicated to the Director-General of the International Labour Office—

(a) by two or more Members of the Organisation in respect of any territory which is under their joint authority; or

(b) by any international authority responsible for the administration of any territory, in virtue of the Charter of the United Nations or otherwise, in respect of any such territory.

6. Acceptance of the obligations of a Convention in virtue of paragraph 4 or paragraph 5 shall involve the acceptance on behalf of the territory concerned of the obligations stipulated by the terms of the Convention and the obligations under the Constitution of the Organisation which apply to ratified Conventions. A declaration of acceptance may specify such modifications of the provisions of the Convention as may be necessary to adapt the Convention to local conditions.

7. Each Member or international authority which has communicated a declaration in virtue of paragraph 4 or paragraph 5 of this Article may from time to time, in accordance with the terms of the Convention, communicate a further declaration modifying the terms of any former declaration or terminating the acceptance of the obligations of the Convention on behalf of the territory concerned.

8. If the obligations of a Convention are not accepted on behalf of a territory to which paragraph 4 or paragraph 5 of this Article relates, the Member or Members or international authority concerned shall report to the Director-General of the International Labour Office the position of the law and practice of that territory in regard to the matters dealt with in the Convention and the report shall show the extent to which effect has been given, or is proposed to be given, to any of the provisions of the Convention by legislation, administrative action, collective agreement or otherwise and shall state the difficulties which prevent or delay the acceptance of such Convention.

Article 36

Amendments to this Constitution which are adopted by the Conference by a majority of two thirds of the votes cast by the delegates present shall take effect when ratified or accepted by two thirds of the Members of the Organisation including five of the eight Members which are represented on the Governing Body as Members of the chief industrial importance in accordance with the provisions of paragraph 3 of Article 7 of this Constitution.

Article 37

1. Any question or dispute relating to the interpretation of this Constitution or of any subsequent Convention concluded by the Members in pursuance of the provisions of this Constitution shall be referred for decision to the International Court of Justice.

2. Notwithstanding the provisions of paragraph 1 of this Article the Governing Body may make and submit to the Conference for approval rules providing for the appointment of a tribunal for the expeditious determination of any dispute or question relating to the interpretation of a Convention which may be referred thereto by the Governing Body or in accordance with the terms of the Convention. Any applicable judgment or advisory opinion of the International Court of Justice shall be binding upon any tribunal established in virtue of this paragraph. Any award made by such a tribunal shall be circulated to the Members of the Organisation and any observations which they may make thereon shall be brought before the Conference.

Article 38

1. The International Labour Organisation may convene such regional conferences and establish such regional agencies as may be desirable to promote the aims and purposes of the Organisation.

2. The powers, functions and procedure of regional conferences shall be governed by rules drawn up by the Governing Body and submitted to the General Conference for confirmation.

CHAPTER IV—MISCELLANEOUS PROVISIONS

Article 39

The International Labour Organisation shall possess full juridical personality and in particular the capacity—

(a) to contract;

(b) to acquire and dispose of immovable and movable property;

(c) to institute legal proceedings.

Article 40

1. The International Labour Organisation shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfilment of its purposes.

2. Delegates to the Conference, members of the Governing Body and the Director-General and officials of the Office shall likewise enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organisation.

8. Such privileges and immunities shall be defined in a separate agreement to be prepared by the Organisation with a view to its acceptance by the Members.

ANNEX

DECLARATION CONCERNING THE AIMS AND PURPOSES OF THE INTERNATIONAL LABOUR ORGANISATION.

The General Conference of the International Labour Organisation, meeting in its Twenty-sixth Session in Philadelphia, hereby adopts, this tenth day of May in the year nineteen hundred and forty-four, the present Declaration of the aims and purposes of the International Labour Organisation and of the principles which should inspire the policy of its Members.

I

The Conference reaffirms the fundamental principles on which the Organisation is based and, in particular, that:

(a) labour is not a commodity;

(b) freedom of expression and of association are essential to sustained progress;

(c) poverty anywhere constitutes a danger to prosperity everywhere;

(d) the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.

II

Believing that experience has fully demonstrated the truth of the statement in the Constitution of the International Labour Organisation that lasting peace can be established only if it is based on social justice, the Conference affirms that:

(a) all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity;

(b) the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy;

(c) all national and international policies and measures, in particular those of an economic and financial character, should be judged in this light and accepted only in so far as they may be held to promote and not to hinder the achievement of this fundamental objective;

(d) it is a responsibility of the International Labour Organisation to examine and consider all international economic and financial policies and measures in the light of this fundamental objective;

(e) in discharging the tasks entrusted to it the International Labour Organisation, having considered all relevant economic and financial factors, may include in its decisions and recommendations any provisions which it considers appropriate.

III

The Conference recognises the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve:

(a) full employment and the raising of standards of living;

(b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;

(c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;

(d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection;

(e) the effective recognition of the right of collective bargaining, the co-operation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures;

(f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;

(g) adequate protection for the life and health of workers in all occupations;

(h) provision for child welfare and maternity protection;

(i) the provision of adequate nutrition, housing and facilities for recreation and culture;

(j) the assurance of equality of educational and vocational opportunity.

IV

Confident that the fuller and broader utilisation of the world's productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action, including measures to expand production and consumption, to avoid severe economic fluctuations, to promote the economic and social advancement of the less developed regions of the world, to assure greater stability in world prices of primary pproducts, and to promote a high and steady volume of international trade, the Conference pledges the full co-operation of the International Labour Organisation with such international bodies as may be entrusted with a share of the responsibility for this great task and for the promotion of the health, education and well-being of all peoples.

V

The Conference affirms that the principles set forth in this Declaration are fully applicable to all peoples everywhere and that, while the manner of their application must be determined with due regard to the stage of social and economic development reached by each people, their progressive application to peoples who are still dependent, as well as to those who have already achieved self-government, is a matter of concern to the whole civilised world.

The foregoing is the authentic text of the Constitution of the International Labour Organisation Instrument of Amendment, 1946, duly adopted by the General Conference of the International Labour Organisation on the ninth day of October one thousand nine hundred and forty-six in the course of its Twenty-ninth Session, which was held at Montreal.

The English and French versions of the text of this Instrument of Amendment are equally authoritative.

In faith whereof we have appended our signatures this first day of November 1946.

HUMPHREY MITCHELL,
The President of the Conference.
EDWARD PHELAN,
The Director-General of the International Labour Office.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 117) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Robert Ewing Thomason, of Texas, to be United States district judge for the western district of Texas, vice Charles A. Boynton, retired May 1, 1947;

Albert V. Bryan, of Virginia, to be United States district judge for the eastern district of Virginia, vice Robert N. Pollard, retired; and

Anton J. Lukaszewicz, of Wisconsin, to be United States marshal for the eastern district of Wisconsin.

TREATY OF PEACE WITH ITALY

Mr. VANDENBERG. Mr. President, after consultation with the leaders on both sides of the aisle, and with their approval, I ask unanimous consent that, as in executive session, the Italian peace treaty, being Executive F on the Executive Calendar, be made the unfinished business.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive F (80th Cong., 1st sess.), the treaty of peace with Italy, signed at Paris on February 10, 1947, which was read the second time, as follows:

TREATY OF PEACE WITH ITALY

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, China, France, Australia, Belgium, the Byelorussian Soviet Socialist Republic, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, the Netherlands, New Zealand, Poland, the Ukrainian Soviet Socialist Republic, the Union of South Africa, and the People's Federal Republic of Yugoslavia, hereinafter referred to as "the Allied and Associated Powers", of the one part, and Italy, of the other part:

Whereas Italy under the Fascist regime became a party to the Tripartite Pact with Germany and Japan, undertook a war of aggression and thereby provoked a state of war with all the Allied and Associated Powers and with other United Nations, and bears her share of responsibility for the war; and

Whereas in consequence of the victories of the Allied forces, and with the assistance of the democratic elements of the Italian people, the Fascist regime in Italy was overthrown on July 25, 1943, and Italy, having surrendered unconditionally, signed terms of Armistice on September 3 and 29 of the same year; and

Whereas after the said Armistice Italian armed forces, both of the Government and of the Resistance Movement, took an active part in the war against Germany, and Italy declared war on Germany as from October 13, 1943, and thereby became a co-belligerent against Germany; and

Whereas the Allied and Associated Powers and Italy are desirous of concluding a treaty of peace which, in conformity with the principles of justice, will settle questions still outstanding as a result of the events hereinbefore recited and will form the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to

support Italy's application to become a member of the United Nations and also to adhere to any convention concluded under the auspices of the United Nations;

Have therefore agreed to declare the cessation of the state of war and for this purpose to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

PART I. TERRITORIAL CLAUSES

Section I—Frontiers

Article 1

The frontiers of Italy shall, subject to the modifications set out in Articles 2, 3, 4, 11 and 22, be those which existed on January 1, 1938. These frontiers are traced on the maps attached to the present Treaty (Annex I). In case of a discrepancy between the textual description of the frontiers and the maps, the text shall be deemed to be authentic.

Article 2

The frontier between Italy and France, as it existed on January 1, 1938, shall be modified as follows:

1. Little St. Bernard Pass

The frontier shall follow the watershed, leaving the present frontier at a point about 2 kilometers northwest of the Hospice, crossing the road about 1 kilometer northeast of the Hospice and rejoining the present frontier about 2 kilometers southeast of the Hospice.

2. Mont Cenis Plateau

The frontier shall leave the present frontier about 3 kilometers northwest of the summit of Rochemelon, cross the road about 4 kilometers southeast of the Hospice and rejoin the present frontier about 4 kilometers northeast of Mont d'Ambin.

3. Mont Thabor-Chaberton

(a) In the Mont Thabor area, the frontier shall leave the present frontier about 5 kilometers to the east of Mont Thabor and run southeastward to rejoin the present frontier about 3 kilometers west of the Pointe de Charra.

(b) In the Chaberton area, the frontier shall leave the present frontier about 3 kilometers north-northwest of Chaberton, which it skirts on the east, and shall cross the road about 1 kilometer from the present frontier, which it rejoins about 2 kilometers southeast of the village of Montgenevre.

4. Upper Valleys of the Tinée, Vesuble and Roya

The frontier shall leave the present frontier at Colla Longa, shall follow along the watershed by way of Mont Clapier, Col de Tenda, Mont Marguareis, whence it shall run southward by way of Mont Saccarello, Mont Vacchi, Mont Pietravecchia, Mont Lega and shall reach a point approximately 100 meters from the present frontier near Colla Pegairolle, about 5 kilometers to the northeast of Breil; it then shall run in a southwesterly direction, and shall rejoin the existing frontier approximately 100 meters southwest of Mont Mergo.

5. The detailed description of those sections of the frontier to which the modifications set out in paragraphs 1, 2, 3 and 4 above apply, is contained in Annex II to the present Treaty and the maps to which this description refers form part of Annex I.

Article 3

The frontier between Italy and Yugoslavia shall be fixed as follows:

(i) The new frontier follows a line starting from the junction of the frontiers of Austria, Italy, and Yugoslavia as they existed on January 1, 1938, and proceeding southward along the 1938 frontier between Yugoslavia and Italy to the junction of that frontier with the administrative boundary between the Italian provinces of Friuli (Udine) and Gorizia;

(ii) From this point the line coincides with the said administrative boundary up to a point approximately 0.5 kilometer north of the village of Mernico in the valley of the Iudrio;

(iii) Leaving the administrative boundary between the Italian provinces of Friuli and Gorizia at this point, the line extends eastward to a point approximately 0.5 kilometer west of the village of Vercoglia di Cosbana and thence southward between the valleys of the Quarnizzo and the Cosbana to a point approximately 1 kilometer southwest of the village of Fleana, bending so as to cut the river Recca at a point approximately 1.5 kilometers east of the Iudrio and leaving on the east the road from Cosbana via Nebola to Castel Dobra;

(iv) The line then continues to the southeast passing due south of the road between points 111 and 172, then south of the road from Vipulzano to Uclanzi passing points 57 and 122, then crossing the latter road about 100 meters east of point 122 and curving north in the direction of a point situated 350 meters southeast of point 266;

(v) Passing about 0.5 kilometer north of the village of San Floriano, the line extends eastward to Monte Sabotino (point 610), leaving to the north the village of Poggio San Valentino;

(vi) From Monte Sabotino the line extends southward, crosses the Isonzo (Soca) river at the town of Salcano, which it leaves in Yugoslavia, and runs immediately to the west of the railway line from Canale d'Isonzo to Montespino to a point about 750 meters south of the Gorizia-Aisovizza road;

(vii) Departing from the railway, the line then bends southwest leaving in Yugoslavia the town of San Pietro and in Italy the Hospice and the road bordering it and, some 700 meters from the station of Gorizia S. Marco, crosses the railway connection between the above railway and the Sagrado-Cormons railway, skirts the Gorizia cemetery, which is left in Italy, passes between Highway No. 55 from Gorizia to Trieste, which highway is left in Italy, and the crossroads at point 54, leaving in Yugoslavia the towns of Vertoiba and Merna, and reaches a point located approximately at point 49;

(viii) Thence the line continues in a southerly direction across the Karst plateau, approximately 1 kilometer east of Highway No. 55, leaving on the east the village of Opacchiasella and on the west the village of Iamiano;

(ix) From a point approximately 1 kilometer east of Iamiano, the line follows the administrative boundary between the provinces of Gorizia and Trieste as far as a point approximately 2 kilometers northeast of the village of San Giovanni and approximately 0.5 kilometer northwest of point 208, forming the junction of the frontiers of Yugoslavia, Italy and the Free Territory of Trieste.

The map to which this description refers forms part of Annex I.

Article 4

The frontier between Italy and the Free Territory of Trieste shall be fixed as follows:

(i) The line starts from a point on the administrative boundary between the provinces of Gorizia and Trieste approximately 2 kilometers northeast of the village of San Giovanni and approximately 0.5 kilometer northwest of point 208, forming the junction of the frontiers of Yugoslavia, Italy and the Free Territory of Trieste, and runs southwestward to a point adjacent to Highway No. 14 and approximately 1 kilometer northwest of the junction between Highways Nos. 55 and 14, respectively running from Gorizia and Monfalcone to Trieste;

(ii) The line then extends in a southerly direction to a point, in the Gulf of Panzano, equidistant from Punta Sdobba at the mouth of the Isonzo (Soca) river and Castello Vecchio at Duino, about 3.3 kilometers south from the point where it departs from the coastline approximately 2 kilometers northwest of the town of Duino;

(iii) The line then reaches the high seas by following a line placed equidistant from the coastlines of Italy and the Free Territory of Trieste.

The map to which this description refers forms part of Annex I.

Article 5

1. The exact line of the new frontiers laid down in Articles 2, 3, 4, and 22 of the present Treaty shall be determined on the spot by Boundary Commissions composed of the representatives of the two Governments concerned.

2. The Commissions shall begin their work immediately on the coming into force of the present Treaty, and shall complete it as soon as possible and in any case within a period of six months.

3. Any questions which the Commissions are unable to agree upon will be referred to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, acting as provided in Article 86, for final settlement by such methods as they may determine, including, where necessary, the appointment of an impartial third Commissioner.

4. The expenses of the Boundary Commissions will be borne in equal parts by the two Governments concerned.

5. For the purpose of determining on the spot the exact frontier laid down in Articles 3, 4, and 22, the Commissioners shall be allowed to depart by 0.5 kilometer from the line laid down in the present Treaty in order to adjust the frontier to local geographical and economic conditions, provided that no village or town of more than 500 inhabitants, no important railroads or highways, and no major power or water supplies are placed under a sovereignty other than that resulting from the delimitations laid down in the present Treaty.

Section II—France (special clauses)

Article 6

Italy hereby cedes to France in full sovereignty the former Italian territory situated on the French side of the Franco-Italian frontier defined in Article 2.

Article 7

The Italian Government shall hand over to the French Government all archives, historical and administrative, prior to 1860, which concern the territory ceded to France under the Treaty of March 24, 1860, and the Convention of August 23, 1860.

Article 8

1. The Italian Government shall co-operate with the French Government for the possible establishment of a railway connection between Briançon and Modane, via Bardonnèche.

2. The Italian Government shall authorize, free of customs duty and inspection, passport and other such formalities, the passenger and freight railway traffic travelling on the connection thus established, through Italian territory, from one point to another in France, in both directions; and shall take all necessary measures to ensure that the French trains using the said connection are allowed, under the same conditions, to pass duty free and without unjustifiable delay.

3. The necessary arrangements shall be concluded in due course between the two Governments.

Article 9

1. Plateau of Mont Cenis

In order to secure to Italy the same facilities as Italy enjoyed in respect of hydroelectric power and water supply from the Lake of Mont Cenis before cession of this

district to France, the latter shall give Italy under a bilateral agreement the technical guarantees set out in Annex III.

2. The Tenda-Briga District

In order that Italy shall not suffer any diminution in the supplies of electric power which Italy has drawn from sources existing in the Tenda-Briga district before its cession to France, the latter shall give Italy under a bilateral agreement the technical guarantees set out in Annex III.

Section III—Austria (special clauses)

Article 10

1. Italy shall enter into or confirm arrangements with Austria to guarantee free movement of passenger and freight traffic between the North and East Tyrol.

2. The Allied and Associated Powers have taken note of the provisions (the text of which is contained in Annex IV) agreed upon by the Austrian and Italian Governments on September 5, 1946.

Section IV—People's Federal Republic of Yugoslavia (special clauses)

Article 11

1. Italy hereby cedes to Yugoslavia in full sovereignty the territory situated between the new frontiers of Yugoslavia as defined in Articles 3 and 22 and the Italo-Yugoslav frontier as it existed on January 1, 1938, as well as the commune of Zara and all islands and adjacent islets lying within the following areas:

(a) The area bounded:

On the north by the parallel of 42°50′ N.;

On the south by the parallel of 42°42′ N.;

On the east by the meridian of 17°10′ E.;

On the west by the meridian of 16°25′ E.;

(b) The area bounded:

On the north by a line passing through the Porto del Quieto, equidistant from the coastline of the Free Territory of Trieste and Yugoslavia, and thence to the point 45°15′ N., 13°24′ E.;

On the south by the parallel 44°23′ N.;

On the west by a line connecting the following points:

1) 45°15′ N.—13°24′ E.;

2) 44°51 N.—13°37′ E.;

3) 44°23′ N.—14°18′30′′ E.

On the east by the west coast of Istria, the islands and the mainland of Yugoslavia.

A chart of these areas is contained in Annex I.

2. Italy hereby cedes to Yugoslavia in full sovereignty the island of Pelagosa and the adjacent islets.

The island of Pelagosa shall remain demilitarised.

Italian fishermen shall enjoy the same rights in Pelagosa and the surrounding waters as were there enjoyed by Yugoslav fishermen prior to April 6, 1941.

Article 12

1. Italy shall restore to Yugoslavia all objects of artistic, historical, scientific, educational or religious character (including all deeds, manuscripts, documents and bibliographical material) as well as administrative archives (files, registers, plans and documents of any kind) which, as the result of the Italian occupation, were removed between November 4, 1918, and March 2, 1924, from the territories ceded to Yugoslavia under the treaties signed in Rapallo on November 12, 1920, and in Rome on January 27, 1924. Italy shall also restore all objects belonging to those territories and falling into the above categories, removed by the Italian Armistice Mission which operated in Vienna after the first World War.

2. Italy shall deliver to Yugoslavia all objects having juridically the character of public property and coming within the categories in paragraph 1 of the present Article, removed since November 4, 1918, from the territory which under the present Treaty is ceded to Yugoslavia, and those connected with the said territory which Italy received from Austria or Hungary under the Peace Treaties signed in St. Germain on September 10, 1919, and in the Trianon on June 4, 1920, and under the convention between Austria and Italy, signed in Vienna on May 4, 1920.

3. If, in particular cases, Italy is unable to restore or hand over to Yugoslavia the objects coming under paragraphs 1 and 2 of this Article, Italy shall hand over to Yugoslavia objects of the same kind as, and of approximately equivalent value to, the objects removed, in so far as such objects are obtainable in Italy.

Article 13

The water supply for Gorizia and its vicinity shall be regulated in accordance with the provisions of Annex V.

Section V—Greece (special clause)

Article 14

1. Italy hereby cedes to Greece in full sovereignty the Dodecanese Islands indicated hereafter, namely Stampalia (Astropalia), Rhodes (Rhodos), Calki (Kharki), Scarpanto, Casos (Casso), Piscopis (Tilos), Misiros (Nisyros), Calimnos (Kalymnos), Leros, Patmos, Lipsos (Lipso), Simi (Symi), Cos (Kos) and Castellorizo, as well as the adjacent islets.

2. These islands shall be and shall remain demilitarised.

3. The procedure and the technical conditions governing the transfer of these islands to Greece will be determined by agreement between the Governments of the United Kingdom and Greece and arrangements shall be made for the withdrawal of foreign troops not later than 90 days from the coming into force of the present Treaty.

PART II. POLITICAL CLAUSES

Section I—General clauses

Article 15

Italy shall take all measures necessary to secure to all persons under Italian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

Article 16

Italy shall not prosecute or molest Italian nationals, including members of the armed forces, solely on the ground that during the period from June 10, 1940, to the coming into force of the present Treaty, they expressed sympathy with or took action in support of the cause of the Allied and Associated Powers.

Article 17

Italy, which, in accordance with Article 30 of the Armistice Agreement, has taken measures to dissolve the Fascist organizations in Italy, shall not permit the resurgence on Italian territory of such organizations, whether political, military or semi-military, whose purpose it is to deprive the people of their democratic rights.

Article 18

Italy undertakes to recognize the full force of the Treaties of Peace with Roumania, Bulgaria, Hungary and Finland and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Austria, Germany and Japan for the restoration of peace.

Section II—Nationality. Civil and political rights

Article 19

1. Italian citizens who were domiciled on June 10, 1940, in territory transferred by Italy to another State under the present Treaty, and their children born after that date, shall, except as provided in the following paragraph, become citizens with full civil and political rights of the State to which the territory is transferred, in accordance with legislation to that effect to be introduced by that State within three months from the coming into force of the present Treaty. Upon becoming citizens of the State concerned they shall lose their Italian citizenship.

2. The Government of the State to which the territory is transferred shall, by appropriate legislation within three months from the coming into force of the present Treaty, provide that all persons referred to in paragraph 1 over the age of eighteen years (or married persons whether under or over that age) whose customary language is Italian, shall be entitled to opt for Italian citizenship within a period of one year from the coming into force of the present Treaty. Any person so opting shall retain Italian citizenship and shall not be considered to have acquired the citizenship of the State to which the territory is transferred. The option of the husband shall not constitute an option on the part of the wife. Option on the part of the father, or, if the father is not alive, on the part of the mother, shall, however, automatically include all unmarried children under the age of eighteen years.

3. The State to which the Territory is transferred may require those who take advantage of the option to move to Italy within a year from the date when the option was exercised.

4. The State to which the territory is transferred shall, in accordance with its fundamental laws, secure to all persons within the territory, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of press and publication, of religious worship, of political opinion and of public meeting.

Article 20

1. Within a period of one year from the coming into force of the present Treaty, Italian citizens over 18 years of age (or married persons whether under or over that age), whose customary language is one of the Yugoslav languages (Serb, Croat or Slovene), and who are domiciled on Italian territory may, upon filing a request with a Yugoslav diplomatic or consular representative in Italy, acquire Yugoslav nationality if the Yugoslav authorities accept their request.

2. In such cases, the Yugoslav Government will communicate to the Italian Government through the diplomatic channel lists of the persons who have thus acquired Yugoslav nationality. The persons mentioned in such lists will lose their Italian nationality on the date of such official communication.

3. The Italian Government may require such persons to transfer their residence to Yugoslavia within a period of one year from the date of such official communication.

4. For the purposes of this Article, the rules relating to the effect of options on wives and on children, set forth in Article 19, paragraph 2, shall apply.

5. The provisions of Annex XIV, paragraph 10 of the present Treaty, applying to the transfer of properties belonging to persons who opt for Italian nationality, shall equally apply to the transfer of properties belonging to persons who opt for Yugoslav nationality under this Article.

Section III—Free Territory of Trieste

Article 21

1. There is hereby constituted the Free Territory of Trieste, consisting of the area lying between the Adriatic Sea and the boundaries defined in Articles 4 and 22 of the present Treaty. The Free Territory of Trieste is recognized by the Allied and Associated Powers and by Italy, which agree that its integrity and independence shall be assured by the Security Council of the United Nations.

2. Italian sovereignty over the area constituting the Free Territory of Trieste, as above defined, shall be terminated upon the coming into force of the present Treaty.

3. On the termination of Italian sovereignty, the Free Territory of Trieste shall be governed in accordance with an instrument for a provisional regime drafted by the Council of Foreign Ministers and approved by the Security Council. This Instrument shall remain in force until such date as the Security Council shall fix for the coming into force of the Permanent Statute which shall have been approved by it. The Free Territory shall thenceforth be governed by the provisions of such Permanent Statute. The texts of the Permanent Statute and of the Instrument for the Provisional Regime are contained in Annexes VI and VII.

4. The Free Territory of Trieste shall not be considered as ceded territory within the meaning of Article 19 and Annex XIV of the present Treaty.

5. Italy and Yugoslavia undertake to give to the Free Territory of Trieste the guarantees set out in Annex IX.

Article 22

The frontier between Yugoslavia and the Free Territory of Trieste shall be fixed as follows:

(i) The line starts from a point on the administrative boundary between the provinces of Gorizia and Trieste, approximately 2 kilometers northeast of the village of San Giovanni and approximately 0.5 kilometer northwest of point 208, forming the junction of the frontiers of Yugoslavia, Italy, and the Free Territory of Trieste, and follows this administrative boundary as far as Monte Lanaro (point 546); thence it extends southeastward as far as Monte Cocusso (point 672) through point 461, Meducia (point 475), Monte dei Pini (point 476) and point 407, crossing Highway No. 58, from Trieste to Sesana, about 3.3 kilometers to the southwest of this town, and leaving the villages of Vogliano and Orle to the east, and at approximately 0.4 kilometer to the west, the village of Zolla.

(ii) From Monte Cocusso, the line, continuing southeastward leaving the village of Grozzana to the west, reaches Monte Goli (point 621), then turning southwestward, crosses the road from Trieste to Cosina at point 455 and the railway at point 485, passes by points 416 and 326, leaving the villages of Beca and Castel in Yugoslav territory, crosses the road from Ospo to Gabrovizza d'Istria about 100 meters to the southeast of Ospo; then crosses the river Risana and the road from Villa Decani to Risano at a point about 350 meters west of the latter village, the village of Rosario and the road from Risano to San Sergio being left in Yugoslav territory; from this point the line proceeds as far as the cross roads situated about 1 kilometer northeastward of point 362, passing by points 285 and 354.

(iii) Thence, the line runs as far as a point about 0.5 kilometer east of the village of Cernova, crossing the river Dragogna about 1 kilometer north of this village, leaving the villages of Buccial and Truscolo to the west and the village of Tersecco to the east, it then runs southwestward to the southeast of the road connecting the villages of Cernova and Chervoi, leaving this road 0.8 kilometer to the east of the village of Cucciani; it then runs in a general south-southwesterly direction, passing about 0.4 kilometer east of Monte Braico and at about 0.4 kilometer west of the village of Sterna Filaria, leaving the road running from this village to Piemonte to the east, passing about 0.4 kilometer west of the town of Piemonte and about 0.5 kilometer east of the town of Castagna and reaching the river Quieto at a point approximately 1.6 kilometer southwest of the town of Castagna.

(iv) Thence the line follows the main improved channel of the Quieto to its mouth, passing through Porto del Quieto to the high seas by following a line placed equidistant from the coastlines of the Free Territory of Trieste and Yugoslavia.

The map to which this description refers forms part of Annex I.

Section IV—Italian colonies

Article 23

1. Italy renounces all right and title to the Italian territorial possessions in Africa, i. e. Libya, Eritrea and Italian Somaliland.

2. Pending their final disposal, the said possessions shall continue under their present administration.

3. The final disposal of these possessions shall be determined jointly by the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France within one year from the coming into force of the present Treaty, in the manner laid down in the joint declaration of February 10, 1947, issued by the said Governments, which is reproduced in Annex XI.

Section V—Special interests of China

Article 24

Italy renounces in favour of China all benefits and privileges resulting from the provisions of the final Protocol signed at Pekin on September 7, 1901, and all annexes, notes and documents supplementary thereto, and agrees to the abrogation in respect of Italy of the said protocol, annexes, notes and documents. Italy likewise renounces any claim thereunder to an indemnity.

Article 25

Italy agrees to the cancellation of the lease from the Chinese Government under which the Italian Concession at Tientsin was granted, and to the transfer to the Chinese Government of any property and archives belonging to the municipality of the said Concession.

Article 26

Italy renounces in favour of China the rights accorded to Italy in relation to the International Settlements at Shanghai and Amoy, and agrees to the reversion of the said Settlements to the administration and control of the Chinese Government.

Section VI—Albania

Article 27

Italy recognises and undertakes to respect the sovereignty and independence of the State of Albania.

Article 28

Italy recognises that the Island of Saseno is part of the territory of Albania and renounces all claims thereto.

Article 29

Italy formally renounces in favour of Albania all property (apart from normal diplomatic or consular premises), rights, concessions, interests and advantages of all kinds in Albania, belonging to the Italian State or Italian para-statal institutions. Italy likewise renounces all claims to special interests or influence in Albania, acquired as a result of the aggression of April 7, 1939, or under treaties or agreements concluded before that date.

The economic clauses of the present Treaty, applicable to the Allied and Associated Powers, shall apply to other Italian property and other economic relations between Albania and Italy.

Article 30

Italian nationals in Albania will enjoy the same juridical status as other foreign nationals, but Italy recognises the legality of all Albanian measures annulling or modifying concessions or special rights granted to Italian nationals provided that such measures are taken within a year from the coming into force of the present Treaty.

Article 31

Italy recognises that all agreements and arrangements made between Italy and the authorities installed in Albania by Italy from April 7, 1939, to September 3, 1943, are null and void.

Article 32

Italy recognises the legality of any measures which Albania may consider necessary to take in order to confirm or give effect to the preceding provisions.

Section VII—Ethiopia

Article 33

Italy recognises and undertakes to respect the sovereignty and independence of the State of Ethiopia.

Article 34

Italy formally renounces in favour of Ethiopia all property (apart from normal diplomatic or consular premises), rights, interests and advantages of all kinds acquired at any time in Ethiopia by the Italian State, as well as all para-statal property as defined in paragraph 1 of Annex XIV of the present Treaty.

Italy also renounces all claims to special interests or influence in Ethiopia.

Article 35

Italy recognises the legality of all measures which the Government of Ethiopia has taken or may hereafter take in order to annul Italian measures respecting Ethiopia taken after October 3, 1935, and the effects of such measures.

Article 36

Italian nationals in Ethiopia will enjoy the same juridical status as other foreign nationals, but Italy recognises the legality of all measures of the Ethiopiar Government annulling or modifying concessions or special rights granted to Italian nationals, provided such measures are taken within a year from the coming into force of the present Treaty.

Article 37

Within eighteen months from the coming into force of the present Treaty, Italy shall restore all works of art, religious objects, archives and objects of historical value belonging to Ethiopia or its nationals and removed from Ethiopia to Italy since October 3, 1935.

Article 38

The date from which the provisions of the present Treaty shall become applicable as regards all measures and acts of any kind whatsoever entailing the responsibility of Italy or of Italian nationals towards Ethiopia, shall be held to be October 3, 1935.

Section VIII—International agreements

Article 39

Italy undertakes to accept any arrangements which have been or may be agreed for the liquidation of the League of Nations, the Permanent Court of International Justice and also the International Financial Commission in Greece.

Article 40

Italy hereby renounces all rights, titles and claims deriving from the mandate system or from any undertakings given in connection therewith, and all special rights of the Italian State in respect of any mandated territory.

Article 41

Italy recognises the provisions of the Final Act of August 31, 1945, and of the Franco-British Agreement of the same date on the Statute of Tangier, as well as all provisions which may be adopted by the Signatory Powers for carrying out these instruments.

Article 42

Italy shall accept and recognise any arrangements which may be made by the Allied and Associated Powers concerned for the modification of the Congo Basin Treaties with a view to bringing them into accord with the Charter of the United Nations.

Article 43

Italy hereby renounces any rights and interests she may possess by virtue of Article 16 of the Treaty of Lausanne signed on July 24, 1923.

Section IX—Bilateral treaties

Article 44

1. Each Allied or Associated Power will notify Italy, within a period of six months from the coming into force of the present Treaty, which of its pre-war bilateral treaties with Italy it desires to keep in force or revive. Any provisions not in conformity with the present Treaty shall, however, be deleted from the above-mentioned treaties.

2. All such treaties so notified shall be registered with the Secretariat of the United Nations in accordance with Article 102 of the Charter of the United Nations.

3. All such treaties not so notified shall be regarded as abrogated.

PART III. WAR CRIMINALS

Article 45

1. Italy shall take all necessary steps to ensure the apprehension and surrender for trial of:

(a) Persons accused of having committed, ordered or abetted war crimes and crimes against peace or humanity;

(b) Nationals of any Allied or Associated Power accused of having violated their national law by treason or collaboration with the enemy during the war.

2. At the request of the United Nations Government concerned, Italy shall likewise make available as witnesses persons within its jurisdiction, whose evidence is required for the trial of the persons referred to in paragraph 1 of this Article.

3. Any disagreement concerning the application of the provisions of paragraphs 1 and 2 of this Article shall be referred by any of the Governments concerned to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, who will reach agreement with regard to the difficulty.

PART IV. NAVAL, MILITARY AND AIR CLAUSES

Section I—Duration of application

Article 46

Each of the military, naval and air clauses of the present Treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Italy or, after Italy becomes a member of the United Nations, by agreement between the Security Council and Italy.

Section II—General limitations

Article 47

1. (a) The system of permanent Italian fortifications and military installations along the Franco-Italian frontier, and their armaments, shall be destroyed or removed

(b) This system is deemed to comprise only artillery and infantry fortifications whether in groups or separated, pillboxes of any type, protected accommodation for personnel, stores and ammunition, observation posts and military cableways, whatever may be their importance and actual condition of maintenance or state of construction, which are constructed of metal, masonry or concrete or excavated in the rock.

2. The destruction or removal, mentioned in paragraph 1 above, is limited to a distance of 20 kilometers from any point on the frontier as defined by the present Treaty, and shall be completed within one year from the coming into force of the Treaty.

3. Any reconstruction of the above-mentioned fortifications and installations is prohibited.

4. (a) The following construction to the east of the Franco-Italian frontier is prohibited: permanent fortifications where weapons capable of firing into French territory or territorial waters can be emplaced; permanent military installations capable of being used to conduct or direct fire into French territory or territorial waters; and permanent supply and storage facilities emplaced solely for the use of the above-mentioned fortifications and installations.

(b) The prohibition does not include other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontier.

5. In a coastal area 15 kilometers deep, stretching from the Franco-Italian frontier to the meridian 9°30′ E., Italy shall not establish any new, nor expand any existing, naval bases or permanent naval installations. This does not prohibit minor alterations to, nor the maintenance in good repair of, existing naval installations provided that their overall capacity will not thereby be increased.

Article 48

1. (a) Any permanent Italian fortifications and military installations along the Italo-Yugoslav frontier, and their armaments, shall be destroyed or removed.

(b) These fortifications and installations are deemed to comprise only artillery and infantry fortifications whether in groups or separated, pillboxes of any type, protected accommodation for personnel, stores and ammunition, observation posts and military cableways, whatever may be their importance and actual condition of maintenance or state of construction, which are constructed of metal, masonry or concrete or excavated in the rock.

2. The destruction or removal, mentioned in paragraph 1 above, is limited to a distance of 20 kilometers from any point on the frontier, as defined by the present Treaty, and shall be completed within one year from the coming into force of the Treaty.

3. Any reconstruction of the above-mentioned fortifications and installations is prohibited.

4. (a) The following construction to the west of the Italo-Yugoslav frontier is prohibited: permanent fortifications where weapons capable of firing into Yugoslav territory or territorial waters can be emplaced; permanent military installations capable of being used to conduct or direct fire into Yugoslav territory or territorial waters; and permanent supply and storage facilities emplaced solely for the use of the above-mentioned fortifications and installations.

(b) This prohibition does not include other types of non-permanent fortifications or surface accommodations and installations which are designed to meet only requirements of an internal character and of local defence of the frontiers.

5. In a coastal area 15 kilometers deep, stretching from the frontier between Italy and Yugoslavia and between Italy and the Free Territory of Trieste to the latitude of 44°50′ N. and in the islands adjacent to this coast, Italy shall not establish any new, nor expand any existing, naval bases or permanent naval installations. This does not prohibit minor alterations to, nor the maintenance in good repair of, existing naval installations and bases provided that their overall capacity will not thereby be increased.

6. In the Apulian Peninsula east of longitude 17°45′ E., Italy shall not construct any new permanent military, naval or military air installations nor expand existing installations. This does not prohibit minor alterations to, nor the maintenance in good repair of, existing installations provided that their overall capacity will not thereby be increased. Accommodations for such security forces as may be required for tasks of an internal character and local defence of frontiers will, however, be permitted.

Article 49

1. Pantellaria, the Pelagian Islands (Lampedusa, Lampione and Linosa) and Pianosa (in the Adriatic) shall be and shall remain demilitarised.

2. Such demilitarisation shall be completed within one year from the coming into force of the present Treaty.

Article 50

1. In Sardinia all permanent coast defence artillery emplacements and their armaments and all naval installations which are located within a distance of 30 kilometers from French territorial waters shall be removed to the mainland of Italy or demolished within one year from the coming into force of the present Treaty.

2. In Sicily and Sardinia all permanent installations and equipment for the maintenance and storage of torpedoes, sea mines and bombs shall be demolished or removed to the mainland of Italy within one year from the coming into force of the present Treaty.

3. No improvements to, reconstruction of, or extensions of existing installations or permanent fortifications in Sicily and Sardinia shall be permitted; however, with the exception of the northern Sardinia areas described in paragraph 1 above, normal maintenance of such installations or permanent fortifications and weapons already installed in them may take place.

4. In Sicily and Sardinia Italy shall be prohibited from constructing any naval, military and air force installations or fortifications except for such accommodation for security forces as may be required for tasks of an internal character.

Article 51

Italy shall not possess, construct or experiment with (i) any atomic weapon, (ii) any self-propelled or guided missiles or apparatus connected with their discharge (other than torpedoes and torpedo-launching gear comprising the normal armament of naval vessels permitted by the present Treaty), (iii) any guns with a range of over 30 kilometers, (iv) sea mines or torpedoes of non-contact types actuated by influence mechanisms, (v) any torpedoes capable of being manned.

Article 52

The acquisition of war material of German or Japanese origin or design, either from inside or outside Italy, or its manufacture, is prohibited to Italy.

Article 53

Italy shall not manufacture or possess, either publicly or privately, any war material different in type from, or exceeding in quantity, that required for the forces permitted in Sections III, IV and V below.

Article 54

The total number of heavy and medium tanks in the Italian armed forces shall not exceed 200.

Article 55

In no case shall any officer or non-commissioned officer of the former Fascist Militia or of the former Fascist Republican Army be permitted to hold officer's or non-commissioned officer's rank in the Italian Navy, Army, Air Force or Carabinieri, with the exception of such persons as shall have been exonerated by the appropriate body in accordance with Italian law.

Section III—Limitation of the Italian Navy

Article 56

1. The present Italian Fleet shall be reduced to the units listed in Annex XII A.

2. Additional units not listed in Annex XII and employed only for the specific purpost of minesweeping, may continue to be employed until the end of the mine clearance period as shall be determined by the Inter-

national Central Board for Mine Clearance of European Waters.

3. Within two months from the end of the said period, such of these vessels as are on loan to the Italian Navy from other Powers shall be returned to those Powers, and all other additional units shall be disarmed and converted to civilian use.

Article 57

1. Italy shall effect the following disposal of the units of the Italian Navy specified in Annex XII B:

(a) The said units shall be placed at the disposal of the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France;

(b) Naval vessels required to be transferred in compliance with sub-paragraph (a) above shall be fully equipped, in operational condition including a full outfit of armament stores, and complete with on-board spare parts and all necessary technical data;

(c) The transfer of the naval vessels mentioned above shall be effected within three months from the coming into force of the present Treaty, except that, in the case of naval vessels that cannot be refitted within three months, the time limit for the transfer may be extended by the Four Governments;

(d) Reserve allowance of spare parts and armament stores for the naval vessels mentioned above shall, as far as possible, be supplied with the vessels.

The balance of reserve spare parts and armament stores shall be supplied to an extent and at dates to be decided by the Four Governments, in any case within a maximum of one year from the coming into force of the present Treaty.

2. Details relating to the above transfers will be arranged by a Four Power Commission to be established under a separate protocol.

3. In the event of loss or damage, from whatever cause, to any of the vessels in Annex XII B scheduled for transfer, and which cannot be made good by the agreed date for transfer of the vessel or vessels concerned, Italy undertakes to replace such vessel or vessels by equivalent tonnage from the list in Annex XII A, the actual vessel or vessels to be substituted being selected by the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France.

Article 58

1. Italy shall effect the following disposal of submarines and nonoperational naval vessels. The time limits specified below shall be taken as commencing with the coming into force of the present Treaty.

(a) Surface naval vessels afloat not listed in Annex XII, including naval vessels under construction afloat, shall be destroyed or scrapped for metal within nine months.

(b) Naval vessels under construction on slips shall be destroyed or scrapped for metal within nine months.

(c) Submarine afloat and not listed in Annex XII B shall be sunk in the open sea in a depth of over 100 fathoms within three months.

(d) Naval vessels sunk in Italian harbours and approach channels, in obstruction of normal shipping, shall, within two years, either be destroyed on the spot or salvaged and subsequently destroyed or scrapped for metal.

(e) Naval vessels sunk in shallow Italian waters not in obstruction of normal shipping shall within one year be rendered incapable of salvage.

(f) Naval vessels capable of reconversion which do not come within the definition of war material, and which are not listed in Annex XII, may be reconverted to civilian uses or are to be demolished within two years.

2. Italy undertakes, prior to the sinking or destruction of naval vessels and submarines as provided for in the preceding paragraph, to salvage such equipment and spare parts as may be useful in completing the on-board and reserve allowances of spare parts and equipment to be supplied, in accordance with Article 57, paragraph 1, for all ships specified in Annex XII B.

3. Under the supervision of the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, Italy may also salvage such equipment and spare parts of a nonwarlike character as are readily adaptable for use in Italian civil economy.

Article 59

1. No battleship shall be constructed, acquired or replaced by Italy.

2. No aircraft carrier, submarine or other submersible craft, motor torpedo boat or specialised types of assault craft shall be constructed, acquired, employed or experimented with by Italy.

3. The total standard displacement of the war vessels, other than battleships, of the Italian Navy, including vessels under construction after the date of launching, shall not exceed 67,500 tons.

4. Any replacement of war vessels by Italy shall be effected within the limit of tonnage given in paragraph 3. There shall be no restriction on the replacement of auxiliary vessels.

5. Italy undertakes not to acquire or lay down any war vessels before January 1, 1950, except as necessary to replace any vessel, other than a battleship, accidentally lost, in which case the displacement of the new vessel is not to exceed by more than ten per cent the displacement of the vessel lost.

6. The terms used in this Article are, for the purposes of the present Treaty, defined in Annex XIII A.

Article 60

1. The total personnel of the Italian Navy, excluding any naval air personnel, shall not exceed 25,000 officers and men.

2. During the mine clearance period as determined by the International Central Board for Mine Clearance of European Waters, Italy shall be authorized to employ for this purpose an additional number of officers and men not to exceed 2,500.

3. Permanent naval personnel in excess of that permitted under paragraph 1 shall be progressively reduced as follows, time limits being taken as commencing with the coming into force of the present Treaty:

(a) To 30,000 within six months;

(b) To 25,000 within nine months;

Two months after the completion of minesweeping by the Italian Navy, the excess personnel authorized by paragraph 2 is to be disbanded or absorbed within the above numbers.

4. Personnel, other than those authorized under paragraphs 1 and 2, and other than any naval air personnel authorized under Article 65, shall not receive any form of naval training as defined in Annex XIII B.

Section IV—Limitation of the Italian Army

Article 61

The Italian Army, including the Frontier Guards, shall be limited to a force of 185,000 combat, service and overhead personnel and 65,000 Carabinieri, though either of the above elements may be varied by 10,000 as long as the total ceiling does not exceed 250,000. The organisation and armament of the Italian ground forces, as well as their deployment throughout Italy, shall be designed to meet only tasks of an internal character, local defence of Italian frontiers and anti-aircraft defence.

Article 62

The Italian Army, in excess of that permitted under Article 61 above, shall be disbanded within six months from the coming into force of the present Treaty.

Article 63

Personnel other than those forming part of the Italian Army or Carabinieri shall not receive any form of military training as defined in Annex XIII B.

Section V—Limitation of the Italian Air Force

Article 64

1. The Italian Air Force, including any naval air arm, shall be limited to a force of 200 fighter and reconnaissance aircraft and 150 transport, air-sea rescue, training (school type) and liaison aircraft. These totals include reserve aircraft. All aircraft except for fighter and reconnaissance aircraft shall be unarmed. The organisation and armament of the Italian Air Force as well as their deployment throughout Italy shall be designed to meet only tasks of an internal character, local defence of Italian frontiers and defence against air attack.

2. Italy shall not possess or acquire any aircraft designed primarily as bombers with internal bomb-carrying facilities.

Article 65

1. The personnel of the Italian Air Force, including any naval air personnal, shall be limited to a total of 25,000 effectives, which shall include combat, service and overhead personnel.

2. Personnel other than those forming part of the Italian Air Force shall not receive any form of military air training as defined in Annex XIII B.

Article 66

The Italian Air Force, in excess of that permitted under Article 65 above, shall be disbanded within six months from the coming into force of the present Treaty.

Section VI—Disposal of war material (as defined in Annex XIII C)

Article 67

1. All Italian war material in excess of that permitted for the armed forces specified in Sections III, IV and V shall be placed at the disposal of the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France, according to such instructions as they may give to Italy.

2. All Allied war material in excess of that permitted for the armed forces specified in Sections III, IV and V shall be placed at the disposal of the Allied or Associated Power concerned according to the instructions to be given to Italy by the Allied or Associated Power concerned.

3. All German and Japanese war material in excess of that permitted for the armed forces specified in Sections III, IV and V, and all German or Japanese drawings, including existing blueprints, prototypes, experimental models and plans, shall be placed at the disposal of the Four Governments in accordance with such instructions as they may give to Italy.

4. Italy shall renounce all rights to the above-mentioned war material and shall comply with the provisions of this Article within one year from the coming into force of the present Treaty except as provided for in Articles 56 to 58 thereof.

5. Italy shall furnish to the Four Governments lists of all excess war material within six months from the coming into force of the present Treaty.

Section VII—Prevention of German and Japanese rearmament

Article 68

Italy undertakes to co-operate fully with the Allied and Associated Powers with a view to ensuring that Germany and Japan are unable to take steps outside German and Japanese territories towards rearmament.

Article 69

Italy undertakes not to permit the employment or training in Italy of any technicians,

including military or civil aviation personnel, who are or have been nationals of Germany or Japan.

Article 70

Italy undertakes not to acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

Section VIII—Prisoners of war

Article 71

1. Italian prisoners of war shall be repatriated as soon as possible in accordance with arrangements agreed upon by the individual Powers detaining them and Italy.

2. All costs, including maintenance costs, incurred in moving Italian prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Italian territory, shall be borne by the Italian Government.

Section IX—Mine clearance

Article 72

As from the coming into force of the present Treaty, Italy will be invited to join the Mediterranean Zone Board of the International Organisation for Mine Clearance of European Waters, and shall maintain at the disposal of the Central Mine Clearance Board all Italian minesweeping forces until the end of the post-war mine clearance period as determined by the Central Board.

PART V. WITHDRAWAL OF ALLIED FORCES

Article 73

1. All armed forces of the Allied and Associated Power shall be withdrawn from Italy as soon as possible and in any case not later than 90 days from the coming into force of the present Treaty.

2. All Italian goods for which compensation has not been made and which are in possession of the armed forces of the Allied and Associated Powers in Italy at the coming into force of the present Treaty shall be returned to the Italian Government within the same period of 90 days or due compensation shall be made.

3. All bank and cash balances in the hands of the forces of the Allied and Associated Powers at the coming into force of the present Treaty which have been supplied free of cost by the Italian Government shall similarly be returned or a corresponding credit given to the Italian Government.

PART VI. CLAIMS ARISING OUT OF THE WAR

Section I—Reparation

Article 74

A. Reparation for the Union of Soviet Socialist Republics

1. Italy shall pay the Soviet Union reparation in the amount of $100,000,000 during a period of 7 years from the coming into force of the present Treaty. Deliveries from current industrial production shall not be made during the first 2 years.

2. Reparation shall be made from the following sources:

(a) A share of the Italian factory and tool equipment designed for the manufacture of war material, which is not required by the permitted military establishments, which is not readily susceptible of conversion to civilian purposes, and which will be removed from Italy pursuant to Article 67 of the present Treaty;

(b) Italian assets in Roumania, Bulgaria and Hungary, subject to the exceptions specified in paragraph 6 of Article 79;

(c) Italian current industrial production, including production by extractive industries.

3. The quantities and types of goods to be delivered shall be the subject of agreements between the Governments of the Soviet Union and of Italy, and shall be selected and deliveries shall be scheduled in such a way as to avoid interference with the economic reconstruction of Italy and the imposition of additional liabilities on other Allied or Associated Powers. Agreements concluded under this paragraph shall be communicated to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France.

4. The Soviet Union shall furnish to Italy on commercial terms the materials which are normally imported into Italy and which are needed for the production of these goods. Payments for these materials shall be made by deducting the value of the materials furnished from the value of the goods delivered to the Soviet Union.

5. The Four Ambassadors shall determine the value of the Italian assets to be transferred to the Soviet Union.

6. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on July 1, 1946, i. e. $35 for one ounce of gold.

B. Reparation for Albania, Ethiopia, Greece and Yugoslavia

1. Italy shall pay reparation to the following States:

Albania in the amount of $5,000,000.
Ethiopia in the amount of $25,000,000.
Greece in the amount of $105,000,000.
Yugoslavia in the amount of $125,000,000.

These payments shall be made during a period of seven years from the coming into force of the present Treaty. Deliveries from current industrial production shall not be made during the first two years.

2. Reparation shall be made from the following sources:

(a) A share of the Italian factory and tool equipment designed for the manufacture of war material, which is not required by the permitted military establishments, which is not readily susceptible of conversion to civilian purposes and which will be removed from Italy pursuant to Article 67 of the present Treaty;

(b) Italian current industrial production, including production by extractive industries;

(c) All other categories of capital goods or services, excluding Italian assets which, under Article 79 of the present Treaty, are subject to the jurisdiction of the States mentioned in paragraph 1 above. Deliveries under this paragraph shall include either or both of the passenger vessels *Saturnia* and *Vulcania*, if, after their value has been determined by the Four Ambassadors, they are claimed within 90 days by one of the States mentioned in paragraph 1 above. Such deliveries may also include seeds.

3. The quantities and types of goods and services to be delivered shall be the subject of agreements between the Governments entitled to receive reparation and the Italian Government, and shall be selected and deliveries shall be scheduled in such a way as to avoid interference with the economic reconstruction of Italy and the imposition of additional liabilities on other Allied or Associated Powers.

4. The States entitled to receive reparation from current industrial production shall furnish to Italy on commercial terms the materials which are normally imported into Italy and which are needed for the production of these goods. Payment for these materials shall be made by deducting the value of the materials furnished from the value of the goods delivered.

5. The basis of calculation for the settlement provided in this Article will be the United States dollar at its gold parity on July 1, 1946, i. e. $35 for one ounce of gold.

6. Claims of the States mentioned in paragraph 1 of part B of this Article, in excess of the amounts of reparation specified in that paragraph, shall be satisfied out of the Italian assets subject to their respective jurisdictions under Article 79 of the present Treaty.

7. (a) The Four Ambassadors will coordinate and supervise the execution of the provisions of part B of this Article. They will consult with the Heads of the Diplomatic Missions in Rome of the States named in paragraph 1 of part B and, as circumstances may require, with the Italian Government, and advise them. For the purpose of this Article, the Four Ambassadors will continue to act until the expiration of the period for reparation deliveries provided in paragraph 1 of part B.

(b) With a view to avoiding conflict or overlapping in the allocation of Italian production and resources among the several States entitled to reparation under part B of this Article, the Four Ambassadors shall be informed by any one of the Governments entitled to reparation under part B of this Article and by the Italian Government of the opening of negotiations for an agreement under paragraph 3 above and of the progress of such negotiations. In the event of any differences arising in the course of the negotiations the Four Ambassadors shall be competent to decide any point submitted to them by either Government or by any other Government entitled to reparation under part B of this Article.

(c) Agreements when concluded shall be communicated to the Four Ambassadors. The Four Ambassadors may recommend that an agreement which is not, or has ceased to be, in consonance with the objectives set out in paragraph 3 or sub-paragraph (b) above be appropriately modified.

C. Special Provision for Earlier Deliveries

With respect to deliveries from current industrial production, as provided in part A, paragraph 2 (c) and part B, paragraph 2 (b), nothing in either part A or part B of this Article shall be deemed to prevent deliveries during the first two years, if such deliveries are made in accordance with agreements between the Government entitled to reparation and the Italian Government.

D. Reparation for Other States

1. Claims of the other Allied and Associated Powers shall be satisfied out of the Italian assets subject to their respective jurisdictions under Article 79 of the present Treaty.

2. The claims of any State which is receiving territories under the present Treaty and which is not mentioned in part B of this Article shall also be satisfied by the transfer to the said State, without payment, of the industrial installations and equipment situated in the ceded territories and employed in the distribution of water, and the production and distribution of gas and electricity, owned by any Italian company whose siège social is in Italy or is transferred to Italy, as well as by the transfer of all other assets of such companies in ceded territories.

3. Responsibility for the financial obligations secured by mortgages, liens and other charges on such property shall be assumed by the Italian Government.

E. Compensation for Property Taken for Reparation Purposes

The Italian Government undertakes to compensate all natural or juridical persons whose property is taken for reparation purposes under this Article.

Section II—Restitution by Italy

Article 75

1. Italy accepts the principles of the United Nations Declaration of January 5, 1943, and shall return, in the shortest possible time, property removed from the territory of any of the United Nations.

2. The obligation to make restitution applies to all identifiable property at present in Italy which was removed by force or duress by any of the Axis Powers from the territory of any of the United Nations, irrespective of any subsequent transactions by which the present holder of any such property has secured possession.

3. The Italian Government shall return the property referred to in this Article in good order and, in this connection, shall bear all costs in Italy relating to labour, materials and transport.

4. The Italian Government shall co-operate with the United Nations in, and shall provide at its own expense all necessary facilities for, the search for and restitution of property liable to restitution under this Article.

5. The Italian Government shall take the necessary measures to effect the return of property covered by this Article held in any third country by persons subject to Italian jurisdiction.

6. Claims for the restitution of property shall be presented to the Italian Government by the Government of the country from whose territory the property was removed, it being understood that rolling stock shall be regarded as having been removed from the territory to which it originally belonged. The period during which such claims may be presented shall be six months from the coming into force of the present Treaty.

7. The burden of identifying the property and of proving ownership shall rest on the claimant Government, and the burden of proving that the property was not removed by force or duress shall rest on the Italian Government.

8. The Italian Government shall restore to the Government of the United Nation concerned all monetary gold looted by or wrongfully removed to Italy or shall transfer to the Government of the United Nation concerned an amount of gold equal in weight and fineness to that looted or wrongfully removed. This obligation is recognised by the Italian Government to exist irrespective of any transfers or removals of gold from Italy to any other Axis Power or a neutral country.

9. If, in particular cases, it is impossible for Italy to make restitution of objects of artistic, historical or archaeological value, belonging to the cultural heritage of the United Nation from whose territory such objects were removed by force or duress by Italian forces, authorities or nationals, Italy shall transfer to the United Nation concerned objects of the same kind as, and of approximately equivalent value to, the objects removed, in so far as such objects are obtainable in Italy.

Section III—Renunciation of Claims by Italy

Article 76

1. Italy waives all claims of any description against the Allied and Associated Powers on behalf of the Italian Government or Italian nationals arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, whether or not the Allied or Associated Power was at war with Italy at the time, including the following:

(a) Claims for losses or damages sustained as a consequence of acts of forces or authorities of Allied or Associated Powers;

(b) Claims arising from the presence, operations, or actions of forces or authorities of Allied or Associated Powers in Italian territory;

(c) Claims with respect to the decrees or orders of Prize Courts of Allied or Associated Powers, Italy agreeing to accept as valid and binding all decrees and orders of such Prize Courts on or after September 1, 1939, concerning Italian ships or Italian goods or the payment of costs;

(d) Claims arising out of the exercise or purported exercise of belligerent rights.

2. The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which will be henceforward extinguished, whoever may be the parties in interest. The Italian Government agrees to make equitable compensation in lire to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Italian territory and in satisfaction of non-combat damage claims against the forces of Allied or Associated Powers arising in Italian territory.

3. Italy likewise waives all claims of the nature covered by paragraph 1 of this Article on behalf of the Italian Government or Italian nationals against any of the United Nations which broke off diplomatic relations with Italy and which took action in co-operation with the Allied and Associated Powers.

4. The Italian Government shall assume full responsibility for all Allied military currency issued in Italy by the Allied military authorities, including all such currency in circulation at the coming into force of the present Treaty.

5. The waiver of claims by Italy under paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied and Associated Powers with respect to Italian ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising out of the Conventions on prisoners of war now in force.

6. The provisions of this Article shall not be deemed to affect the ownership of submarine cables which, at the outbreak of the war, were owned by the Italian Government or Italian nationals. This paragraph shall not preclude the application of Article 79 and Annex XIV to submarine cables.

Article 77

1. From the coming into force of the present Treaty property in Germany of Italy and of Italian nationals shall no longer be treated as enemy property and all restrictions based on such treatment shall be removed.

2. Identifiable property of Italy and of Italian nationals removed by force or duress from Italian territory to Germany by German forces or authorities after September 3, 1943, shall be eligible for restitution.

3. The restoration and restitution of Italian property in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany.

4. Without prejudice to these and to any other dispositions in favour of Italy and Italian nationals by the Powers occupying Germany, Italy waives on its own behalf and on behalf of Italian nationals all claims against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before September 1, 1939. This waiver shall be deemed to include debts, all inter-governmental claims in respect of arrangements entered into in the course of the war, and all claims for loss or damage arising during the war.

5. Italy agrees to take all necessary measures to facilitate such transfers of German assets in Italy as may be determined by those of the Powers occupying Germany which are empowered to dispose of the said assets.

PART VII. PROPERTY, RIGHTS AND INTERESTS

Section 1—United Nations property in Italy

Article 78

1. In so far as Italy has not already done so, Italy shall restore all legal rights and interests in Italy of the United Nations and their nationals as they existed on June 10, 1940, and shall return all property in Italy of the United Nations and their nationals as it now exists.

2. The Italian Government understakes that all property, rights and interests passing under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war and without the imposition of any charges by the Italian Government in connection with their return. The Italian Government shall nullify all measures, including seizures, sequestration or control, taken by it against United Nations property between June 10, 1940, and the coming into force of the present Treaty. In cases where the property has not been returned within six months from the coming into force of the present Treaty, application shall be made to the Italian authorities not later than twelve months from the coming into force of the present Treaty, except in cases in which the claimant is able to show that he could not file his application within this period.

3. The Italian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force or duress exerted by Axis Governments or their agencies during the war.

4. (a) The Italian Government shall be responsible for the restoration to complete good order of the property returned to United Nations nationals under paragraph 1 of this Article. In cases where property cannot be returned or where, as a result of the war, a United Nations national has suffered a loss by reason of injury or damage to property in Italy, he shall receive from the Italian Government compensation in lire to the extent of two-thirds of the sum necessary, at the date of payment, to purchase similar property or to make good the loss suffered. In no event shall United Nations nationals receive less favourable treatment with respect to compensation than that accorded to Italian nationals.

(b) United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of paragraph 9 (a) of this Article, but which have suffered a loss by reason of injury or damage to property in Italy, shall receive compensation in accordance with subparagraph (a) above. This compensation shall be calculated on the basis of the total loss or damage suffered by the corporation or association and shall bear the same proportion to such loss or damage as the beneficial interests of such nationals in the corporation or association bear to the total capital thereof.

(c) Compensation shall be paid free of any levies, taxes or other charges. It shall be freely usable in Italy but shall be subject to the foreign exchange control regulations which may be in force in Italy from time to time.

(d) The Italian Government shall grant United Nations nationals an indemnity in lire at the same rate as provided in subparagraph (a) above to compensate them for the loss or damage due to special measures applied to their property during the war, and which were not applicable to Italian property. This sub-paragraph does not apply to a loss of profit.

5. All reasonable expenses incurred in Italy in establishing claims, including the assessment of loss or damage, shall be borne by the Italian Government.

6. United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts imposed on their capital assets in Italy by the Italian Government or any Italian authority between September 3, 1943, and the coming into force of the present Treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces or of reparation payable to any of the United Nations. Any sums which have been so paid shall be refunded.

7. Notwithstanding the territorial transfers provided in the present Treaty, Italy shall continue to be responsible for loss or damage sustained during the war by property in ceded territory or in the Free Territory of Trieste belonging to United Nations nationals. The obligations contained in paragraphs 3, 4, 5 and 6 of this Article shall also rest on the Italian Government in regard to property in ceded territory and in the Free Territory of Trieste of United Nations nationals except in so far as this would conflict with the provisions of paragraph 14 of

Annex X and paragraph 14 of Annex XIV of the present Treaty.

8. The owner of the property concerned and the Italian Government may agree upon arrangements in lieu of the provisions of this Article.

9. As used in this Article:

(a) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organised under the laws of any of the United Nations, at the coming into force of the present Treaty, provided that the said individuals, corporations or associations also had this status on September 3, 1943, the date of the Armistice with Italy.

The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Italy during the war, have been treated as enemy;

(b) "Owner" means the United Nations national, as defined in sub-paragraph (a) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nations national as defined in sub-paragraph (a). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law;

(c) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property. Without prejudice to the generality of the foregoing provisions, the property of the United Nations and their nationals includes all seagoing and river vessels, together with their gear and equipment, which were either owned by United Nations or their nationals, or registered in the territory of one of the United Nations, or sailed under the flag of one of the United Nations and which, after June 10, 1940, while in Italian waters, or after they had been forcibly brought into Italian waters, either were placed under the control of the Italian authorities as enemy property or ceased to be at the free disposal in Italy of the United Nations or their nationals, as a result of measures of control taken by the Italian authorities in relation to the existence of a state of war between members of the United Nations and Germany.

Section II—Italian property in the territory of Allied and Associated Powers

Article 79

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which on the coming into force of the present Treaty are within its territory and belong to Italy or to Italian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Italy or Italian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Italian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Italian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Italian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Italian Government undertakes to compensate Italian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Italian Government or Italian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Italy, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. (a) Italian submarine cables connecting points in Yugoslavia shall be deemed to be Italian property in Yugoslavia, despite the fact that lengths of these cables may lie outside the territorial waters of Yugoslavia.

(b) Italian submarine cables connecting a point in the territory of an Allied or Associated Power with a point in Italian territory shall be deemed to be Italian property within the meaning of this Article so far as concerns the terminal facilities and the lengths of cables lying within territorial waters of that Allied or Associated Power.

6. The property covered by paragraph 1 of this Article shall be deemed to include Italian property which has been subject to control by reason of a state of war existing between Italy and the Allied or Associated Power having jurisdiction over the property, but shall not include:

(a) Property of the Italian Government used for consular or diplomatic purposes;

(b) Property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(c) Property of natural persons who are Italian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Italian property which at any time during the war was subjected to measures not generally applicable to the property of Italian nationals resident in the same territory;

(d) Property rights arising since the resumption of trade and financial relations between the Allied and Associate Powers and Italy, or arising out of transactions between the Government of any Allied or Associated Power and Italy since September 3, 1943;

(e) Literary and artistic property rights;

(f) Property in ceded territories of Italian nationals, to which the provisions of Annex XIV shall apply;

(g) With the exception of the assets indicated in Article 74, part A, paragraph 2 (b) and part D, paragraph 1, property of natural persons residing in ceded territories or in the Free Territory of Trieste who do not opt for Italian nationality under the present Treaty, and property of corporations or associations having siège social in ceded territories or in the Free Territory of Trieste, provided that such corporations or associations are not owned or controlled by persons in Italy. In the cases provided under Article 74, part A, paragraph 2 (b), and part D, paragraph 1, the question of compensation will be dealt with under Article 74, Part E.

Section III—Declaration of the Allied and Associated Powers in respect of claims

Article 80

The Allied and Associated Powers declare that the rights attributed to them under Articles 74 and 79 of the present Treaty cover all their claims and those of their nationals for loss or damage due to acts of war, including measures due to the occupation of their territory, attributable to Italy and having occurred outside Italian territory, with the exception of claims based on Articles 75 and 78.

Section IV—Debts

Article 81

1. The existence of the state of war shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts which existed, and rights which were acquired, before the existence of the state of war, which became payable prior to the coming into force of the present Treaty, and which are due by the Government or nationals of Italy to the Government or nationals of one of the Allied and Associated Powers or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Italy.

2. Except as otherwise expressly provided in the present Treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of pre-war contracts concluded either by the Government or nationals of Italy.

PART VIII. GENERAL ECONOMIC RELATIONS

Article 82

1. Pending the conclusion of commercial treaties or agreements between individual United Nations and Italy, the Italian Government shall, during a period of eighteen months from the coming into force of the present Treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Italy:

(a) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment.

(b) In all other respects, Italy shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for territory of any other of the United Nations or of any other foreign country;

(c) United Nations nationals, including juridical persons, shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping and other forms of business activity within Italy. These provisions shall not apply to commercial aviation;

(d) Italy shall grant no exclusive or discriminatory right to any country with regard to the operation of commercial aircraft in international traffic, shall afford all the United Nations equality of opportunity in obtaining international commercial aviation rights in Italian territory, including the right to land for refueling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Italian territory without landing. These provisions shall not affect the interests of the national defense of Italy.

2. The foregoing undertakings by Italy shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Italy before the war; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties concluded by that State.

PART IX. SETTLEMENT OF DISPUTES

Article 83

1. Any disputes which may arise in giving effect to Articles 75 and 78 and Annexes XIV, XV, XVI and XVII, part B, of the present Treaty shall be referred to a Conciliation Commission consisting of one representative of the Government of the United Nation concerned and one representative of the Government of Italy, having equal status. If within three months after the dispute has been referred to the Conciliation Commission no agreement has been reached, either Government may ask for the addition to the Commission of a third member selected by mutual agreement of the two Governments from nationals of a third country. Should the two Governments fail

to agree within two months on the selection of a third member of the Commission, the Governments shall apply to the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, who will appoint the third member of the Commission. If the Ambassadors are unable to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. When any Conciliation Commission is established under paragraph 1 above, it shall have jurisdiction over all disputes which may thereafter arise between the United Nation concerned and Italy in the application or interpretation of Articles 75 and 78 and Annexes XIV, XV, XVI, and XVII, part B, of the present Treaty, and shall perform the functions attributed to it by those provisions.

3. Each Conciliation Commission shall determine its own procedure, adopting rules conforming to justice and equity.

4. Each Government shall pay the salary of the member of the Conciliation Commission whom it appoints and of any agent whom it may designate to represent it before the Commission. The salary of the third member shall be fixed by special agreement between the Governments concerned and this salary, together with the common expenses of each Commission, shall be paid in equal shares by the two Governments.

5. The parties undertake that their authorities shall furnish directly to the Conciliation Commission all assistance which may be within their power.

6. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

PART X. MISCELLANEOUS ECONOMIC PROVISIONS

Article 84

Articles 75, 78, 82 and Annex XVII of the present Treaty shall apply to the Allied and Associated Powers and to those of the United Nations which broke off diplomatic relations with Italy or with which Italy broke off diplomatic relations. These Articles and this Annex shall also apply to Albania and Norway.

Article 85

The provisions of Annexes VIII, X, XIV, XV, XVI and XVII shall, as in the case of the other Annexes, have force and effect as integral parts of the present Treaty.

PART XI. FINAL CLAUSES

Article 86

1. For a period not to exceed eighteen months from the coming into force of the present Treaty, the Ambassadors in Rome of the Soviet Union, of the United Kingdom, of the United States of America, and of France, acting in concert, will represent the Allied and Associated Powers in dealing with the Italian Government in all matters concerning the execution and interpretation of the present Treaty.

2. The Four Ambassadors will give the Italian Government such guidance, technical advice and clarification as may be necessary to ensure the rapid and efficient execution of the present Treaty both in letter and in spirit.

3. The Italian Government shall afford to the said Four Ambassadors all necessary information and any assistance which they may require in the fulfilment of the tasks devolving on them under the present Treaty.

Article 87

1. Except where another procedure is specifically provided under any Article of the present Treaty, any dispute concerning the interpretation or execution of the Treaty, which is not settled by direct diplomatic negotiations, shall be referred to the Four Ambassadors acting under Article 86 except that in this case the Ambassadors will not be restricted by the time limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment.

2. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 88

1. Any member of the United Nations, not a signatory to the present Treaty, which is at war with Italy, and Albania, may accede to the Treaty and upon accession shall be deemed to be an Associated Power for the purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the French Republic and shall take effect upon deposit.

Article 89

The provisions of the present Treaty shall not confer any rights or benefits on any State named in the Preamble as one of the Allied and Associated Powers or on its nationals until such State becomes a party to the Treaty by deposit of its instrument of ratification.

Article 90

The present Treaty, of which the French, English and Russian texts are authentic, shall be ratified by the Allied and Associated Powers. It shall also be ratified by Italy. It shall come into force immediately upon the deposit of ratifications by the Union of Soviet Socialist Republics, by the United Kingdom of Great Britain and Northern Ireland, by the United States of America, and by France. The instruments of ratification shall, in the shortest time possible, be deposited with the Government of the French Republic.

With respect to each Allied or Associated Power whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon the date of deposit. The present Treaty shall be deposited in the archives of the Government of the French Republic, which shall furnish certified copies to each of the signatory States.

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ANNEX II. FRANCO-ITALIAN FRONTIER

(Detailed description of the sections of the frontier to which the modifications set out in Article 2 apply)

Little Saint Bernard Pass

Reference: 1:20,000 map: Ste. Foy Tarentaise Nos. 1–2.

The new frontier follows a line which starts from the rocky ridge of Lancebranlette, then, descending towards the east, follows the line of the watershed to the 2,180 meter level, whence it passes to the Colonna Joux (2188). From there, still following the line of the watershed, it reascends on to Costa del Belvedere, the rocky outcrops of which it follows, climbs Mt. Belvedere, skirting its summit and leaving the latter in French territory 120 meters away from the frontier and, passing through points 2570, 2703, Bella Valletta and point 2746, it rejoins the old frontier at Mt. Valaisan.

Mont Cenis Plateau

Reference: 1:20,000 map: Lanslebourg, Nos. 5–6 and 7–8 and on Mont D'Ambin, Nos. 1–2.

The new frontier follows a line which leaves the old frontier at Mt. Tour, follows westwards the administrative boundary shown on the map, follows the Vitoun as soon as it meets it on its northern branch and descends along it as far as Rocca della Torretta.

Then following the line of rocky outcrops, it reaches the stream coming from the Alpe Lamet and descends with it as far as the base of the rocky escarpment along which it runs for about 800 meters as far as the thalweg at a point situated about 200 meters north of point 1805.

Then it mounts to the top of the landslips which overlook Ferrera Cenisio about 300 meters away and, continuing westwards, meets the road which skirts the east of Rne. Paradiso 400 meters west of the loop (1854), leaving it immediately and bending southwards.

It cuts the Bar Cenisia road at a point about 100 meters southeast of Refuge 5, crosses the thalweg in the direction of Lago S. Giorgio, roughly follows contour 1900 as far as point 1907, then skirts the southern side of Lago d'Arpon and rejoins the rocky ridge on which it remains in a southwesterly direction as far as the confluence of the streams coming from the Bard glacier (Ghiacciaio di Bard) at a point approximately 1,400 meters southwest of Lago d'Arpon.

From there, bending southwards, it roughly follows contour 2500, goes as far as point 2579, then, running along contour 2600, it reaches the Lago della Vecchia and rejoins, at the administrative boundary marked on the map about 700 meters southeast of the lake, the Pso. d'Avanza, path, which it follows along the rocky escarpments to the old frontier, halfway between the Col della Vecchia and the Col de Clapier.

Mont Thabor

Reference: 1:20,000 map: Nevache, 1-2, 5-6 and 7-8.

From Cima de la Planette to Rocher de Guion (Cima del Sueur).

The new frontier follows a line which leaves the present frontier at Cima de la Planette and, proceeding southwards, follows the ridge through points 2980, 3178, Rca. Bernaude (3228), points 2842, 2780, 2877, Pso. della Gallina (2671), points 2720, 2806 and Pta. Quattro Sorelle (2700).

Descending the eastern slope of this summit, the line leaves in French territory point 2420, whence it rejoins and follows on the east the path leading to the buildings situated about 200 meters from point 2253, this path and these buildings being left in French territory. It then enters a thalweg, passing about 300 meters northeast of point 1915, whence it reaches the northwestern edge of the reservoir which, in the Vallee Etroite (Valle Stretta) feeds the hydro-electric installations of Sette Fontane, leaving this reservoir and these installations in Italian territory. Skirting the reservoir on the south, it reaches the crossroads at point 1499.

Thence it follows the path which hugs the edge of the woods along contour 1500 and which leads it to Comba della Gorgia near the 1580 contour; then it ascends the thalweg towards point 1974 and joins the edge of the rock, escarpments of La Sueur as marked by points 2272, 2268, 2239, 2266, 2267, remaining on this edge until it meets the old froniter, the crest of the rocks and the path bordering it remaining in French territory.

Chaberton

Reference: 1:20,000 map: Briançon, Nos. 3-4.

The new frontier follows a line which leaves the old frontier at point 3042 (north of point 3070 and north of Pointe des Trois Scies) and follows the rocky ridge as far as Croce del Vallonetto.

From the Croce del Vallonetto it bends toward the south along the rocky ridge and meets the Chaberton road at the point where the latter enters the cirque of the Clot des Morts.

Crossing this road and the thalweg which borders it, the line roughly follows, for 1250 meters, contour 2300 which, on the ground, follows to the southeast a series of rocky outcrops and debris, then it cuts straight across the eastern slope of Mt. Chaberton, reaches a point about 400 meters west of point 2160 leaving in French territory the intermediate pylon of the cable railway which stands there.

Then it proceeds in a straight line, across a series of rocky barriers and steep ravines, towards the position (not marked on the map) of La Fontaine des Chamois, near point 2228 (about 1400 meters northeast of Clavières) which it skirts to the east, following the second bend of the road joining this position with the fortified barracks of Chaberton, on the road from Cézanne (Cesana) to Clavières, leaving the fortifications at La Fontaine des Chamois in French territory.

Thence following first in a southerly direction the commune boundary marked on the map, and then the rocky barrier about 400 meters north of the Clavières-Cézanne (Cesana) road, it bends towards the southwest, passing along the foot of the rocky cliffs, sufficiently far from the latter to allow the construction of a double-track road.

Skirting in this way to the north the village of Clavières, which is left in Italian territory, it meets the Rio Secco about 200 meters upstream from the Clavières bridge and follows down its course, then that of Doire Ripaire (Doria Riparia) as far as the road from Clavières to Val Gimont, which is left to Italy, and follows this road as far as the bridge over the Gimont.

Proceeding up the course of the latter for about 300 meters, the line then leaves it and follows the mule-track which takes it to the upper pylon of the Clavières cable railway (Col du Mont Fort du Boeuf), which is left in French territory. Then, across the ridge, it rejoins the present frontier at Mont la Plane, frontier post 251. The road in the valley of the Gimont is left in Italian territory.

Upper valleys of La Tinée, La Vesubie and La Roya

1. From Cime de Colla Longa to Cima di Mercantour.

References: 1:20,000 maps: St. Etienne de Tinée, Nos. 3-4 and 7-8, Les Trois Ponts, Nos. 5-6.

The new frontier follows a line which leaves the old frontier at Cime de Colla Longa and proceeding eastwards and following the line of the watershed, skirts the rocky ridge, passing through points 2719, 2562, Cle. di Seccia, reaches at point 2760 the Testa dell'Autaret, passes to point 2672, to the Cle. della Guercia (2456) and through points 2640, 2693, 2689, reaches Rocche di Saboulé and follows the northern ridge thereof.

Following the ridge, it passes through points 2537, 2513, Pso. del Lausfer (2461) and point 2573 to Testa Auta del Lausfer (2587) whence it bends southwards as far as Testa Colla Auta, passing Cima del Lausfer (2544), leaving the latter point in Italy.

Thence through point 2484, and along the ridge path which is left in French territory, through points 2240 and 2356, it crosses the Passo di S. Anna, and passing through points 2420 and 2407 it reaches a point about 80 meters south of point 2378 (Cima Moravacciera).

Following the ridge path left in French territory, it passes through Testa Ga del Caval and point 2331, both left in French territory, then leaving the path it continues on the ridge of Testa del'Adreck (2475) and through Cle. della Lombarda and point 2556 and arrives at Cima della Lombarda (2801).

Bending southeastwards, it then follows the rocky ridge and passing through Pso. di Peania, Cima di Vermeil, point 2720 left in French territory, Testa Cba. Grossa (2792), Pso. del Lupo (2730) and point 2936, reaches Mt. Malinvern.

Thence, in a southerly direction, through points 2701, 2612, and Cima di Tavels (2804), then in an easterly direction through point 2823, it reaches Testa del Claus (2889).

Then, bending in a general southeasterly direction, it crosses Passo delle Portette, passes to point 2814, to Testa delle Portette, to point 2868, to Testa Margiola (2831), to Caire di Prefouns (2840), to Passo del Prefouns (2620), to Testa di Tablasses (2851), to Passo di Bresses (2794), to Testa di Bresses (2820), and passing through Cima di Fremamorta (2751), Cle. Fremamorta, point 2625, point 2675, and point 2539, Cima di Pagari (2686), Cima di Naucetas (2706), points 2660 and 2673, Cle. di Ciriegia (2581), reaches Cima di Mercantour (2775).

2. From Cima di Mercantour to Mt. Clapier.

References: 1:20,000 map: Les Trois Ponts, Nos. 5-6 and the Italian 1:20,000 map: Madonna delle Finestre.

From Cima di Mercantour, it proceeds through point 2705, Cle. Mercantour (2611), Cima Ghilie (2998), points 2939 and 2955, Testa della Rovina (2981), points 2844 and 2862, Paso della Rovina, Caire dell'Agnel (2935, 2867, 2784), Cima del Caire Agnel (2830), Cima Mallariva (2860), Cima Cairas (2831), Cima Cougourda (2881, 2921), Cima dei Gaisses (2896), points 2766, 2824, Cima del Lombard (2842), points 2831, 2717, 2591, 2600 and 2582, Boccia Forno, Cima delle Finestre (2657), Col delle Finestre, points 2634, 2686 and 2917 and reaches Cima dei Gelas (3143), then through point 3070 to Cima della Maledia (3061), from whence it skirts the Passo del Pagari (2819) path and then, following the commune boundary, shown on the map, it reaches the Passo di Mt. Clapier (2827), winds round the north and east of Mt. Clapier (3045) along the administrative boundary shown on the map.

3. From Mt. Clapier to Colle di Tenda.

References: Italian 1:20,000 map: Madonna delle Finestre and Colle di Tenda.

From Mt. Clapier, the line follows the administrative boundary represented on the map by points 2915, 2887 and 2562, Passo dell'Agnel and point 2679, up to Cima dell'Agnel (2775).

The line then bears eastwards, still adhering to the administrative boundary represented on the map by points 2845 and 2843 of Rce. dell'Agnel; it then reaches Cima della Scandeiera (2706), crosses Cle. del Sabbione (2332), proceeds over points 2373, 2226, 2303, and 2313 to Cma. del Sabbione (2610), point 2636, Pta. Peirafica, points 2609, 2585, 2572, 2550 and reaches Rea. dell'Abisso (2755).

The line still continues along the administrative boundary marked on the map up to the east of point 2360, then skirts the rocky outcrops north of Rne. Pian Misson, from whence it reaches the Mt. Becco Rosso path and follows it to the north of points 2181, 2116 and 1915 and then skirts the road for approximately 1 kilometer northwards before rejoining the above-mentioned path up to Colle di Tenda. The path and the section of highway mentioned above remain in French territory.

4. From Colle di Tenda to Cima Missun.

Reference: Italian 1:20,000 map; Tenda and Certosa di Pesio.

From Colle di Tenda the line, leaving the path in French territory, proceeds to points 1887 and 2206, then branches off the path to follow along the ridge the administrative boundary shown on the map, then passing through point 2262 reaches Cma. del Becco (2300).

Bearing northward and along the administrative boundary shown on the map it reaches the Col della Perla (2086), follows the path which skirts the rocky outcrop in Cma. del Cuni to Col della Boaira, where it leaves it to follow the ridge to the north. The above-mentioned path remains in French territory.

Skirting the rocky outcrop, it proceeds to point 2275, reaches Testa Claudon (2386), skirts the rocky escarpments, crosses Colla Piana (2219) and reaches point 2355 of Mt. Delle Carsene which is left on French soil, then it follows the northern ridge of this mountain over Pta. Straldi (2375), points 2321 and 2305 up to Pso. Scarason, then swerves northwards up to point 2352, where it meets the administrative boundary shown on the map and follows this boundary through points 2510 and 2532 up to Pta. Marguareis (2651).

Deviating southward it then follows the ridge, passes point 2585 and, passing down the rocky crest, reaches Colle del Lago dei Signori.

Following the path on the summit, which is left in French territory, then running along the crest proper, it comes to Cima di Pertega (2402), passes along the rocky ridge down to Cle. delle Vecchie (2106), whence it follows the summit path, which it leaves in French territory, through points 2190, 2162, Cima del Vescovo (2257) and Cima di Velega (2366) up to Mt. Bertrand.

From Mt. Bertrand (2481) it follows the administrative boundary shown on the map up to Cla. Rossa, where it rejoins the summit path which it then skirts passing through points 2179 and 2252 up to Cima Missun

(2356), then, winding round the east of this mountain summit, the line follows the above-mentioned path which remains in French territory.

5. From Cima Missun to Col de Pegairole.

References: 1:20,000 map; Pointe de Lugo, Nos. 1–2 and 5–6.

Following the same summit path, the line crosses Cla. Cravirora and passes east of point 2265 to Pta. Farenga. It then leaves the path and winds round Cma. Ventosa to the east, after which it joins the Passo di Tanarello path and leaves in France the constructions beside this path. The line then passes along Mt. Tanarello, crosses Passo Basera (2038), skirts Mt. Saccarello which is left approximately 300 meters to the westwards, then following first the rocky ridge and then the path up to Pso. di Collardente it reaches the ridge which leads up to Mt. Collardente, leaving point 1762 on French territory. At this point it skirts a path which is left in Italian territory and comes to Mt. Collardente, leaving on French soil the path which crosses it. The line then follows this path through the Bassa di Sanson east and south of point 1769 up to the constructions, situated approximately 500 meters east of Testa della Nava (1934), which are left in French territory.

When it reaches these works, it leaves the road, rejoins at the ridge the road along the Testa della Nava ridge which remains in French territory, and follows it as far as the works to the southeast of the Cima di Marta or Mt. Vacche, skirting it from the east.

From there, passing along the ridge road left in French territory, it skirts Mt. Ceriana, leaves the road to reach Mt. Grai (2014) and joins it again at the col (1875), follows it to skirt Cima della Valetta and Mt. Pietravecchia as far as the rocky crest.

It then crosses Gola dell'Incisa, runs by way of the ridge and point 1759 to Mt. Toraggio (1972), then to Cima di Logambon and the Gola del Corvo, skirts Mt. Bauso and Mt. Lega (1552, 1563 and 1556) and follows the ridge downwards to Passo di Muratone.

Along the ridge road, left in French territory, it runs to Mt. Scarassan, to the south of Mt. Battolino and of point 1358 and reaches Cla. Pegairole.

6. From Cla. Pegairole to Mt. Mergo.

References: 1:200,000 maps: Pointe de Lugo, Nos. 5–6, San Remo, Nos. 1–2 and Menton, Nos. 3–4.

From Cla. Pegairole the line follows the administrative boundary marked on the map, leaving Cisterne to France, climbs Mt. Simonasso, drops as far as the col and follows the road to Margheria Suan which it leaves in French territory, the chalets remaining in Italian territory.

Continuing to follow the road, left in French territory, it passes to the east of Testa d'Alpe to Fontana dei Draghi, to the springs at point 1406, to point 1297, skirts Colla Sgora on the east, passes the points 1088, 1016, and 1026, crosses the rocky ridge of Mt. Colombin, follows the cantonal boundary shown on the map along Cima di Reglie (846 and 858), departs from this cantonal boundary in a southwesterly direction to follow the ridge of Serra dell-Arpetta (543, 474 and 416) down to the thalweg of the Roya, which it crosses about 200 meters northwest of the bridge of Fanghetto.

The line then ascends the thalweg of Roya to a point situated about 350 meters from the above-mentioned bridge. It leaves the Roya at this point and bears southwest to point 566. From this point it bears west until it meets the ravine descending to Olivetta which it follows as far as the road, leaving the dwellings on this road in Italian territory, mounts the Vle. di Trono for about 200 meters and then turns towards point 410 as far as the road from Olivetta to San Girolamo. Thence it runs southeast along this road for about 100 meters and then bears generally southwest to point 403, running for about 20 meters along and to the south of the road marked on the map. From point 403, it follows the ridge of Pta. Becche as far as point 379, then again bearing southwest, crosses the Bevera, following the thalweg toward Mt. Mergo which it skirts on the south at about 50 meters from the summit (686), left in French territory, and rejoins the present frontier at a point about 100 meters to the southwest of that summit.

ANNEX III. GUARANTEES IN CONNECTION WITH MONT CENIS AND THE TENDA-BRIGA DISTRICT

(See article 9)

A—Guarantees to be given by France to Italy in connection with the cession of the plateau of Mont Cenis.

I. In Respect of Water Supplied from the Lake of Mont Cenis for Hydro-Electric Purposes.

(a) France shall so control the supply of water from the Lake of Mont Cenis to the underground conduits supplying the Gran Scala, Venaus and Mompantero hydro-electric plants, as to supply for those plants such quantities of water at such rates of flow as Italy may require.

(b) France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works required for the purposes of controlling and supplying the water in accordance with subparagraph (a) in so far as these works are within French territory.

(c) France shall inform Italy, as and when required by Italy, of the amount of water in the Lake of Mont Cenis and of any other information pertaining thereto, so as to enable Italy to determine the quantities of water and rates of flow to be supplied to the said underground conduits.

(d) France shall carry out the foregoing provisions with due regard for economy and shall charge Italy the actual cost incurred in so doing.

II. In Respect of Electricity Produced at the Gran Scala Hydro-Electric Plant.

(a) France shall operate the Gran Scala hydro-electric plant so as to generate (subject to the control of the supply of water as provided in Guarantee I) such quantities of electricity at such rates of output as Italy may require after the local requirements (which shall not substantially exceed the present requirements) in the vicinity of Gran Scala within French territory have been met.

(b) France shall operate the pumping plant adjacent to the Gran Scala plant so as to pump water to the Lake of Mont Cenis as and when required by Italy.

(c) France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works comprising the Gran Scala hydro-electric plant and pumping plant together with the transmission line and equipment from the Gran Scala plant to the Franco-Italian frontier.

(d) France shall transmit over the transmission line from Gran Scala to the Franco-Italian frontier the electricity required by Italy as aforesaid, and shall deliver that electricity to Italy at the point at which that transmission line crosses the Franco-Italian frontier into Italian territory.

(e) France shall maintain the voltage and periodicity of the electricity supplied in accordance with the foregoing provisions at such levels as Italy may reasonably require.

(f) France shall arrange with Italy for telephone communication between Gran Scala and Italy and shall communicate with Italy in order to ensure that the Gran Scala plant, the pumping plant and transmission line are operated in such a manner as to comply with the foregoing guarantees.

(g) The price to be charged by France and paid by Italy for electricity available to Italy from the Gran Scala plant (after the local requirements as aforesaid have been met) shall be the same as the price charged in France for the supply of similar quantities of hydro-electricity in French territory in the neighborhood of Mont Cenis or in other regions where conditions are comparable.

III. Duration of Guarantees.

Unless otherwise agreed between France and Italy these guarantees will remain in force in perpetuity.

IV. Supervisory Technical Commission.

A Franco-Italian Supervisory Technical Commission comprising an equal number of French and Italian members shall be established to supervise and facilitate the execution of the foregoing guarantees which are designed to secure the same facilities as Italy enjoyed in respect of hydroelectric and water supplies from the Lake of Mont Cenis before the cession of this region to France. It shall also be within the functions of the Supervisory Technical Commission to cooperate with the competent French technical services in order to ensure that the safety of the lower valleys is not endangered.

B—Guarantees to be given by France to Italy in connection with the cession of the Tenda-Briga District to France.

1. Guarantees to ensure to Italy the supply of electricity generated by the two 16⅔ period generators of the hydro-electric plant at San Dalmazzo; and the supply of electricity generated at 50 periods at the hydro-electric plants at Le Mesce, San Dalmazzo and Confine in excess of such amount thereof as may be required by France for supply to the Sospel, Menton and Nice areas until the complete reconstruction of the wrecked hydro-electric plants at Breil and Fontan, it being understood that such amount will decrease as reconstruction of these plants proceeds and will not exceed 5,000 KW in power and 3,000,000 KWH per month and that, if no special difficulties are encountered in the reconstruction, the work should be completed not later than the end of 1947:

(a) France shall operate the said plants so as to generate (subject to such limitations as may be imposed by the amount of water available and taking into account as far as reasonably practicable the needs of the plants downstream) such quantities of electricity at such rates of output as Italy may require, firstly, at 16⅔ periods for the Italian railways in Liguria and South Piedmont and secondly, at 50 periods for general purposes, after the requirements by France for Sospel, Menton and Nice, as aforesaid, and the local requirements in the vicinity of San Dalmazzo, have been met;

(b) France shall repair and maintain in good and substantial condition and, as may be necessary, shall renew all the works comprising the Le Mesce, San Dalmazzo and Confine hydro-electric plants together with the transmission lines and equipment from the Le Mesce and Confine plants to the San Dalmazzo plant and also the main transmission lines and equipment from the San Dalmazzo plant to the Franco-Italian frontier;

(c) France shall inform Italy, as and when required by Italy, of the rate of flow of water at Le Mesce and Confine and of the amount of water stored at San Dalmazzo and of any other information pertaining thereto so as to enable Italy to determine her electricity requirements as indicated in subparagraph (a);

(d) France shall transmit over the main transmission lines from San Dalmazzo to the Franco-Italian frontier the electricity required by Italy as aforesaid, and shall deliver that electricity to Italy at the points at which those main transmission lines cross the Franco-Italian frontier into Italian territory;

(e) France shall maintain the voltage and periodicity of the electricity supplied in accordance with the foregoing provisions at such levels as Italy may actually require;

(f) France shall arrange with Italy for telephone communications between San Dalmazzo and Italy and shall communicate with Italy in order to ensure that the said

hydro-electric plants and transmission lines are operated in such a manner as to comply with the foregoing guarantees.

2. Guarantee concerning the price to be charged by France to Italy for the electricity made available to Italy under paragraph 1 above until terminated in accordance with paragraph 3 below:

The price to be charged by France and paid by Italy for the electricity made available to Italy from the Le Mesce, San Dalmazzo and Confine hydro-electric plants after the requirements by France for Sospel, Menton and Nice and the local requirements in the vicinity of San Dalmazzo have been met as provided in subparagraph (a) of Guarantee 1, shall be the same as the price charged in France for the supply of similar quantities of hydro-electricity in French territory in the neighborhood of the Upper Valley of the Roya or in other regions where conditions are comparable.

3. Guarantee of a reasonable period of time for the supply of electricity by France to Italy:

Unless otherwise mutually agreed between France and Italy, Guarantees 1 and 2 shall remain in force until December 31, 1961, and shall terminate then or any subsequent December 31 if either country shall have given to the other at least two years notice in writing of its intention to terminate.

4. Guarantee of full and equitable utilization by France and Italy of the waters of the Roya and its tributaries for hydro-electric production:

(a) France shall operate the hydro-electric plants on the Roya in French territory, taking into account as far as reasonably practicable the needs of the plants downstream. France shall inform Italy in advance of the amount of water which it is expected will be available each day, and shall furnish any other information pertaining thereto;

(b) Through bilateral negotiations France and Italy shall develop a mutually agreeable, co-ordinated plan for the exploitation of the water resources of the Roya.

5. A commission or such other similar body as may be agreed shall be established to supervise the carrying out of the plan mentioned in subparagraph (b) of Guarantee 4 and to facilitate the execution of Guarantees 1–4.

ANNEX IV. PROVISIONS AGREED UPON BY THE AUSTRIAN AND ITALIAN GOVERNMENTS ON SEPTEMBER 5, 1946

(Original English text as signed by the two Parties and communicated to the Paris Conference on September 6, 1946)

(See article 10)

1. German-speaking inhabitants of the Bolzano Province and of the neighboring bilingual townships of the Trento Province will be assured complete equality of rights with the Italian-speaking inhabitants, within the framework of special provisions to safeguard the ethnical character and the cultural and economic development of the German-speaking element.

In accordance with legislation already enacted or awaiting enactment the said German-speaking citizens will be granted in particular:

(a) elementary and secondary teaching in the mother-tongue;

(b) parification of the German and Italian languages in public offices and official documents, as well as in bilingual topographic naming:

(c) the right to reestablish German family names which were italianized in recent years;

(d) equality of rights as regards the entering upon public offices, with a view to reaching a more appropriate proportion of employment between the two ethnical groups.

2. The populations of the above-mentioned zones will be granted the exercise of autonomous legislative and executive regional power. The frame within which the said provisions of autonomy will apply, will be drafted in consultation also with local representative German-speaking elements.

3. The Italian Government, with the aim of establishing good neighbourhood relations between Austria and Italy, pledges itself, in consultation with the Austrian Government and within one year from the signing of the present Treaty:

(a) to revise in a spirit of equity and broad-mindedness the question of the options for citizenship resulting from the 1939 Hitler-Mussolini agreements;

(b) to find an agreement for the mutual recognition of the validity of certain degrees and University diplomas;

(c) to draw up a convention for the free passengers and goods transit between northern and eastern Tyrol both by rail and, to the greatest possible extent, by road;

(d) to reach special agreements aimed at facilitating enlarged frontier traffic and local exchanges of certain quantities of characteristic products and goods between Austria and Italy.

ANNEX V. WATER SUPPLY FOR GORIZIA AND VICINITY

(See article 13)

1. Yugoslavia, as the owner, shall maintain and operate the springs and water supply installations at Fonte Fredda and Moncorona and shall maintain the supply of water to that part of the Commune of Gorizia, which, under the terms of the present Treaty, remains in Italy. Italy shall continue to maintain and operate the reservoir and water distribution system within Italian territory which is supplied by the above-mentioned springs and shall maintain the supply of water to those areas in Yugoslavia which, under the terms of the present Treaty, will be transferred to that State and which are supplied from Italian territory.

2. The water so supplied shall be in the amounts which have been customarily supplied to the region in the past. Should consumers in either State require additional supplies of water, the two Governments shall examine the matter jointly with a view to reaching agreement on such measures as may reasonably be required to satisfy these needs. Should there be a temporary reduction in the amount of water available due to natural causes, distribution of water from the above-named sources to the consumers in Yugoslavia and Italy shall be reduced in proportion to their respective previous consumption.

3. The charges to be paid by the Commune of Gorizia to Yugoslavia for the water supplied to it, and the charges to be paid by consumers in Yugoslav territory to the Commune of Gorizia, shall be based solely on the cost of operation and maintenance of the water supply system as well as new capital expenditures which may be required to give effect to these provisions.

4. Yugoslavia and Italy shall, within one month from the coming into force of the present Treaty, enter into an agreement to determine their respective responsibilities under the foregoing provisions and to establish the charges to be paid under these provisions. The two Governments shall establish a joint commission to supervise the execution of the said agreement.

5. Upon the expiration of a ten-year period from the coming into force of the present Treaty, Yugoslavia and Italy shall reexamine the foregoing provisions in the light of conditions at that time in order to determine whether any adjustments should be made in those provisions, and shall make such alterations and additions as they may agree. Any disputes which may arise as a result of this reexamination shall be submitted for settlement under the procedure outlined in Article 87 of the present Treaty.

ANNEX VI. PERMANENT STATUTE OF THE FREE TERRITORY OF TRIESTE

(See article 21)

Article 1. Area of free territory

The area of the Free Territory of Trieste shall be the territory within the frontiers described in Articles 4 and 22 of the present Treaty as delimited in accordance with Article 5 of the Treaty.

Article 2. Integrity and independence

The integrity and independence of the Free Territory shall be assured by the Security Council of the United Nations Organization. This responsibility implies that the Council shall:

(a) ensure the observance of the present Statute and in particular the protection of the basic human rights of the inhabitants.

(b) ensure the maintenance of public order and security in the Free Territory.

Article 9. Demilitarisation and neutrality

1. The Free Territory shall be demilitarised and declared neutral.

2. No armed forces, except upon direction of the Security Council, shall be allowed in the Free Territory.

3. No para-military formations, exercises or activities shall be permitted within the Free Territory.

4. The Government of the Free Territory shall not make or discuss any military arrangements or undertakings with any State.

Article 4. Human rights and fundamental freedoms

The Constitution of the Free Territory shall ensure to all persons under the jurisdiction of the Free Territory, without distinction as to ethnic origin, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of religious worship, language, speech and publication, education, assembly and association. Citizens of the Free Territory shall be assured of equality of eligibility for public office.

Article 5. Civil and political rights

No person who has acquired the citizenship of the Free Territory shall be deprived of his civil or political rights except as judicial punishment for the infraction of the penal laws of the Free Territory.

Article 6. Citizenship

1. Italian citizens who were domiciled on June 10, 1940, in the area comprised within the boundaries of the Free Territory, and their children born after that date, shall become original citizens of the Free Territory with full civil and political rights. Upon becoming citizens of the Free Territory they shall lose their Italian citizenship.

2. The Government of the Free Territory shall, however, provide that the persons referred to in paragraph 1 over the age of eighteen years (or married persons whether under or over that age) whose customary language is Italian shall be entitled to opt for Italian citizenship within six months from the coming into force of the Constitution under conditions to be laid down therein. Any person so opting shall be considered to have re-acquired Italian citizenship. The option of the husband shall not constitute an option on the part of the wife. Option on the part of the father, or if the father is not alive, on the part of the mother, shall, however, automatically include all unmarried children under the age of eighteen years.

3. The Free Territory may require those who take advantage of the option to move to Italy within a year from the date on which the option was exercised.

4. The conditions for the acquisition of citizenship by persons not qualifying for original citizenship shall be determined by the Constituent Assembly of the Free Territory and embodied in the Constitution. Such conditions shall, however, exclude the acquisition of citizenship by members of the former

Italian Fascist Police (A V. R. A.) who have not been exonerated by the competent authorities, including the Allied Military Authorities who were responsible for the administration of the area.

Article 7. Official languages

The official languages of the Free Territory shall be Italian and Slovene. The Constitution shall determine in what circumstances Croat may be used as a third official language.

Article 8. Flag and coat-of-arms

The Free Territory shall have its own flag and coat-of-arms. The flag shall be the traditional flag of the City of Trieste and the arms shall be its historic coat-of-arms.

Article 9. Organs of government

For the government of the Free Territory there shall be a Governor, a Council of Government, a popular Assembly elected by the people of the Free Territory and a Judiciary, whose respective powers shall be exercised in accordance with the provisions of the present Statute and of the Constitution of the Free Territory.

Article 10. Constitution

1. The Constitution of the Free Territory shall be established in accordance with democratic principles and adopted by a Constituent Assembly with a two-thirds majority of the votes cast. The Constitution shall be made to conform to the provisions of the present Statute and shall not enter into force prior to the coming into force of the Statute.

2. If in the opinion of the Governor any provisions of the Constitution proposed by the Constituent Assembly or any subsequent amendments thereto are in contradiction to the Statute he may prevent their entry into force, subject to reference to the Security Council if the Assembly does not accept his views and recommendations.

Article 11. Appointment of the Governor

1. The Governor shall be appointed by the Security Council after consultation with the Governments of Yugoslavia and Italy. He shall not be a citizen of Yugoslavia or Italy or of the Free Territory. He shall be appointed for five years and may be reappointed. His salary and allowances shall be borne by the United Nations.

2. The Governor may authorize a person selected by him to act for him in the event of his temporary absence or temporary inability to perform his duties.

3. The Security Council, if it considers that the Governor has failed to carry out his duties, may suspend him and, under appropriate safeguards of investigation and hearing, dismiss him from his office. In the event of his suspension or dismissal or in the event of his death or disability the Security Council may designate or appoint another person to act as Provisional Governor until the Governor recovers from his disability or a new Governor is appointed.

Article 12. Legislative authority

The legislative authority shall be exercised by a popular Assembly consisting of a single chamber elected on the basis of proportional representation, by the citizens of both sexes of the Free Territory. The elections for the Assembly shall be conducted on the basis of universal, equal, direct and secret suffrage.

Article 13. Council of government

1. Subject to the responsibilities vested in the Governor under the present Statute, executive authority in the Free Territory shall be exercised by a Council of Government which will be formed by the popular Assembly and will be responsible to the Assembly.

2. The Governor shall have the right to be present at all meetings of the Council of Government. He may express his views on all questions affecting his responsibilities.

3. When matters affecting their responsibilities are discussed by the Council of Government, the Director of Public Security and the Director of the Free Port shall be invited to attend meetings of the Council and to express their views.

Article 14. Exercise of judicial authority

The judicial authority in the Free Territory shall be exercised by tribunals established pursuant to the Constitution and laws of the Free Territory.

Article 15. Freedom and independence of judiciary

The Constitution of the Free Territory shall guarantee the complete freedom and independence of the Judiciary and shall provide for appellate jurisdiction.

Article 16. Appointment of judiciary

1. The Governor shall appoint the Judiciary from among candidates proposed by the Council of Government or from among other persons, after consultation with the Council of Government, unless the Constitution provides for a different manner for filling judicial posts; and, subject to safeguards to be established by the Constitution, may remove members of the Judiciary for conduct incompatible with their judicial office.

2. The popular Assembly, by a two-thirds majority of votes cast, may request the Governor to investigate any charge brought against a member of the Judiciary which, if proved, would warrant his suspension or removal.

Article 17. Responsibility of the Governor to the Security Council

1. The Governor, as the representative of the Security Council, shall be responsible for supervising the observance of the present Statute including the protection of the basic human rights of the inhabitants and for ensuring that public order and security are maintained by the Government of the Free Territory in accordance with the present Statute, the Constitution and laws of the Free Territory.

2. The Governor shall present to the Security Council annual reports concerning the operation of the Statute and the performance of his duties.

Article 18. Rights of the Assembly

The popular Assembly shall have the right to consider and discuss any matters affecting the interests of the Free Territory.

Article 19. Enactment of legislation

1. Legislation may be initiated by members of the popular Assembly and by the Council of Government as well as by the Governor in matters which in his view affect the responsibilities of the Security Council as defined in Article 2 of the present Statute.

2. No law shall enter into force until it shall have been promulgated. The promulgation of laws shall take place in accordance with the provisions of the Constitution of the Free Territory.

3. Before being promulgated legislation enacted by the Assembly shall be presented to the Governor.

4. If the Governor considers that such legislation is in contradiction to the present Statute, he may, within ten days following presentation of such legislation to him, return it to the Assembly with his comments and recommendations. If the Governor does not return the legislation within such ten days or if he advises the Assembly within such period that it calls for no comments or recommendation on his part, the legislation shall be promulgated forthwith.

5. If the Assembly makes manifest its refusal to withdraw legislation returned to the Assembly by the Governor or to amend it in conformity with his comments or recommendations, the Governor shall, unless he is prepared to withdraw his comments or recommendations, in which case the law shall be promulgated forthwith, immediately report the matter to the Security Council. The Governor shall likewise transmit without delay to the Security Council any communication which the Assembly may wish to make to the Council on the matter.

6. Legislation which forms the subject of a report to the Security Council under the provisions of the preceding paragraph shall only be promulgated by the direction of the Security Council.

Article 20. Rights of the Governor with respect to administrative measures

1. The Governor may require the Council of Government to suspend administrative measures which in his view conflict with his responsibilities as defined in the present Statute (observance of the Statute; maintenance of public order and security; respect for human rights). Should the Council of Government object, the Governor may suspend these administrative measures and the Governor or the Council of Government may refer the whole question to the Security Council for decision.

2. In matters affecting his responsibilities as defined in the Statute the Governor may propose to the Council of Government the adoption of any administrative measures. Should the Council of Government not accept such proposals the Governor may, without prejudice to Article 22 of the present Statute, refer the matter to the Security Council for decision.

Article 21. Budget

1. The Council of Government shall be responsible for the preparation of the budget of the Free Territory, including both revenue and expenditure, and for its submission to the popular Assembly.

2. If the Assembly should fail to vote the budget within the proper time limit, the provisions of the budget for the preceding period shall be applied to the new budgetary period until such time as the new budget shall have been voted.

Article 22. Special powers of the Governor

1. In order that he may carry out his responsibilities to the Security Council under the present Statute, the Governor may, in cases which in his opinion permit of no delay, threatening the independence or integrity of the Free Territory, public order or respect of human rights, directly order and require the execution of appropriate measures subject to an immediate report thereon being made by him to the Security Council. In such circumstances the Governor may himself assume, if he deems it necessary, control of the security services.

2. The popular Assembly may petition the Security Council concerning any exercise by the Governor of his powers under paragraph 1 of this Article.

Article 23. Power of pardon and reprieve

The power of pardon and reprieve shall be vested in the Governor and shall be exercised by him in accordance with provisions to be laid down in the Constitution.

Article 24. Foreign relations

1. The Governor shall ensure that the foreign relations of the Free Territory shall be conducted in conformity with the Statute, Constitution, and laws of the Free Territory. To this end the Governor shall have authority to prevent the entry into force of treaties or agreements affecting foreign relations which, in his judgment, conflict with the Statute, Constitution or laws of the Free Territory.

2. Treaties and agreements, as well as exequaturs and consular commissions, shall be signed jointly by the Governor and a representative of the Council of Government.

3. The Free Territory may be or become a party to international conventions or become a member of international organizations provided the aim of such conventions or organizations is to settle economic, technical, cultural, social or health questions.

4. Economic union or associations of an exclusive character with any State are incompatible with the status of the Free Territory.

5. The Free Territory of Trieste shall recognize the full force of the Treaty of Peace with Italy, and shall give effect to the applicable provisions of that Treaty. The Free Territory shall also recognize the full force of the other agreements or arrangements which have been or will be reached by the Allied and Associated Powers for the restoration of peace.

Article 25. Independence of the Governor and staff

In the performance of their duties, the Governor and his staff shall not seek or receive instructions from any Government or from any other authority except the Security Council. They shall refrain from any act which might reflect on their position as international officials responsible only to the Security Council.

Article 26. Appointment and removal of administrative officials

1. Appointments to public office in the Free Territory shall be made exclusively on the ground of ability, competence and integrity.

2. Administrative officials shall not be removed from office except for incompetence or misconduct and such removal shall be subject to appropriate safeguards of investigation and hearing to be established by law.

Article 27. Director of Public Security

1. The Council of Government shall submit to the Governor a list of candidates for the post of Director of Public Security. The Governor shall appoint the Director from among the candidates presented to him, or from among other persons, after consultation with the Council of Government. He may also dismiss the Director of Public Security after consultation with the Council of Government.

2. The Director of Public Security shall not be a citizen of Yugoslavia or Italy.

3. The Director of Public Security shall normally be under the immediate authority of the Council of Government from which he will receive instructions on matters within his competence.

4. The Governor shall:

(a) receive regular reports from the Director of Public Security, and consult with him on any matters coming within the competence of the Director.

(b) be informed by the Council of Government of its instructions to the Director of Public Security and may express his opinion thereon.

Article 28. Police force

1. In order to preserve public order and security in accordance with the Statute, the Constitution and the laws of the Free Territory, the Government of the Free Territory shall be empowered to maintain a police force and security services.

2. Members of the police force and security services shall be recruited by the Director of Public Security and shall be subject to dismissal by him.

Article 29. Local government

The Constitution of the Free Territory shall provide for the establishment on the basis of proportional representation of organs of local government on democratic principles, including universal, equal, direct and secret suffrage.

Article 30. Monetary system

The Free Territory shall have its own monetary system.

Article 31. Railways

Without prejudice to its proprietary rights over the railways within its boundaries and its control of the railway administration, the Free Territory may negotiate with Yugoslavia and Italy agreements for the purpose of ensuring the efficient and economical operation of its railways. Such agreements would determine where responsibility lies for the operation of the railways in the direction of Yugoslavia or Italy respectively and also for the operation of the railway terminal of Trieste and of that part of the line which is common to all. In the latter case such operation may be effected by a special commission comprised of representatives of the Free Territory, Yugoslavia, and Italy under the chairmanship of the representative of the Free Territory.

Article 32. Commercial aviation

1. Commercial aircraft registered in the territory of any one of the United Nations which grants on its territory the same rights to commercial aircraft registered in the Free Territory, shall be granted international commercial aviation rights, including the right to land for refueling and repairs, to fly over the Free Territory without landing and to use for traffic purposes such airports as may be designated by the competent authorities of the Free Territory.

2. These rights shall not be subject to any restrictions other than those imposed on a basis of nondiscrimination by the laws and regulations in force in the Free Territory and in the countries concerned or resulting from the special character of the Free Territory as neutral and demilitarized.

Article 33. Registration of vessels

1. The Free Territory is entitled to open registers for the registration of ships and vessels owned by the Government of the Free Territory or by persons or organisations domiciled within the Free Territory.

2. The Free Territory shall open special maritime registers for Czechoslovak and Swiss ships and vessels upon request of these Governments, as well as for Hungarian and Austrian ships and vessels upon the request of these Governments after the conclusion of the Treaty of Peace with Hungary and the treaty for the reestablishment of the independence of Austria respectively. Ships and vessels entered in these registers shall fly the flags of their respective countries.

3. In giving effect to the foregoing provisions, and subject to any international convention which may be entered into concerning these questions, with the participation of the Government of the Free Territory, the latter shall be entitled to impose such conditions governing the registration, retention on and removal from the registers as shall prevent any abuses arising from the facilities thus granted. In particular as regards ships and vessels registered under paragraph 1 above, registration shall be limited to ships and vessels controlled from the Free Territory and regularly serving the needs or the interests of the Free Territory. In the case of ships and vessels registered under paragraph 2 above, registration shall be limited to ships and vessels based on the Port of Trieste and regularly and premanently serving the needs of their respective countries through the Port of Trieste.

Article 34. Free port

A free port shall be established in the Free Territory and shall be administered on the basis of the provisions of an international instrument drawn up by the Council of Foreign Ministers, approved by the Security Council, and annexed to the present Treaty (Annex VIII). The Government of the Free Territory shall enact all necessary legislation and take all necessary steps to give effect to the provisions of such instrument.

Article 35. Freedom of transit

Freedom of transit shall, in accordance with customary international agreements, be assured by the Free Territory and the States whose territories are traversed to goods transported by railroad between the Free Port and the States which it serves, without any discrimination and without customs duties or charges other than those levied for services rendered.

Article 36. Interpretation of statute

Except where another procedure is specifically provided under any Article of the present Statute, any dispute relating to the interpretation or execution of the Statute, not resolved by direct negotiations, shall, unless the parties mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 37. Amendment of statute

This Statute shall constitute the permanent Statute of the Free Territory, subject to any amendment which may hereafter be made by the Security Council. Petitions for the amendment of the Statute may be presented to the Security Council by the popular Assembly upon a vote taken by a two-thirds majority of the votes cast.

Article 38. Coming into force of statute

The present Statute shall come into force on a date which shall be determined by the Security Council of the United Nations Organisation.

ANNEX VII. INSTRUMENT FOR THE PROVISIONAL REGIME OF THE FREE TERRITORY OF TRIESTE

(See article 21)

The present provisions shall apply to the administration of the Free Territory of Trieste pending the coming into force of the Permanent Statute.

Article 1

The Governor shall assume office in the Free Territory at the earliest possible moment after the coming into force of the present Treaty. Pending assumption of office by the Governor, the Free Territory shall continue to be administered by the Allied military commands within their respective zones.

Article 2

On assuming office in the Free Territory of Trieste the Governor shall be empowered to select from among persons domiciled in the Free Territory and after consultation with the Governments of Yugoslavia and Italy a Provisional Council of Government. The Governor shall have the right to make changes in the composition of the Provisional Council of Government whenever he deems it necessary. The Governor and the Provisional Council of Government shall exercise their functions in the manner laid down in the provisions of the Permanent Statute as and when these provisions prove to be applicable and in so far as they are not superseded by the present Instrument. Likewise all other provisions of the Permanent Statute shall be applicable during the period of the Provisional Regime as and when these provisions prove to be applicable and in so far as they are not superseded by the present Instrument. The Governor's actions will be guided mainly by the needs of the population and its well being.

Article 3

The seat of Government will be established in Trieste. The Governor will address his reports directly to the Chairman of the Security Council and will, through that channel, supply the Security Council with all necessary information on the administration of the Free Territory.

Article 4

The first concern of the Governor shall be to ensure the maintenance of public order

and security. He shall appoint on a provisional basis a Director of Public Security, who will reorganize and administer the police force and security services.

Article 5

(a) From the coming into force of the present Treaty, troops stationed in the Free Territory shall not exceed 5,000 men for the United Kingdom, 5,000 men for the United States of America and 5,000 men for Yugoslavia.

(b) These troops shall be placed at the disposal of the Governor for a period of 90 days after his assumption of office in the Free Territory. As from the end of that period, they will cease to be at the disposal of the Governor and will be withdrawn from the Territory within a further period of 45 days, unless the Governor advises the Security Council that, in the interests of the Territory, some or all of them should not, in his view, be withdrawn. In the latter event, the troops required by the Governor shall remain until not later than 45 days after the Governor has advised the Security Council that the security services can maintain internal order in the Territory without the assistance of foreign troops.

(c) The withdrawal prescribed in paragraph (b) shall be carried out so as to maintain, in so far as possible, the ratio prescribed in paragraph (a) between the troops of the three Powers concerned.

Article 6

The Governor shall have the right at any time to call upon the Commanders of such contingents for support and such support shall be given promptly. The Governor shall, whenever possible, consult with the Commanders concerned before issuing his instructions but shall not interfere with the military handling of the forces in the discharge of his instructions. Each Commander has the right to report to his Government the instructions which he has received from the Governor, informing the Governor of the contents of such reports. The Government concerned shall have the right to refuse the participation of its forces in the operation in question, informing the Security Council accordingly.

Article 7

The necessary arrangements relating to the stationing, administration and supply of the military contingents made available by the United Kingdom, the United States of America, and Yugoslavia shall be settled by agreement between the Governor and the Commanders of those contingents.

Article 8

The Governor, in consultation with the Provisional Council of Government, shall be responsible for organizing the elections of Members of the Constituent Assembly in accordance with the conditions provided for in the Statute for elections to the popular Assembly.

The elections shall be held not later than four months after the Governor's assumption of office. In case this is technically impossible the Governor shall report to the Security Council.

Article 9

The Governor will, in consultation with the Provisional Council of Government, prepare the provisional budget and the provisional export and import programmes and will satisfy himself that appropriate arrangements are made by the Provisional Council of Government for the administration of the finances of the Free Territory.

Article 10

Existing laws and regulations shall remain valid unless and until revoked or suspended by the Governor. The Governor shall have the right to amend existing laws and regulations and to introduce new laws and regulations in agreement with the majority of the Provisional Council of Government. Such amended and new laws and regulations, as well as the acts of the Governor in regard to the revocation or suspension of laws and regulations, shall be valid unless and until they are amended, revoked or superseded by acts of the popular Assembly or the Council of Government within their respective spheres after the entry into force of the Constitution.

Article 11

Pending the establishment of a separate currency regime for the Free Territory the Italian lira shall continue to be the legal tender within the Free Territory. The Italian Government shall supply the foreign exchange and currency needs of the Free Territory under conditions no less favorable than those applying in Italy.

Italy and the Free Territory shall enter into an agreement to give effect to the above provisions as well as to provide for any settlement between the two Governments which may be required.

ANNEX VIII. INSTRUMENT FOR THE FREE PORT OF TRIESTE

Article 1

1. In order to ensure that the port and transit facilities of Trieste will be available for use on equal terms by all international trade and by Yugoslavia, Italy and the States of Central Europe, in such manner as is customary in other free ports of the world:

(a) There shall be a customs free port in the Free Territory of Trieste within the limits provided for by or established in accordance with Article 3 of the present Instrument.

(b) Goods passing through the Free Port of Trieste shall enjoy freedom of transit as stipulated in Article 16 of the present Instrument.

2. The international regime of the Free Port shall be governed by the provisions of the present Instrument.

Article 2

1. The Free Port shall be established and administered as a State corporation of the Free Territory, having all the attributes of a juridical person and functioning in accordance with the provisions of this Instrument.

2. All Italian state and para-statal property within the limits of the Free Port which, according to the provisions of the present Treaty, shall pass to the Free Territory shall be transferred, without payment, to the Free Port.

Article 3

1. The area of the Free Port shall include the territory and installations of the free zones of the port of Trieste within the limits of the 1939 boundaries.

2. The establishment of special zones in the Free Port under the exclusive jurisdiction of any State is incompatible with the status of the Free Territory and of the Free Port.

3. In order, however, to meet the special needs of Yugoslav and Italian shipping in the Adriatic, the Director of the Free Port, on the request of the Yugoslav or Italian Government and with the concurring advice of the International Commission provided for in Article 21 below, may reserve to merchant vessels flying the flags of either of these two States the exclusive use of berthing spaces within certain parts of the area of the Free Port.

4. In case it shall be necessary to increase the area of the Free Port such increase may be made upon the proposal of the Director of the Free Port by decision of the Council of Government with the approval of the popular Assembly.

Article 4

Unless otherwise provided for by the present Instrument the laws and regulations in force in the Free Territory shall be applicable to persons and property within the boundaries of the Free Port and the authorities responsible for their application in the Free Territory shall exercise their functions within the limits of the Free Port.

Article 5

1. Merchant vessels and goods of all countries shall be allowed unrestricted access to the Free Port for loading and discharge both for goods in transit and goods destined for or proceeding from the Free Territory.

2. In connection with importation into or exportation from or transit through the Free Port, the authorities of the Free Territory shall not levy on such goods customs duties or charges other than those levied for services rendered.

3. However, in respect of goods, imported through the Free Port for consumption within the Free Territory or exported from this Territory through the Free Port, appropriate legislation and regulations in force in the Free Territory shall be applied.

Article 6

Warehousing, storing, examining, sorting, packing and repacking and similar activities which have customarily been carried on in the free zones of the port of Trieste shall be permitted in the Free Port under the general regulations established by the Director of the Free Port.

Article 7

1. The Director of the Free Port may also permit the processing of goods in the Free Port.

2. Manufacturing activities in the Free Port shall be permitted to those enterprises which existed in the free zones of the port of Trieste before the coming into force of the present Instrument. Upon the proposal of the Director of the Free Port, the Council of Government may permit the establishment of new manufacturing enterprises within the limits of the Free Port.

Article 8

Inspection by the authorities of the Free Territory shall be permitted within the Free Port to the extent necessary to enforce the customs or other regulations of the Free Territory for the prevention of smuggling.

Article 9

1. The authorities of the Free Territory will be entitled to fix and levy harbour dues in the Free Port.

2. The Director of the Free Port shall fix all charges for the use of the facilities and services of the Free Port. Such charges shall be reasonable and be related to the cost of operation, administration, maintenance and development of the Free Port.

Article 10

In the fixing and levying in the Free Port of harbour dues and other charges under Article 9 above, as well as in the provision of the services and facilities of the Free Port, there shall be no discrimination in respect of the nationality of the vessels, the ownership of the goods or on any other grounds.

Article 11

The passage of all persons into and out of the Free Port area shall be subject to such regulations as the authorities of the Free Territory shall establish. These regulations, however, shall be established in such a manner as not unduly to impede the passage into and out of the Free Port of nationals of any State who are engaged in any legitimate pursuit in the Free Port area.

Article 12

The rules and bye-laws operative in the Free Port and likewise the schedules of charges levied in the Free Port must be made public.

Article 13

Coastwise shipping and coastwise trade within the Free Territory shall be carried on in accordance with regulations issued by the authorities of the Free Territory, the provisions of the present Instrument not being

deemed to impose upon such authorities any restrictions in this respect.

Article 14

Within the boundaries of the Free Port, measures for the protection of health and measures for combating animal and plant diseases in respect of vessels and cargoes shall be applied by the authorities of the Free Territory.

Article 15

It shall be the duty of the authorities of the Free Territory to provide the Free Port with water supplies, gas, electric light and power, communications, drainage facilities and other public services and also to ensure police and fire protection.

Article 16

1. Freedom of transit shall, in accordance with customary international agreements, be assured by the Free Territory and the States whose territories are traversed to goods transported by railroad between the Free Port and the States which it serves, without any discrimination and without customs duties or charges other than those levied for services rendered.

2. The Free Territory and the States assuming the obligations of the present Instrument through whose territory such traffic passes in transit in either direction shall do all in their power to provide the best possible facilities in all respects for the speedy and efficient movement of such traffic at a reasonable cost, and shall not apply with respect to the movement of goods to and from the Free Port any discriminatory measures with respect to rates, services, customs, sanitary, police or any other regulations.

3. The States assuming the obligations of the present Instrument shall take no measures regarding regulations or rates which would artificially divert traffic from the Free Port for the benefit of other seaports. Measures taken by the Government of Yugoslavia to provide for traffic to ports in southern Yugoslavia shall not be considered as measures designed to divert traffic artificially.

Article 17

The Free Territory and the States assuming the obligations of the present Instrument shall, within their respective territories and on non-discriminatory terms, grant in accordance with customary international agreements freedom of postal, telegraphic, and telephonic communications between the Free Port area and any country for such communications as originate in or are destined for the Free Port area.

Article 18

1. The administration of the Free Port shall be carried on by the Director of the Free Port who will represent it as a juridical person. The Council of Government shall submit to the Governor a list of qualified candidates for the post of Director of the Free Port. The Governor shall appoint the Director from among the candidates presented to him after consultation with the Council of Government. In case of disagreement the matter shall be referred to the Security Council. The Governor may also dismiss the Director upon the recommendation of the International Commission or the Council of Government.

2. The Director shall not be a citizen of Yugoslavia or Italy.

3. All other employees of the Free Port will be appointed by the Director. In all appointments of employees preference shall be given to citizens of the Free Territory.

Article 19

Subject to the provisions of the present Instrument, the Director of the Free Port shall take all reasonable and necessary measures for the administration, operation, maintenance and development of the Free Port as an efficient port adequate for the prompt handling of all the traffic of that port. In particular, the Director shall be responsible for the execution of all kinds of port works in the Free Port, shall direct the operation of port installations and other port equipment, shall establish, in accordance with legislation of the Free Territory, conditions of labour in the Free Port, and shall also supervise the execution in the Free Port of orders and regulations of the authorities of the Free Territory in respect to navigation.

Article 20

1. The Director of the Free Port shall issue such rules and bye-laws as he considers necessary in the exercise of his functions as prescribed in the preceding Article.

2. The autonomous budget of the Free Port will be prepared by the Director, and will be approved and applied in accordance with legislation to be established by the popular Assembly of the Free Territory.

3. The Director of the Free Port shall submit an annual report on the operations of the Free Port to the Governor and the Council of Government of the Free Territory. A copy of the report shall be transmitted to the International Commission.

Article 21

1. There shall be established an International Commission of the Free Port, hereinafter called "the International Commission", consisting of one representative from the Free Territory and from each of the following States: France, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, the United States of America, the People's Federal Republic of Yugoslavia, Italy, Czechoslovakia, Poland, Switzerland, Austria and Hungary, provided that such State has assumed the obligations of the present Instrument.

2. The representative of the Free Territory shall be the permanent Chairman of the International Commission. In the event of a tie in voting, the vote cast by the Chairman shall be decisive.

Article 22

The International Commission shall have its seat in the Free Port. Its offices and activities shall be exempt from local jurisdiction. The members and officials of the International Commission shall enjoy in the Free Territory such privileges and immunities as are necessary for the independent exercise of their functions. The International Commission shall decide upon its own secretariat, procedure and budget. The common expenses of the International Commission shall be shared by member States in an equitable manner as agreed by them through the International Commission.

Article 23

The International Commission shall have the right to investigate and consider all matters relating to the operation, use, and administration of the Free Port or to the technical aspects of transit between the Free Port and the States which it serves, including unification of handling procedures. The International Commission shall act either on its own initiative or when such matters have been brought to its attention by any State or by the Free Territory or by the Director of the Free Port. The International Commission shall communicate its views or recommendations on such matters to the State or States concerned, or to the Free Territory, or to the Director of the Free Port. Such recommendations shall be considered and the necessary measures shall be taken. Should the Free Territory or the State or States concerned deem, however, that such measures would be inconsistent with the provisions of the present Instrument, the matter may at the request of the Free Territory or any interested State be dealt with as provided in Article 24 below.

Article 24

Any dispute relating to the interpretation or execution of the present Instrument, not resolved by direct negotiations, shall, unless the parties mutually agree upon another means of settlement, be referred at the request of either party to the dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.

Article 25

Proposals for amendments to the present Instrument may be submitted to the Security Council by the Council of Government of the Free Territory or by three or more States represented on the International Commission. An amendment approved by the Security Council shall enter into force on the date determined by the Security Council.

Article 26

For the purposes of the present Instrument a State shall be considered as having assumed the obligations of this Instrument if it is a party to the Treaty of Peace with Italy or has notified the Government of the French Republic of its assumption of such obligations.

ANNEX IX. TECHNICAL DISPOSITIONS REGARDING THE FREE TERRITORY OF TRIESTE

(See article 21)

A. Water supply to northwestern Istria

Yugoslavia shall continue to supply water to the region of northwestern Istria within the Free Territory of Trieste from the spring of San Giovanni de Pinguente through the Quieto water supply system and from the spring of Santa Maria del Risano through the Risano system. The water so supplied shall be in such amounts, not substantially exceeding those amounts which have been customarily supplied to the region, and at such rates of flow, as the Free Territory may request, but within limits imposed by natural conditions. Yugoslavia shall maintain the water conduits, reservoirs, pumps, purifying systems and such other works within Yugoslav territory as may be required to fulfill this obligation. Temporary allowance must be made in respect of the foregoing obligations on Yugoslavia for necessary repair of war damage to water supply installations. The Free Territory shall pay a reasonable price for the water thus supplied, which price should represent a proportionate share based on the quantity of water consumed within the Free Territory, of the total cost of operation and maintenance of the Quieto and the Risano water supply systems. Should, in the future, additional supplies of water be required by the Free Territory, Yugoslavia undertakes to examine the matter jointly with the authorities of the Free Territory and by agreement to take such measures as are reasonable to meet these requirements.

B. Electricity supplies

1. Yugoslavia and Italy shall maintain the existing supply of electricity to the Free Territory of Trieste, furnishing to the Free Territory such quantities of electricity at such rates of output as the latter may require. The quantities furnished need not at first substantially exceed those which have been customarily supplied to the area comprised in the Free Territory, but Italy and Yugoslavia shall, on request of the Free Territory, furnish increasing amounts as the requirements of the Free Territory grow, provided that any increase of more than 20% over the amount normally furnished to the Free Territory from the respective sources shall

be the subject of an agreement between the interested Governments.

2. The price to be charged by Yugoslavia or by Italy and to be paid by the Free Territory for the electricity furnished to it shall be no higher than the price charged in Yugoslavia or in Italy for the supply of similar quantities of hydro-electricity from the same sources in Yugoslav or Italian territory.

3. Yugoslavia, Italy and the Free Territory shall exchange information continuously concerning the flow and storage of water and the output of electricity in respect of stations supplying the former Italian compartimento of Venezia Giulia, so that each of the three parties will be in a position to determine its requirements.

4. Yugoslavia, Italy and the Free Territory shall maintain in good and substantial condition all of the electrical plants, transmission lines, substations and other installations which are required for the continued supply of electricity to the former Italian compartimento of Venezia Giulia.

5. Yugoslavia shall ensure that the existing and any future power installations on the Isonzo (Soca) are operated so as to provide that such supplies of water as Italy may from time to time request may be diverted from the Isonzo (Soca) for irrigation in the region from Gorizia southwestward to the Adriatic. Italy may not claim the right to the use of water from the Isonzo (Soca) in greater volume or under more favorable conditions than has been customary in the past.

6. Yugoslavia, Italy and the Free Territory shall, through joint negotiations, adopt a mutually agreeable convention in conformity with the foregoing provisions for the continuing operation of the electricity system which serves the former Italian compartimento of Venezia Giulia. A mixed commission with equal representation of the three Governments shall be established for supervising the execution of the obligations arising under paragraphs 1 to 5 above.

7. Upon the expiration of a ten-year period from the coming into force of the present Treaty, Yugoslavia, Italy and the Free Territory shall reexamine the foregoing provisions in the light of conditions at that time in order to determine which, if any, of the foregoing obligations are no longer required, and shall make such alterations, deletions and additions as may be agreed upon by the parties concerned. Any disputes which may arise as a result of this re-examination shall be submitted for settlement under the procedure outlined in Article 87 of the present Treaty.

C. Facilities for local frontier trade

Yugoslavia and the Free Territory of Trieste, and Italy and the Free Territory of Trieste, shall, within one month of the coming into force of the present Treaty, undertake negotiations to provide arrangements which shall facilitate the movement across the frontiers between the Free Territory and the adjacent areas of Yugoslavia and Italy of foodstuffs and other categories of commodities which have customarily moved between those areas in local trade, provided these commodities are grown, produced or manufactured in the respective territories. This movement may be facilitated by appropriate measures, including the exemption of such commodities, up to agreed quantities or values, from tariffs, customs charges, and export or import taxes of any kind when such commodities are moving in local trade.

ANNEX X. ECONOMIC AND FINANCIAL PROVISIONS RELATING TO THE FREE TERRITORY OF TRIESTE

1. The Free Territory of Trieste shall receive, without payment, Italian State and para-statal property within the Free Territory.

The following are considered as State or para-statal property for the purposes of this Annex: movable and immovable property of the Italian State, of local authorities and of public institutions and publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations.

2. All transfers effected after September 8, 1943, of Italian State and para-statal property as defined in paragraph 1 above shall be deemed null and void. This provision shall not, however, extend to lawful acts relating to current operations of State and para-statal agencies in so far as they concern the sale, within normal limits, of goods ordinarily produced by them or sold in the execution of normal commercial arrangements or in the normal course of governmental administrative activities.

3. Submarine cables owned by the Italian State or by Italian para-statal organizations shall fall within the provisions of paragraph 1 so far as concerns terminal facilities and the lengths of cables lying within territorial waters of the Free Territory.

4. Italy shall hand over to the Free Territory all relevant archives and documents of an administrative character or historical value concerning the Free Territory or relating to property transferred under paragraph 1 of this Annex. The Free Territory shall hand over to Yugoslavia all documents of the same character relating to territory ceded to Yugoslavia under the present Treaty, and to Italy all documents of the same character which may be in the Free Territory and which relate to Italian Territory.

Yugoslavia declares herself ready to hand over to the Free Territory all archives and documents of an administrative character concerning and required exclusively for the administration of the Free Territory, which are of a kind which were usually held before September 3, 1943, by the local authorities having jurisdiction over what now forms part of the Free Territory.

5. The Free Territory shall be exempt from the payment of the Italian public debt, but shall assume the obligations of the Italian State towards holders who continue to reside in the Free Territory, or who, being juridical persons, retain their siège social or principal place of business there, in so far as these obligations correspond to that portion of this debt which has been issued prior to June 10, 1940, and is attributable to public works and civil administrative services of benefit to the said Territory but not attributable directly or indirectly to military purposes.

Full proof of the source of such holdings may be required from the holders.

Italy and the Free Territory shall conclude arrangements to determine the portion of the Italian public debt referred to in this paragraph and the methods for giving effect to these provisions.

6. The future status of external obligations secured by charges upon the property or revenues of the Free Territory shall be governed by further agreements between the parties concerned.

7. Special arrangements shall be concluded between Italy and the Free Territory to govern the conditions under which the obligations of Italian public or private social insurance organizations towards the inhabitants of the Free Territory, and a proportionate part of the reserves accumulated by the said organizations, shall be transferred to similar organizations in the Free Territory.

Similar arrangements shall also be concluded between the Free Territory and Italy, and between the Free Territory and Yugoslavia, to govern the obligations of public and private social insurance organizations whose siège social is in the Free Territory, with regard to policy holders or subscribers residing respectively in Italy or in territory ceded to Yugoslavia under the present Treaty.

Similar arrangements shall also be concluded between the Free Territory and Yugoslavia to govern the obligations of public and private social insurance organizations whose siège social is in territory ceded to Yugoslavia under the present Treaty, with regard to policy holders or subscribers residing in the Free Territory.

8. Italy shall continue to be liable for the payment of civil or military pensions earned, as of the coming into force of the present Treaty, for service under the Italian State, municipal or other local government authorities, by persons who under the Treaty acquire the nationality of the Free Territory, including pension rights not yet matured. Arrangements shall be concluded between Italy and the Free Territory providing for the method by which this liability shall be discharged.

9. The property, rights and interests of Italian nationals who became domiciled in the Free Territory after June 10, 1940, and of persons who opt for Italian citizenship pursuant to the Statute of the Free Territory of Trieste shall, provided they have been lawfully acquired, be respected in the same measure as the property, rights and interests of nationals of the Free Territory generally, for a period of three years from the coming into force of the Treaty.

The property, rights and interests within the Free Territory of other Italian nationals and also of Italian juridical persons, provided they have been lawfully acquired, shall be subject only to such legislation as may be enacted from time to time regarding the property of foreign nationals and juridical persons generally.

10. Persons who opt for Italian nationality and move to Italy shall be permitted, after the settlement of any debts or taxes due from them in the Free Territory, to take with them their movable property and transfer their funds, provided such property and funds were lawfully acquired. No export or import duties shall be imposed in connection with the moving of such property. Further, they shall be permitted to sell their movable and immovable property under the same conditions as nationals of the Free Territory.

The removal of property to Italy will be effected under conditions which will not be in contradiction to the Constitution of the Free Territory and in a manner which will be agreed upon between Italy and the Free Territory. The conditions and the time periods of the transfer of the funds, including the proceeds of sales, shall be determined in the same manner.

11. The property, rights and interests of former Italian nationals, resident in the Free Territory, who become nationals of the Free Territory under the present Treaty, existing in Italy at the coming into force of the Treaty, shall be respected by Italy in the same measure as the property, rights and interests of Italian nationals generally, for a period of three years from the coming into force of the Treaty.

Such persons are authorized to effect the transfer and the liquidation of their property, rights and interests under the same conditions as are provided for under paragraph 10 above.

12. Companies incorporated under Italian law and having siège social in the Free Territory, which wish to remove siège social to Italy or Yugoslavia, shall likewise be dealt with under the provisions of paragraph 10 above, provided that more than fifty per cent. of the capital of the company is owned by persons usually resident outside the Free Territory, or by persons who move to Italy or Yugoslavia.

13. Debts owed by persons in Italy, or in territory ceded to Yugoslavia, to persons in the Free Territory, or by persons in the Free Territory to persons in Italy or in territory ceded to Yugoslavia, shall not be affected by the cession. Italy, Yugoslavia and the Free Territory undertake to facilitate the settlement of such obligations. As used in this paragraph, the term "persons" includes juridical persons.

14. The property in the Free Territory of any of the United Nations and its nationals, if not already freed from Italian measures of sequestration or control and returned to its owner, shall be returned in the condition in which it now exists.

15. Italy shall return property unlawfully removed after September 3, 1943, from the Free Territory to Italy. Paragraphs 2, 3, 4, 5 and 6 of Article 75 shall govern the application of this obligation except as regards property provided for elsewhere in this Annex.

The provisions of paragraphs 1, 2, 5 and 6 of Article 75 shall apply to the restitution by the Free Territory of property removed from the territory of any of the United Nations during the war.

16. Italy shall return to the Free Territory in the shortest possible time any ships in Italian possession which were owned on September 3, 1943, by natural persons resident in the Free Territory who acquire the nationality of the Free Territory under the present Treaty, or by Italian juridical persons having and retaining siège social in the Free Territory, except any ships which have been the subject of a bona fide sale.

17. Italy and the Free Territory, and Yugoslavia and the Free Territory, shall conclude agreements providing for a just and equitable apportionment of the property of any existing local authority whose area is divided by any frontier settlement under the present Treaty, and for a continuance to the inhabitants of necessary communal services not specifically covered in other parts of the Treaty.

Similar agreements shall be concluded for a just and equitable allocation of rolling stock and railway equipment and of dock and harbour craft and equipment, as well as for any other outstanding economic matters not covered by this Annex.

18. Citizens of the Free Territory shall, notwithstanding the transfer of sovereignty and any change of nationality consequent thereon, continue to enjoy in Italy all the rights in industrial, literary and artistic property to which they were entitled under the legislation in force in Italy at the time of the transfer.

The Free Territory shall recognize and give effect to rights of industrial, literary and artistic property existing in the Free Territory under Italian laws in force at the time of transfer, or to be re-established or restored in accordance with Annex XV, part A of the present Treaty. These rights shall remain in force in the Free Territory for the same period as that for which they would have remained in force under the laws of Italy.

19. Any dispute which may arise in giving effect to this Annex shall be dealt with in the same manner as provided in Article 83 of the present Treaty.

20. Paragraphs 1, 3 and 5 of Article 76; Article 77; paragraph 3 of Article 78; Article 81; Annex XV, part A; Annex XVI and Annex XVII, part B, shall apply to the Free Territory in like manner as to Italy.

ANNEX XI. JOINT DECLARATION BY THE GOVERNMENTS OF THE SOVIET UNION, OF THE UNITED KINGDOM, OF THE UNITED STATES OF AMERICA AND OF FRANCE CONCERNING ITALIAN TERRITORIAL POSSESSIONS IN AFRICA

(See article 23)

1. The Governments of the Union of Soviet Socialist Republics, of the United Kingdom of Great Britain and Northern Ireland, of the United States of America, and of France agree that they will, within one year from the coming into force of the Treaty of Peace with Italy bearing the date of February 10, 1947, jointly determine the final disposal of Italy's territorial possessions in Africa, to which, in accordance with Article 23 of the Treaty, Italy renounces all right and title.

2. The final disposal of the territories concerned and the appropriate adjustment of their boundaries shall be made by the Four Powers in the light of the wishes and welfare of the inhabitants and the interests of peace and security, taking into consideration the views of other interested Governments.

3. If with respect to any of these territories the Four Powers are unable to agree upon their disposal within one year from the coming into force of the Treaty of Peace with Italy, the matter shall be referred to the General Assembly of the United Nations for a recommendation, and the Four Powers agree to accept the recommendation and to take appropriate measures for giving effect to it.

4. The Deputies of the Foreign Ministers shall continue the consideration of the question of the disposal of the former Italian Colonies with a view to submitting to the Council of Foreign Ministers their recommendations on this matter. They shall also send out commissions of investigation to any of the former Italian Colonies in order to supply the Deputies with the necessary data on this question and to ascertain the views of the local population.

ANNEX XII

(See article 56)

The names in this Annex are those which were used in the Italian Navy on June 1, 1946.

A. List of naval vessels to be retained by Italy

Major War Vessels

Battleships: Andrea Doria, Caio Duilio.

Cruisers: Luigi di Savoia Duca degli Abruzzi, Giuseppe Garibaldi, Raimondo Montecuccoli, Luigi Cadorna.

Destroyers: Carabiniere, Granatiere, Grecale, Nicoloso da Recco.

Torpedo boats: Giuseppe Cesare Abba, Aretusa, Calliope, Giacinto Carini, Cassiopea, Clio, Nicola Fabrizi, Ernesto Giovannini, Libra, Monzambano, Antonio Mosto, Orione, Orsa, Rosalino Pilo, Sagittario, Sirio.

Corvettes: Ape, Baionetta, Chimera, Cormorano, Danaide, Driade, Fenice, Flora, Folaga, Gabbiano, Gru, Ibis, Minerva, Pellicano, Pomona, Scimittara, Sfinge, Sibilla, Urania. Together with one corvette to be salvaged, completed or constructed.

Minor War Vessels

Minesweepers: R. D. Nos. 20, 32, 34, 38, 40, 41, 102, 103, 104, 105, 113, 114, 129, 131, 132, 133, 134, 148, 149, together with 16 YMS type acquired from the United States of America.

Vedettes: VAS Nos. 201, 204, 211, 218, 222, 224, 233, 235.

Auxiliary Naval Vessels

Fleet tankers: Nettuno, Lete.

Water carriers: Arno, Frigido, Mincio, Ofanto, Oristano, Pescara, Po, Sesia, Simeto, Stura, Tronto, Vipacco.

Tugs (large): Abbazia, Asinara, Atlante, Capraia, Chioggia, Emilio, Gagliardo, Gorgona, Licosa, Lilibeo, Linosa, Mestre, Piombino, Porto Empedocle, Porto Fossone, Porto Pisano, Porto Rose, Porto Recanati, San Pietro, San Vito, Ventimiglia.

Tugs (small): Argentario, Astico, Cordevole, Generale Pozzi, Irene, Passero, Porto Rosso, Porto Vecchio, San Bartolomeo, San Benedetto, Tagliamento, N1, N4, N5, N9, N22, N26, N27, N32, N47, N52, N53, N78, N96, N104, RLN1, RLN3, RLN9, RLN10.

Training ship: Amerigo Vespucci.

Transports: Amalia Messina, Montegrappa, Tarantola.

Supply ship: Giuseppe Miraglia.

Repair ship: Antonio Pacinotti (after conversion from S/M Depot Ship).

Surveying ships: Azio (after conversion from minelayer), Cherso.

Lighthouse-service vessel: Buffoluto.

Cable ship: Rampino.

B. List of naval vessels to be placed at the disposal of the Governments of the Soviet Union, of the United Kingdom, of the United States of America, and of France

Major War Vessels

Battleships: Giulio Cesare, Italia, Vittorio Veneto.

Cruisers: Emanuele Filiberto Duca d'Aosta, Pompeo Magno, Attilio Regolo, Eugenio di Savoia, Scipione Africano.

Sloop: Eritrea.

Destroyers: Artigliere, Fuciliere, Legionario, Mitragliere, Alfredo Oriani, Augusto Riboty, Velite.

Torpedo boats: Aliseo, Animoso, Ardimentoso, Ariete, Fortunale, Indomito.

Submarines: Alagi, Atropo, Dandolo, Giada, Marea, Nichelio, Platino, Vortice.

Minor War Vessels

M. T. B's: MS Nos. 11, 24, 31, 35, 52, 53, 54, 55, 61, 65, 72, 73, 74, 75. MAS Nos. 433, 434, 510, 514, 516, 519, 520, 521, 523, 538, 540, 543, 545, 547, 562. ME Nos. 38, 40, 41.

Minesweepers: RD Nos. 6, 16, 21, 25, 27, 28, 29.

Gunboat: Illyria.

Vedettes: VAS Nos. 237, 240, 241, 245, 246, 248.

Landing craft: MZ Nos. 713, 717, 722, 726, 728, 729, 737, 744, 758, 776, 778, 780, 781, 784, 800, 831.

Auxiliary Naval Vessels

Tankers: Prometeo, Stige, Tarvisio, Urano.

Water carriers: Anapo, Aterno, Basento, Bisagno, Dalmazia, Idria, Isarco, Istria, Liri, Metauro, Polcevera, Sprugola, Timavo, Tirso.

Tugs (large): Arsachena, Basiluzzo, Capo d'Istria, Carbonara, Cefalu, Ercole, Gaeta, Lampedusa, Lipari, Liscanera, Marechiaro, Mesco, Molara, Nereo, Porto Adriano, Porto Conte, Porto Quieto, Porto Torres, Porto Tricase, Procida, Promontore, Rapallo, Salvore, San Angelo, San Antioco, San Remo, Talamone, Taormina, Teulada, Tifeo, Vado, Vigoroso.

Tugs (small): Generale Valfre, Licata, Noli, Volosca, N2, N3, N23, N24, N28, N35, N36, N37, N80, N94.

Depot ship: Anteo.

Training ship: Cristoforo Colombo.

Auxiliary minelayer: Fasana.

Transports: Giuseppe Messina, Montecucco, Panigaglia.

ANNEX XIII. DEFINITIONS

A. Naval

(See article 59)

Standard Displacement

The standard displacement of a surface vessel is the displacement of the vessel, complete, fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed water on board.

The standard displacement is expressed in tons of 2,240 lbs. (1,016 Kgs).

War Vessel

A war vessel, whatever its displacement, is:

1. A vessel specifically built or adapted as a fighting unit for naval, amphibious or naval air warfare; or

2. A vessel which has one of the following characteristics:

(a) mounts a gun with a calibre exceeding 4.7 inches (120 mm.);

(b) mounts more than four guns with a calibre exceeding 3 inches (76 mm.);

(c) is designed or fitted to launch torpedoes or to lay mines;

(d) is designed or fitted to launch self-propelled or guided missiles;

(e) is designed for protection by armour plating exceeding 1 inch (25 mm.) in thickness;

(f) is designed or adapted primarily for operating aircraft at sea;

(g) mounts more than two aircraft launching apparatus;

(h) is designed for a speed greater than twenty knots if fitted with a gun of calibre exceeding 3 inches (76 mm.).

A war vessel belonging to sub-category 1 is no longer to be considered as such after

the twentieth year since completion if all weapons are removed.

Battleship

A battleship is a war vessel, other than an aircraft carrier, the standard displacement of which exceeds 10,000 tons or which carries a gun with a calibre exceeding 8 inches (203 mm.).

Aircraft Carrier

An aircraft carrier is a war vessel, whatever her displacement, designed or adapted primarily for the purpose of carrying and operating aircraft.

Submarine

A submarine is a vessel designed to operate below the surface of the sea.

Specialised Types of Assault Craft

1. All types of craft specially designed or adapted for amphibious operations.

2. All types of small craft specially designed or adapted to carry an explosive or incendiary charge for attacks on ships or harbours.

Motor Torpedo Boat

A vessel of a displacement less than 200 tons, capable of a speed of over 25 knots and of operating torpedoes.

B. Military, military air and naval training

(See articles 60, 63 and 65)

1. Military training is defined as: the study of and practice in the use of war material specially designed or adapted for army purposes, and training devices relative thereto; the study and carrying out of all drill or movements which teach or practice evolutions performed by fighting forces in battle; and the organised study of tactics, strategy and staff work.

2. Military air training is defined as: the study of and practice in the use of war material specially designed or adapted for air force purposes, and training devices relative thereto; the study and practice of all specialised evolutions, including formation flying, performed by aircraft in the accomplishment of an air force mission; and the organised study of air tactics, strategy and staff work.

3. Naval training is defined as: the study, administration or practice in the use of warships or naval establishments as well as the study or employment of all apparatus and training devices relative thereto, which are used in the prosecution of naval warfare, except for those which are also normally used for civilian purposes; also the teaching, practice or organised study of naval tactics, strategy and staff work including the execution of all operations and manoeuvres not required in the peaceful employment of ships.

C. Definition and list of war material

(See article 67)

The term "war material" as used in the present Treaty shall include all arms, ammunition and implements specially designed or adapted for use in war as listed below.

The Allied and Associated Powers reserve the right to amend the list periodically by modification or addition in the light of subsequent scientific development.

Category I.

1. Military rifles, carbines, revolvers and pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use.

2. Machine guns, military automatic or autoloading rifles, and machine pistols; barrels for these weapons and other spare parts not readily adaptable for civilian use; machine gun mounts.

3. Guns, howitzers, mortars, cannon special to aircraft, breechless or recoil-less guns and flamethrowers; barrels and other spare parts not readily adaptable for civilian use; carriages and mountings for the foregoing.

4. Rocket projectors; launching and control mechanisms for self-propelling and guided missiles; mountings for same.

5. Self-propelling and guided missiles, projectiles, rockets, fixed ammunition and cartridges, filled or unfilled, for the arms listed in subparagraphs 1–4 above and fuses, tubes or contrivances to explode or operate them. Fuses required for civilian use are not included.

6. Grenades, bombs, torpedoes, mines, depth charges and incendiary materials or charges, filled or unfilled; all means for exploding or operating them. Fuses required for civilian use are not included.

7. Bayonets.

Category II.

1. Armoured fighting vehicles; armoured trains, not technically convertible to civilian use.

2. Mechanical and self-propelled carriages for any of the weapons listed in Category I; special type military chassis or bodies other than those enumerated in sub-paragraph 1 above.

3. Armour plate, greater than three inches in thickness, used for protective purposes in warfare.

Category III.

1. Aiming and computing devices, including predictors and plotting apparatus, for fire control; direction of fire instruments; gun sights; bomb sights; fuse setters; equipment for the calibration of guns and fire control instruments.

2. Assault bridging, assault boats and storm boats.

3. Deceptive warfare, dazzle and decoy devices.

4. Personal war equipment of a specialised nature not readily adaptable to civilian use.

Category IV.

1. Warships of all kinds, including converted vessels and craft designed or intended for their attendance or support, which cannot be technically reconverted to civilian use, as well as weapons, armour, ammunition, aircraft and all other equipment, material, machines and installations not used in peace time on ships other than warships.

2. Landing craft and amphibious vehicles or equipment of any kind; assault boats or devices of any type as well as catapults or other apparatus for launching or throwing aircraft, rockets, propelled weapons or any other missile, instrument or device whether manned or unmanned, guided or uncontrolled.

3. Submersible or semi-submersible ships, craft, weapons, devices, or apparatus of any kind, including specially designed harbour defence booms, except as required by salvage, rescue or other civilian uses, as well as all equipment, accessories, spare parts, experimental or training aids, instruments or installations as may be specially designed for the construction, testing, maintenance or housing of the same.

Category V.

1. Aircraft, assembled or unassembled, both heavier and lighter than air, which are designed or adapted for aerial combat by the use of machine guns, rocket projectors or artillery, or for the carrying and dropping of bombs, or which are equipped with, or which by reason of their design or construction are prepared for, any of the appliances referred to in sub-paragraph 2 below.

2. Aerial gun mounts and frames, bomb racks, torpedo carriers and bomb release or torpedo release mechanisms; gun turrets and blisters.

3. Equipment specially designed for and used solely by airborne troops.

4. Catapults or launching apparatus for ship-borne, land- or sea-based aircraft; apparatus for launching aircraft weapons.

5. Barrage balloons.

Category VI.

Asphyxiating, lethal, toxic or incapacitating substances intended for war purposes, or manufactured in excess of civilian requirements.

Category VII.

Propellants, explosives, pyrotechnics or liquefied gases destined for the propulsion, explosion, charging or filling of, or for use in connection with, the war material in the present categories, not capable of civilian use or manufactured in excess of civilian requirements.

Category VIII.

Factory and tool equipment specially designed for the production and maintenance of the material enumerated above and not technically convertible to civilian use.

D. Definition of the terms "demilitarisation" and "demilitarised"

(See articles 11, 14, 49 and article 3 of annex VI)

For the purpose of the present Treaty the terms "demilitarisation" and "demilitarised" shall be deemed to prohibit, in the territory and territorial waters concerned, all naval, military and military air installations, fortifications and their armaments; artificial military, naval and air obstacles; the basing or the permanent or temporary stationing of military, naval and military air units; military training in any form; and the production of war material. This does not prohibit internal security personnel restricted in number to meeting tasks of an internal character and equipped with weapons which can be carried and operated by one person, and the necessary military training of such personnel.

ANNEX XIV. ECONOMIC AND FINANCIAL PROVISIONS RELATING TO CEDED TERRITORIES

1. The Successor State shall receive, without payment, Italian State and para-statal property within territory ceded to it under the present Treaty, as well as all relevant archives and documents of an administrative character or historical value concerning the territory in question, or relating to property transferred under this paragraph.

The following are considered as State or para-statal property for the purposes of this Annex: movable and immovable property of the Italian State, of local authorities and of public institutions and publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations.

2. All transfers effected after September 3, 1943, of Italian State and para-statal property as defined in paragraph 1 above shall be deemed null and void. This provision shall not, however, extend to lawful acts relating to current operations of State and para-statal agencies in so far as they concern the sale, within normal limits, of goods ordinarily produced or sold by them in the execution of normal commercial arrangements or in the normal course of governmental administrative activities.

3. Italian submarine cables connecting points in ceded territory, or connecting a point in ceded territory with a point in other territory of the Successor State, shall be deemed to be Italian property in the ceded territory, despite the fact that lengths of these cables may lie outside territorial waters. Italian submarine cables connecting a point in ceded territory with a point outside the jurisdiction of the Successor State shall be deemed to be Italian property in ceded territory so far as concerns the terminal facilities and the lengths of cables lying within territorial waters of the ceded territory.

4. The Italian Government shall transfer to the Successor State all objects of artistic, historical or archaeological value belonging to the cultural heritage of the ceded territory, which, while that territory was under

Italian control, were removed therefrom without payment and are held by the Italian Government or by Italian public institutions.

5. The Successor State shall make arrangements for the conversion into its own currency of Italian currency held within the ceded terrritory by persons continuing to reside in the said territory or by juridical persons continuing to carry on business there. Full proof of the source of the funds to be converted may be required from their holders.

6. The Government of the Successor State shall be exempt from the payment of the Italian public debt, but will assume the obligations of the Italian State towards holders who continue to reside in the ceded territory, or who, being juridical persons, retain their siège social or principal place of business there, in so far as these obligations correspond to that portion of this debt which has been issued prior to June 10, 1940, and is attributable to public works and civil administrative services of benefit to the said territory but not attributable directly or indirectly to military purposes.

Full proof of the source of such holdings may be required from the holders.

The Successor State and Italy shall conclude arrangements to determine the portion of the Italian public debt referred to in this paragraph and the methods for giving effect to these provisions.

7. Special arrangements shall be concluded between the Successor State and Italy to govern the conditions under which the obligations of Italian public or private social insurance organizations towards the inhabitants of the ceded territory, and a proportionate part of the reserves accumulated by the said organizations, shall be transferred to similar organizations in the Successor State.

Similar arrangements shall also be concluded between the Successor State and Italy to govern the obligations of public and private social insurance organizations whose siège social is in the ceded territory, with regard to policy holders or subscribers residing in Italy.

8. Italy shall continue to be liable for the payment of civil or military pensions earned, as of the coming into force of the present Treaty, for service under the Italian State, municipal or other local government authorities, by persons who under the Treaty acquire the nationality of the Successor State, including pension rights not yet matured. Arrangements shall be concluded between the Successor State and Italy providing for the method by which this liability shall be discharged.

9. The property, rights and interests of Italian nationals permanently resident in the ceded territories at the coming into force of the present Treaty shall, provided they have been lawfully acquired, be respected on a basis of equality with the rights of nationals of the Successor State.

The property, rights and interests within the ceded territories of other Italian nationals and also of Italian juridical persons, provided they have been lawfully acquired, shall be subject only to such legislation as may be enacted from time to time regarding the property of foreign nationals and juridical persons generally.

Such property, rights and interests shall not be subject to retention or liquidation under the provisions of Article 79 of the present Treaty, but shall be restored to their owners freed from any measures of this kind and from any other measure of transfer, compulsory administration or sequestration taken between September 3, 1943, and the coming into force of the present Treaty.

10. Persons who opt for Italian nationality and move to Italy shall be permitted, after the settlement of any debts or taxes due from them in ceded territory, to take with them their movable property and transfer their funds, provided such property and funds were lawfully acquired. No export or import duties will be imposed in connection with the moving of such property. Further, they shall be permitted to sell their movable and immovable property under the same conditions as nationals of the Successor State.

The removal of property to Italy will be effected under conditions and within the limits agreed upon between the Successor State and Italy. The conditions and the time periods of the transfer of the funds, including the proceeds of sales, shall likewise be agreed.

11. The property, rights and interests of former Italian nationals, resident in the ceded territories, who become nationals of another State under the present Treaty, existing in Italy at the coming into force of the Treaty, shall be respected by Italy in the same measure as the property, rights and interests of United Nations nationals generally.

Such persons are authorized to effect the transfer and the liquidation of their property, rights and interests under the same conditions as may be established under paragraph 10 above.

12. Companies incorporated under Italian law and having siège social in the ceded territory, which wish to remove siège social to Italy, shall likewise be dealt with under the provisions of paragraph 10 above, provided that more than fifty per cent. of the capital of the company is owned by persons usually resident outside the ceded territory, or by persons who opt for Italian nationality under the present Treaty and who move to Italy, and provided also that the greater part of the activity of the company is carried on outside the ceded territory.

13. Debts owed by persons in Italy to persons in the ceded territory or by persons in the ceded territory to persons in Italy shall not be affected by the cession. Italy and the Successor State undertake to facilitate the settlement of such obligations. As used in this paragraph, the term "persons" includes juridical persons.

14. The property in ceded territory of any of the United Nations and its nationals, if not already freed from Italian measures of sequestration or control and returned to its owner, shall be returned in the condition in which it now exists.

15. The Italian Government recognizes that the Brioni Agreement of August 10, 1942, is null and void. It undertakes to participate with the other signatories of the Rome Agreement of May 29, 1923, in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provides.

16. Italy shall return property unlawfully removed after September 3, 1943, from ceded territory to Italy. Paragraphs 2, 3, 4, 5 and 6 of Article 75 shall govern the application of this obligation except as regards property provided for elsewhere in this Annex.

17. Italy shall return to the Successor State in the shortest possible time any ships in Italian possession which were owned on September 3, 1943, by natural persons resident in ceded territory who acquire the nationality of the Successor State under the present Treaty, or by Italian juridical persons having and retaining siège social in ceded territory, except any ships which have been the subject of a bona fide sale.

18. Italy and the Successor States shall conclude agreements providing for a just and equitable apportionment of the property of any existing local authority whose area is divided by any frontier settlement under the present Treaty, and for a continuance to the inhabitants of necessary communal services not specifically covered in other parts of the Treaty.

Similar agreements shall be concluded for a just and equitable allocation of rolling stock and railway equipment and of dock and harbour craft and equipment, as well as for any other outstanding economic matters not covered by this Annex.

19. The provisions of this Annex shall not apply to the former Italian Colonies. The economic and financial provisions to be applied therein will form part of the arrangements for the final disposal of these territories pursuant to Article 23 of the present Treaty.

ANNEX XV. SPECIAL PROVISIONS RELATING TO CERTAIN KINDS OF PROPERTY

A. Industrial, literary and artistic property

1. (a) A period of one year from the coming into force of the present Treaty shall be accorded to the Allied and Associated Powers and their nationals without extension fees or other penalty of any sort in order to enable them to accomplish all necessary acts for the obtaining or preserving in Italy of rights in industrial, literary and artistic property which were not capable of accomplishment owing to the existence of a state of war.

(b) Allied and Associated Powers or their nationals who had duly applied in the territory of any Allied or Associated Power for a patent or registration of a utility model not earlier than twelve months before the outbreak of the war with Italy or during the war, or for the registration of an industrial design or model or trade mark not earlier than six months before the outbreak of the war with Italy or during the war, shall be entitled within twelve months after the coming into force of the present Treaty to apply for corresponding rights in Italy, with a right of priority based upon the previous filing of the application in the territory of that Allied or Associated Power.

(c) Each of the Allied and Associated Powers and its nationals shall be accorded a period of one year from the coming into force of the present Treaty during which they may institute proceedings in Italy against those natural or juridical persons who are alleged illegally to have infringed their rights in industrial, literary or artistic property between the date of the outbreak of the war and the coming into force of the present Treaty.

2. A period from the outbreak of the war until a date eighteen months after the coming into force of the present Treaty shall be excluded in determining the time within which a patent must be worked or a design or trade mark used.

3. The period from the outbreak of the war until the coming into force of the present Treaty shall be excluded from the normal term of rights in industrial, literary and artistic property which were in force in Italy at the outbreak of the war or which are recognised or established under part A of this Annex, and belong to any of the Allied and Associated Powers or their nationals. Consequently, the normal duration of such rights shall be deemed to be automatically extended in Italy for a further term corresponding to the period so excluded.

4. The foregoing provisions concerning the rights in Italy of the Allied and Associated Powers and their nationals shall apply equally to the rights in the territories of the Allied and Associated Powers of Italy and its nationals. Nothing, however, in these provisions shall entitle Italy or its nationals to more favourable treatment in the territory of any of the Allied and Associated Powers than is accorded by such Power in like cases to other United Nations or their nationals, nor shall Italy be required thereby to accord to any of the Allied and Associated Powers or its nationals more favourable treatment than Italy or its nationals receive in the territory of such Power in regard to the matters dealt with in the foregoing provisions.

5. Third parties in the territories of any of the Allied and Associated Powers or Italy who, before the coming into force of the present Treaty, had bona fide acquired industrial, literary or artistic property rights conflicting with rights restored under part A of this Annex or with rights obtained with

the priority provided thereunder, or had bona fide manufactured, published, reproduced, used or sold the subject matter of such rights, shall be permitted, without any liability for infringement, to continue to exercise such rights and to continue or to resume such manufacture, publication, reproduction, use or sale which had been bona fide acquired or commenced. In Italy, such permission shall take the form of a non-exclusive license granted on terms and conditions to be mutually agreed by the parties thereto or, in default of agreement, to be fixed by the Conciliation Commission established under Article 83 of the present Treaty. In the territories of each of the Allied and Associated Powers, however, bona fide third parties shall receive such protection as is accorded under similar circumstances to bona fide third parties whose rights are in conflict with those of the nationals of other Allied and Associated Powers.

6. Nothing in part A of this Annex shall be construed to entitle Italy or its nationals to any patent or utility model rights in the territory of any of the Allied and Associated Powers with respect to inventions, relating to any article listed by name in the definition of war material contained in Annex XIII of the present Treaty, made, or upon which applications were filed, by Italy, or any of its nationals, in Italy or in the territory of any other of the Axis Powers, or in any territory occupied by the Axis forces, during the time when such territory was under the control of the forces or authorities of the Axis Powers.

7. Italy shall likewise extend the benefits of the foregoing provisions of this Annex to United Nations, other than Allied or Associated Powers, whose diplomatic relations with Italy have been broken off during the war and which undertake to extend to Italy the benefits accorded to Italy under the said provisions.

8. Nothing in part A of this Annex shall be understood to conflict with Articles 78 79 and 81 of the present Treaty.

B. Insurance

1. No obstacles, other than any applicable to insurers generally, shall be placed in the way of the resumption by insurers who are United Nations nationals of their former portfolios of business.

2. Should an insurer, who is a national of any of the United Nations, wish to resume his professional activities in Italy, and should the value of the guarantee deposits or reserves required to be held as a condition of carrying on business in Italy be found to have decreased as a result of the loss or depreciation of the securities which constituted such deposits or reserves, the Italian Government undertakes to accept, for a period of eighteen months, such securities as still remain as fulfilling any legal requirements in respect of deposits and reserves.

ANNEX XVI. CONTRACTS, PRESCRIPTION AND NEGOTIABLE INSTRUMENTS

A. Contracts

1. Any contract which required for its execution intercourse between any of the parties thereto having become enemies as defined in part D of this Annex, shall, subject to the exceptions set out in paragraphs 2 and 3 below, be deemed to have been dissolved as from the time when any of the parties thereto became enemies. Such dissolution, however, is without prejudice to the provisions of Article 81 of the present Treaty, nor shall it relieve any party to the contract from the obligation to repay amounts received as advances or as payments on account and in respect of which such party has not rendered performance in return.

2. Notwithstanding the provisions of paragraph 1 above, there shall be excepted from dissolution and, without prejudice to the rights contained in Article 79 of the present Treaty, there shall remain in force such parts of any contract as are severable and did not require for their execution intercourse between any of the parties thereto, having become enemies as defined in part D of this Annex. Where the provisions of any contract are not so severable, the contract shall be deemed to have been dissolved in its entirety. The foregoing shall be subject to the application of domestic laws, orders or regulations made by any of the Allied and Associated Powers having jurisdiction over the contract or over any of the parties thereto and shall be subject to the terms of the contract.

3. Nothing in part A of this Annex shall be deemed to invalidate transactions lawfully carried out in accordance with a contract between enemies if they have been carried out with the authorization of the Government of one of the Allied and Associated Powers.

4. Notwithstanding the foregoing provisions, contracts of insurance and re-insurance shall be subject to separate agreements between the Government of the Allied or Associated Power concerned and the Government of Italy.

B. Periods of prescription

1. All periods of prescription or limitation of right of action or of the right to take conservatory measures in respect of relations affecting persons or property, involving United Nations nationals and Italian nationals who, by reason of the state of war, were unable to take judicial action or to comply with the formalities necessary to safeguard their rights, irrespective of whether these periods commenced before or after the outbreak of war, shall be regarded as having been suspended, for the duration of the war, in Italian territory on the one hand, and on the other hand in the territory of those United Nations which grant to Italy, on a reciprocal basis, the benefit of the provisions of this paragraph. These periods shall begin to run again on the coming into force of the present Treaty. The provisions of this paragraph shall be applicable in regard to the periods fixed for the presentation of interest or dividend coupons or for the presentation for payment of securities drawn for repayment or repayable on any other ground.

2. Where, on account of failure to perform any act or to comply with any formality during the war, measures of execution have been taken in Italian territory to the prejudice of a national of one of the United Nations, the Italian Government shall restore the rights which have been detrimentally affected. If such restoration is impossible or would be inequitable, the Italian Government shall provide that the United Nations national shall be afforded such relief as may be just and equitable in the circumstances.

C. Negotiable instruments

1. As between enemies, no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment, or to give notice of non-acceptance or non-payment to drawers or endorsers, or to protest the instrument, nor by reason of failure to complete any formality during the war.

2. Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or endorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment, or protest may be made.

3. If a person has, either before or during the war, incurred obligations under a negotiable instrument in consequence of an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of these obligations, notwithstanding the outbreak of war.

D. Special provisions

1. For the purposes of this Annex, natural or juridical persons shall be regarded as enemies from the date when trading between them shall have become unlawful under laws, orders or regulations to which such persons or the contracts were subject.

2. Having regard to the legal system of the United States of America, the provisions of this Annex shall not apply as between the United States of America and Italy.

ANNEX XVII. PRIZE COURTS AND JUDGMENTS

A. Prize courts

Each of the Allied and Associated Powers reserves the right to examine, according to a procedure to be established by it, all decisions and orders of the Italian Prize Courts in cases involving ownership rights of its nationals, and to recommend to the Italian Government that revision shall be undertaken of such of those decisions or orders as may not be in conformity with international law.

The Italian Government undertakes to supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued, and to accept all recommendations made as a result of the examination of the said cases, and to give effect to such recommendations.

B. Judgments

The Italian Government shall take the necessary measures to enable nationals of any of the United Nations at any time within one year from the coming into force of the present Treaty to submit to the appropriate Italian authorities for review any judgment given by an Italian court between June 10, 1940, and the coming into force of the present Treaty in any proceeding in which the United Nations national was unable to make adequate presentation of his case either as plaintiff or defendant. The Italian Government shall provide that, where the United Nations national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances. The term "United Nations nationals" includes corporations or associations organised or constituted under the laws of any of the United Nations.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty and have affixed thereto their seals.

Done in the city of Paris in the French, English, Russian and Italian languages this tenth day of February, One Thousand Nine Hundred and Forty-Seven.

Here follow the signatures of the Plenipotentiaries of Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, China, France, Australia, Belgium, Byelorussian Soviet Socialist Republic, Brazil, Canada, Czechoslovakia, Ethiopia, Greece, India, The Netherlands, New Zealand, Poland, Ukrainian Soviet Socialist Republic, Union of South Africa, People's Federal Republic of Yugoslavia, Italy.

Mr. VANDENBERG. Mr. President, I should like to make the announcement that, if I can arrange it with the Presiding Officer of the Senate, I hope I may be recognized tomorrow at 12 o'clock to discuss the Italian Treaty.

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

RECESS

Mr. WHITE. Mr. President, if the Senator from Michigan has received satisfactory assurances, I now move, as in executive session, that the Senate stand in recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 4 o'clock and 17 minutes p. m.), as in executive session, the Senate took a recess until tomorrow, Tuesday, June 3, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of April 21), 1947:

BUREAU OF INTERNAL REVENUE

Charles Oliphant, of Maryland, to be Assistant General Counsel for the Bureau of Internal Revenue, in place of John Philip Wenchel, resigned.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be dental surgeon (equivalent to the Army rank of major), effective date of oath of office:

Robert M. Stephan

To be pharmacist (equivalent to the Army rank of major), effective date of oath of office:

George F. Archambault

To be senior assistant scientists (equivalent to the Army rank of captain), effective date of oath of office:

Herbert A. Sober	William C. Frohne
Isadore Zipkin	Richard P. Dow
Frederick L. Stone	Roy F. Fritz
Milton Silverman	Ralph C. Barnes
Libero Ajello	Joseph Greenberg
Alan W. Donaldson	John H. Hughes
Louis J. Olivier	Harold B. Robinson
Harry J. Bennett	Elmer G. Berry

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of oath of office:

Louis B. Thomas	Joseph Leighton
Donn G. Mosser	C. Brooks Fry, Jr.
Alan D. Miller	Robert D. Dooley
Luther E. Smith	Stuart M. Sessoms
A. McChesney Evans	James J. Thorpe
Donald Harting	Robert M. Farrier
Robert E. Westfall	Charles C. Griffin, Jr.
William T. Meszaros	Joseph E. Clark
Sheldon Dray	Francis P. Nicholson
Cornelius J. Donovan	Raymond N. Brown
	Frederic D. Regan

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of oath of office:

Birdsall N. Carle	R. Carl Millican
Pasquale J. Pesare	Ross A. Snider
Clinton C. Powell	Carl R. Kunstling
Eliah M. Nadel	Marvin O. Lewis
J. Russell Mitchell	

CALIFORNIA DEBRIS COMMISSION

Col. Dwight F. Johns, Corps of Engineers, for appointment as President, California Debris Commission, provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Debris Commission and regulate hydraulic mining in the State of California," vice Col. Edwin H. Marks, Corps of Engineers, to be relieved.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Richard J. Ozley, Columbiana, Ala., in place of C. E. Niven, retired.

ARKANSAS

Clarence W. Chalfant, Augusta, Ark., in place of C. S. Airheart, deceased.

Clayton C. Smith, Hatfield, Ark., in place of H. P. Johnson, transferred.

Leo J. Schreick, Osceola, Ark., in place of G. M. Doyle, deceased.

CALIFORNIA

Howard I. Hollen, Brookdale, Calif. Reestablished June 25, 1945.

David T. Prenter, Dana Point, Calif., in place of L. L. Russell, resigned.

Dexter H. Wilson, Death Valley, Calif., in place of Louise Brown, resigned.

Ralph L. McKenna, Glendora, Calif., in place of J. A. Lee, removed.

FLORIDA

Theodore L. Latimer, Deleon Springs, Fla., in place of Flode Jones, retired.

GEORGIA

Miriam R. Boykin, Halcyon Dale, Ga., in place of Ruby Robarts, resigned.

ILLINOIS

Emil J. Sepich, Canton, Ill., in place of S. W. Ash, resigned.

Arthur Lloyd Sinclair, Kansas, Ill., in place of G. E. Boyer, transferred.

Adam A. Munsterman, Nameoki, Ill., in place of J. A. Miller, resigned.

T. Arthur Dyson, Palmer, Ill. Office became Presidential July 1, 1944.

James F. Hartman, Sadorus, Ill., in place of C. A. Holl, resigned.

IOWA

Willard G. Spangler, Everly, Iowa, in place of A. L. Meyer, deceased.

Elmer A. Jacobson, Larrabee, Iowa. Office became Presidential July 1, 1945.

Lloyd G. Andersen, Nora Springs, Iowa, in place of W. H. Lucas, deceased.

KANSAS

Frank C. McNutt, Woodston, Kans., in place of J. L. Morrissey, transferred.

KENTUCKY

Bonnye B. Davidson, Hardyville, Ky., in place of C. V. Ross, resigned.

LOUISIANA

William O. Woodward, Dubach, La., in place of R. L. Colvin, resigned.

Alton I. Carter, Jonesville, La., in place of E. R. Ford, retired.

MASSACHUSETTS

George F. Swansey, Hyannis, Mass., in place of E. T. Murphy, resigned.

Maxwell S. Gifford, Rochester, Mass., in place of A. W. Nelson, retired.

MICHIGAN

Sena G. Pierce, Caledonia, Mich., in place of Cornelius Oosta, resigned.

C. Gordon Osborn, Hart, Mich., in place of E. G. Corbin, deceased.

Waverly H. Ketchum, Interlochen, Mich. Office become Presidential July 1, 1945.

Clarence J. O'Hearn, Marne, Mich., in place of G. M. O'Hearn, deceased.

Stanley W. Franke, South Rockwood, Mich., in place of J. L. Wyman, deceased.

Rosella B. Moyer, Temperance, Mich., in place of H. E. Wassam, resigned.

MINNESOTA

Lester L. Matzke, Bingham Lake, Minn., in place of J. O. Low, transferred.

Peter B. Kiselewski, Browerville, Minn., in place of L. F. Masonick, resigned.

Irvin R. Johnson, Clarks Grove, Minn., in place of Adolph Johnson, deceased.

Russell McCormack, Garden City, Minn., in place of A. D. McCormack, resigned.

Otto C. Drenckhahn, Goodhue, Minn., in place of B. A. Gorman, deceased.

MISSOURI

Helen E. Jameson, McFall, Mo., in place of B. R. Treasure, resigned.

T. Ray Gourley, Phillipsburg, Mo., in place of F. E. Dennis, retired.

MONTANA

William L. Reed, Deer Lodge, Mont., in place of Robert Midtlyng, resigned.

Frank B. Farr, Lame Deer, Mont., in place of M. M. Beckman, resigned.

NEBRASKA

Cyrus F. McDowell, Chadron, Nebr., in place of R. L. Isham, resigned.

Leslie W. Niel, Plattsmouth, Nebr., in place of M. W. Price, resigned.

NEW YORK

Albert B. Hadden, Jr., Liberty, N. Y., in place of B. R. Gerow, resigned.

Willis R. Marks, Margaretville, N. Y., in place of W. J. Merritt, resigned.

Edward G. McAneny, Norton Hill, N. Y. Office became Presidential July 1, 1945.

Joseph M. Beirne, Willsboro, N. Y., in place of L. L. Baker, deceased.

NORTH CAROLINA

Ruby P. Edwards, Bolivia, N. C., in place of S. P. Cox, resigned.

Henry Max Gunter, Bostic, N. C., in place of B. B. McCurry, resigned.

Ida B. Parker, Shallotte, N. C., in place of W. R. Holmes, removed.

Wesley G. Cromer, Skyland, N. C., in place of G. W. Morgan, resigned.

NORTH DAKOTA

Madelyn F. Moulsoff, Barney, N. Dak., in place of J. E. Little, resigned.

Ruth O. Cavanaugh, Velva, N. Dak., in place of N. J. Krebsbach, deceased.

OHIO

Harry B. Bavis, Bowling Green, Ohio, in place of F. W. Thomas, resigned.

Woodrow E. Cecil, Caldwell, Ohio, in place of A. C. Barnhouse, deceased.

Mary C. Debney, Corning, Ohio, in place of Virgil Davis, resigned.

OKLAHOMA

Sherban H. Fisk, Walters, Okla., in place of J. M. Williams, transferred.

OREGON

Creighton Wayne Flynn, Sheridan, Oreg., in place of R. N. Johnson, resigned.

PENNSYLVANIA

John W. Venables, Tarentum, Pa., in place of J. H. Stewart, retired.

SOUTH DAKOTA

Herby J. Bakkehaug, McIntosh, S. Dak., in place of M. W. Funk, resigned.

TEXAS

Melvin L. Ritchey, Hale Center, Tex., in place of C. A. Moreman, resigned.

Bailey Hair, Olton, Tex., in place of J. F. Wiles, retired.

J. Leonard Gibson, Pickton, Tex., in place of W. J. Allison, deceased.

VERMONT

Francess H. Holden, Chester Depot, Vt., in place of C. R. Hazen, retired.

Bernard H. Lilley, Hyde Park, Vt., in place of O. N. Campbell, resigned.

VIRGINIA

Walter Sherwood Overton, Burkeville, Va., in place of M. R. Bostick, resigned.

Herbert Wallace Francis, Capron, Va., in place of Mary Drewry, resigned.

WASHINGTON

Margaret M. Learned, Hadlock, Wash. Office became Presidential July 1, 1943.

Wilma M. Strutzel, Monitor, Wash., in place of L. W. Strutzel, resigned.

WISCONSIN

Ruth E. Score, Elk Mound, Wis., in place of H. W. Paff, retired.

Albert G. Willgrubs, Norwalk, Wis., in place of H. T. Karis, deceased.

Jay P. Phillips, Palmyra, Wis., in place of C. S. Thayer, resigned.

Otis L. Holman, Westby, Wis., in place of R. M. Grimsrud, resigned.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 2, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, in this gladsome season, when all nature responds to Thy beneficent hand, we pray Thee to free our hearts for work and to possess all our powers to do Thy will. Let us not concern ourselves how others do their duty, but how we shall do ours. Forbid that we should shun the load, however heavy, but be strong in the Lord and faint not.

O God, we beseech Thee to release our land from the abuses of freedom and from the uncontrolled individual whose thought is to do as he pleases. Touch the heart of every lover of liberty to exercise each day the ethics of the Golden Rule. Defend us, O Lord, from all perils and dangers and sudden death, and arouse us against the indifferent and reckless ones who violate the safety and sacredness of human life. We are appalled when we think of the darkened homes that wait in sorrowing loneliness; O God, have mercy upon them and give them peace.

"Cure Thy children's warring madness,
Bend our pride to Thy control;
Shame our wanton, selfish gladness,
Rich in things and poor in soul.
Grant us wisdom, grant us courage,
Lest we miss Thy kingdom's goal."

We humbly pray in Thy holy name, Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, May 29, 1947, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 27, 1947:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

On May 29, 1947:

H. R. 3029. An act to provide for the acquisition of a site and for preparation of plans and specifications for a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia.

On May 31, 1947:

H. R. 236. An act to amend the Nationality Act of 1940 so as to permit naturalization proceedings to be had at places other than in the office of the clerk or in open court in the case of sick or physically disabled individuals;

H. R. 384. An act for the relief of W. H. Baker and Walter Baker;

H. R. 428. An act for the relief of Charles N. Bemis;

H. R. 444. An act for the relief of the estate of Archie S. Woods, deceased;

H. R. 603. An act to amend an act of September 27, 1944, relating to credit for military or naval service in connection with certain homestead entries;

H. R. 1494. An act for the relief of the estate of Nellie P. Dunn, deceased;

H. R. 1844. An act to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes;

H. R. 2094. An act for the relief of Isaac B. Jones; and

H. J. Res. 153. Joint resolution providing for relief assistance to the people of countries devastated by war.

EXTENSION OF REMARKS

Mr. ROSS, Mr. ANDERSON of California, and Mr. MILLER of Maryland asked and were given permission to extend their remarks in the Appendix of the RECORD.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include the first of a series of broadcasts on the Panama Canal by our late colleague, the Honorable Fred Bradley.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the San Francisco News with reference to the tenth anniversary of the Golden Gate Bridge.

Mr. WEICHEL asked and was given permission to extend his remarks in the Appendix of the RECORD and include news items.

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a memorial address by the gentleman from New York [Mr. KEATING].

AIR-LINE DISASTERS

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, during the past week end there occurred the two worst air-line disasters that have happened in the history of American commercial aviation. With respect to the United Air Lines accident at LaGuardia Field, I believe it to have been inexcusable, and I charge the Civil Aeronautics Administration and the Civil Aeronautics Board with gross carelessness, irresponsible administration, and dereliction of duty. I urge that there be an immediate full-dress, gloves-off congressional inquiry into the causes of these accidents and into these two agencies.

After visiting the scene of the accident on Thursday evening, I wired the gentleman from New Jersey, the Honorable CHARLES A. WOLVERTON, urging such an inquiry. A further investigation the following day confirmed my belief that an inquiry should be made. My findings lead me to believe that an investigation will substantiate my charges against the CAA and the CAB. Later in the day I shall seek unanimous consent to discuss this more fully.

HELPING THE COMMUNISTS

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, only a few days ago the Congress provided a $400,000,000 fund for Greek-Turkish aid. During the debate it was a matter of common knowledge that the real purpose of the fund is to stop Russian aggression in eastern Europe. It was also set forth, time after time, that the present Government of Yugoslavia is a creature of the Soviet and that aid for Tito is, in effect, support for the spread of communism.

I hold in my hand a photograph of heavy machinery, made in America, being loaded into a ship at Long Beach, Calif., a few days ago, for shipment to Yugoslavia under the account and authority of UNRRA, for which the United States contributed the greater part of the money.

Are we fish or fowl?

We tax our people for immense sums to stop communism and, at the same time, we furnish gratis heavy machinery to help Communists prepare to oppose us.

Is it that our right hand does not know what our left hand is doing—or are Americans just plain dumb?

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the Government, and the Congress, too, has to eliminate some of the laws that have been passed during the past administration if we are going to stop this?

Mr. BRADLEY. I think the gentleman is completely right.

EXTENSION OF REMARKS

Mr. ARNOLD (at the request of Mr. COLE of Missouri) was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks in the RECORD and include an address made by a distinguished former Member of the House, Clare Boothe Luce.

Mr. BUCK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial on the labor bill, which editorial is taken from the Saturday Evening Post of May 31.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper editorials and articles.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a speech which he recently made.

AIR ACCIDENTS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, to those who have expressed concern over the two recent air accidents, it may be of interest to know that the chairman of my committee, the gentleman from New Jersey [Mr. WOLVERTON], has designated a group which has been especially engaged in the subject of safety in air navigation. Although the entire committee has been engaged in this study, this special subcommittee is composed of myself as chairman, the gentleman from Minnesota [Mr. O'HARA], the gentleman from Pennsylvania [Mr. SCOTT], the gentleman from North Carolina [Mr. BULWINKLE], and the gentleman from Tennessee [Mr. PRIEST], who will sit in on the CAB investigation of these two accidents.

It may also interest you to know that in the truck and bus field there have been 4,239 accidents in the first 3 months of this year which have resulted in the death of 373 persons and the injury of 4,600 others. In the railroad field there have been a number of accidents which resulted in the death of 1,101 persons and 13,896 injured. Thirty-two of those persons killed were passengers and 995 of the persons injured were passengers.

Mr. Speaker, we are going to have some accidents regardless. You may expect other accidents. They occur every day. You may read the morning paper and find that people have been killed in the city of Washington every day. These air accidents are particularly spectacular but they are not to be unexpected, but the insurance companies are willing to bet you $5,000 of their money against your 25 cents that you will be safe when you take a ride on either railroad, bus, or airplane. It does not make any difference; they make you the same bet on all of them.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to my colleague from California.

Mr. McDONOUGH. Are there any facts known as to whether these accidents have occurred from surplus planes that have been taken over and that have not been thoroughly examined?

Mr. HINSHAW. No. That might be true, but I doubt that it would have any influence in the matter whatsoever because all of these planes are thoroughly overhauled or rebuilt before they are allowed to be used. They are proven by flight tests before they are allowed to be used in commercial service.

The SPEAKER. The time of the gentleman from California has expired.

LABOR LEGISLATION

Mr. OWENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, the House and Senate conferees with respect to labor legislation have completed their work and we will be called upon to pass on the conference report in a few days.

One of the most important, if not the most important portion, in my opinion, of the bill that we prepared, H. R. 3020, was a division of the prosecuting and judicial functions. In the conference report that is about to be presented to us those functions are still to remain in one body. This constitutes a complete disregard of the wishes of the American people. I believe we should act upon this matter, and I intend to take some action thereon when the conference report comes before us on Wednesday. It would be a disgrace for the House to permit such a measure to go out to the people after the complaints of the past 12 years, since the passage of the National Labor Relations Act, with respect to the consolidation of powers in one body, and the evils resulting therefrom.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Grand Rapids (Mich.) Herald.

Mr. BOYKIN asked and was given permission to extend his remarks in the RECORD.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD in three instances and to include in each editorials.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an eloquent address delivered by the Reverend Daniel J. Driscoll.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Boston Herald.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a petition signed by 55 farmers and businessmen of Audubon County, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, under leave to extend my own remarks at this point in the RECORD, I include a petition from citizens of Audubon County:

To Hon. BOURKE B. HICKENLOOPER, Hon. GEORGE A. WILSON, United States Senators from Iowa; and to Hon. THOMAS E. MARTIN, Hon. HENRY O. TALLE, Hon. JOHN W. GWYNNE, Hon. K. M. LECOMPTE, Hon. PAUL CUNNINGHAM, Hon. JAMES I. DOLLIVER, Hon. BEN F. JENSEN, Hon. CHARLES B. HOEVEN, Members of Congress from Iowa.

GENTLEMEN: The farmers of Audubon County, Iowa, and in particular the members of the Audubon County Agricultural Adjustment Agency and those participating under the agricultural conservation program, are very much disturbed over the severe reduction apparently contemplated and which has taken form at present in the recommendation of the Committee on Appropriations in the lower House of Congress. They feel that the conservation program is now at a critical stage in which it either must continue or fail.

As Iowa is largely an agricultural State and the prosperity of our country to a great extent depends upon successful agriculture, and that the conservation program has been tried and found effective, anything that will reduce its efficiency at this particular time cannot otherwise be anything but a retarding influence in the prosperity of our country. We feel that the conservation program cannot continue as effective with the severe proposed reduction now being made by certain committees in the lower House of Congress.

Therefore, we respectfully urge and request you as Representatives in Congress of the State of Iowa, that you use all reasonable efforts to see that funds are appropriated in a reasonable amount, so that the conservation program may continue effectively.

Respectfully submitted.

(This petition was signed by 55 farmers and businessmen of Audubon County, Iowa.)

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include a letter and photostatic copies of other letters.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address entitled "Small Businessmen Must Become Intolerant." I am advised by the Public Printer that this will exceed two pages of the RECORD and will cost $189.34, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. RIEHLMAN asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that upon the conclusion of the legislative program and other special orders heretofore entered, I may be permitted to address the House today, tomorrow, and next day for 15 minutes, to discuss the labor bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMUNIST INFILTRATION INTO THE MOVING-PICTURE INDUSTRY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include some testimony taken by the Committee on Un-American Activities.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, two most vicious attacks on the Committee on Un-American Activities were made by cartoons in the Communist Daily Worker a few days ago, and in the Washington Post on yesterday.

These attacks were based upon the fact that, at the request of patriotic Americans, a subcommittee of the Committee on Un-American Activities went to Hollywood, Calif., to investigate one of the most dangerous Communist conspiracies this Nation has ever seen.

When the testimony taken is presented to the Congress and the American people it will be shocking, indeed.

One of the leaders of the moving-picture industry said that ever since the country had got wise to this Communist conspiracy that is writing its infamous lines into almost every moving picture, the attendance of the picture shows in this country had fallen off 23 percent; and he said the last time one of Charlie Chaplin's pictures was shown there were only eight persons present.

This is one of the most dangerous things that affect the children of America. Some of the witnesses that came before that committee said that they could take these pictures and point out the Communist line, and if you do not believe it, just go down to some of the pictures that are being shown in Washington now, and if you are even an ordinary intelligent human being, much less capable of representing your district in Congress, you can see the Communist lines yourself.

It is a part of the plan to undermine and destroy this Nation, to undermine and destroy the American way of life, to undermine and destroy the Christian civilization that our people have built after a struggle of 2,000 years.

The SPEAKER. The time of the gentleman from Mississippi has expired.

RAILROAD RETIREMENT ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 289)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations:

To the Congress of the United States:

In compliance with the provisions of section 10 (b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12 (1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress the report of the Railroad Retirement Board for the fiscal year ended June 30, 1946.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 2, 1947.*

INTERSTATE COMPACT TO CONSERVE OIL AND GAS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 288)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

I transmit herewith a certified photostatic copy of an agreement, executed by the States of Alabama, Arkansas, Colorado, Florida, Kansas, Louisiana, Montana, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Texas, West Virginia, Tennessee, and Indiana, to extend for 4 years, commencing September 1, 1947, the interstate compact to conserve oil and gas. The original of this agreement, in accordance with a provision contained therein, has been deposited in the archives of the Department of State.

The original compact between the States of Oklahoma, Texas, New Mexico, Illinois, Colorado, and Kansas was first executed in February 1935 and received the consent of Congress in August 1935. Since that time the original compact, with the consent of Congress, has been thrice extended and renewed for 2-year periods and once for a period of 4 years, the last extension period expiring September 1, 1947. It is of interest to observe that the original compact, first ratified by 6 States, has now been ratified by 16. The increasing membership in this compact is especially encouraging at this time, in view of the necessity for the conservation of our resources of oil and gas.

I hope that the Congress will, by appropriate legislation, approve this extension agreement in accordance with the provisions of article I, section 10 of the Constitution of the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 2, 1947.*

(Enclosure: Certified photostatic copy of agreement.)

SAFETY IN AIR NAVIGATION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, speaking as chairman of the House Committee on Interstate and Foreign Commerce, I wish to inform the House that this committee, having legislative jurisdiction of all matters pertaining to civil aviation, has recognized the importance of making a complete study of the subject to promote safety in air navigation. This interest became immediately manifest by starting hearings by the full Committee on Interstate and Foreign Commerce within 5 days after the appointment of the committee in January last.

Because of public concern in the number of air accidents occurring during the latter part of 1946, the investigation and study became the first order of business of the committee. Starting on January 22, the committee undertook a study of the problems involved in increasing the safety of air transportation. In doing so it was well aware of the fact that despite wide publicity given to accidents in air transport both here and abroad, 1946 was the safest year in American air-line travel. It was also aware that more accidents occurred during that year in connection with noncertificated or nonscheduled air transportation and private flying than on certificated air lines.

The hearings were continued by the full committee without interruption during January, February, March, and the first part of April. A subcommittee held hearings as late as Thursday last, May 29.

In all, more than 100 witnesses have appeared before the committee, and the two-volume record of these hearings is now available, in committee print. It contains 1,485 pages.

The committee issued a preliminary report on February 19—House Report No. 59—and its final report is nearing completion and should be ready before the end of the present month.

In general, witnesses appearing before the committee fell within the following groups:

First. Representatives of Government departments and agencies having to do with air safety: Civil Aeronautics Board, Civil Aeronautics Administration, Air Coordinating Committee, Department of Commerce, Army Air Forces, United States Navy Bureau of Aeronautics, United States Weather Bureau, United States Coast Guard, National Advisory Committee for Aeronautics.

Second. Representatives of Government departments operating aircraft: Army Air Forces, Naval Air Transport Service.

Third. Representatives of organizations having to do with air transport operation: Air Line Pilots' Association, Air Transport Association, Flight Engineer Officers' Association, Airline Navigators' Association, Aircraft Owners' and Pilots' Association.

Fourth. Representatives of organizations supplying aircraft or products for use in air transportation: Aircraft manufacturers, air frame, and engines; petroleum companies; navigational aids.

Fifth. Representatives of miscellaneous organizations interested in air safety: Aero Insurance Underwriters, National Fire Protection Association.

Sixth. Airport managers.

Seventh. Air-line pilots, engineers, and navigators.

Eighth. Individuals and groups who desired to present their own ideas and opinions on the present air-safety situation and suggestions for its improvement.

The work of the committee has been directed toward discovering, through statements of witnesses who have appeared before it, the part which each of the following play in increasing and maintaining safety in air navigation:

First. The efficiency and ability of our air-transport companies;

Second. The ability of pilots;

Third. The design of our commercial aircraft;

Fourth. The soundness with which our system of air-navigation facilities is planned;

Fifth. The speed with which technical improvements in air-navigation facilities are introduced, which depends in turn on (a) the rate of technical progress—to the point where large-scale service installations are justified, (b) the rate at which funds are provided for such installations;

Sixth. The intelligence with which our safety regulations are framed;

Seventh. The efficiency with which those regulations are administered.

I also wish to report that today I appointed a subcommittee of five members to attend, as representatives of the Committee on Interstate and Foreign Commerce, the hearings to be held by the Safety Bureau of the Civil Aeronautics Board and obtain first-hand information concerning the causes of the recent air accidents that have been so shocking to all of us. The committee is composed of Messrs. HINSHAW (chairman), O'HARA, SCOTT, BULWINKLE, and PRIEST. This committee is instructed after ascertaining all procurable facts to report to the full Committee on Interstate and Foreign Commerce together with such recommendations as may seem appropriate.

SPECIAL ORDER GRANTED

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

EXTENSION OF REMARKS

Mr. COLMER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCCORMACK asked and was given permission to extend his remarks in the RECORD and include a letter and copy of a resolution.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PAY READJUSTMENT ACT

The Clerk called the bill (S. 321) to amend section 17 of the Pay Readjustment Act of 1942, so as to increase the pay of cadets and midshipmen at the service academies, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

BUREAU OF RECLAMATION

The Clerk called the bill (H. R. 1556) to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENSEN. Mr. Speaker, reserving the right to object, would the gentleman from California [Mr. WELCH] explain the bill?

Mr. WELCH. Mr. Speaker, as chairman of the Committee on Public Lands, I introduced this bill at the request of the Department of the Interior. The purpose of the bill is to expedite the work of the Department with reference to the Bureau of Reclamation.

Mr. JENSEN. Is that all of an explanation that the gentleman has?

Mr. WELCH. I believe that is all that is necessary. The bill was carefully considered and unanimously reported by the Committee on Public Lands.

Mr. JENSEN. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

SECTION 138 OF THE CRIMINAL CODE

The Clerk called the bill (S. 26) to make criminally liable persons who negligently allow prisoners in their custody to escape.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. OWENS. Mr. Speaker, reserving the right to object, will the gentleman from Pennsylvania [Mr. GRAHAM] explain the bill? I would like to ask whether that provision is negligent or reckless and willful. I would like to ask the gentleman from Pennsylvania [Mr. GRAHAM] whether or not he is going to make a person criminally liable just for negligence in permitting a person to escape or would it have to be reckless and willful.

Mr. GRAHAM. May I make this explanation? This grows out of the escape of two prisoners here from the District of Columbia jail. Both of them had been convicted of murder in the first degree. While they were incarcerated their guards negligently permitted them to escape. They were indicted, tried, and convicted. The conviction was set aside a few days ago by Judge Holtzoff who heard the case on the ground that there was not any law applicable governing the situation.

The Attorney General in the meantime prepared a bill which he submitted to us and which is now before the House for its consideration. Under the provisions of this bill it would hold those who are negligent in a degree less than those who culpably permit a prisoner to escape. The answer to your question would be, "Yes, a person who is negligent would be held for allowing a prisoner to escape."

Mr. OWENS. Just for negligence and even though the person in custody had not been convicted, even of a misdemeanor.

Mr. GRAHAM. For negligence. The line must be drawn some place and that is the answer.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. OWENS. Mr. Speaker, I object.

INTERSTATE COMMERCE ACT

The Clerk called the bill (H. R. 2759) to amend the Interstate Commerce Act, as amended, so as to provide limitations on the time within which actions may be brought for the recovery of undercharges and overcharges by or against common carriers by motor vehicle, common carriers by water, and freight forwarders.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CIVIL GOVERNMENT FOR ALASKA

The Clerk called the bill (H. R. 174) amending section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I would like to ask some questions of the Delegate from Alaska. Under existing law, it is illegal for the exploration of gold in navigable waters of the American Territories. This bill makes possible the exploration of gold mining in the rivers of Alaska. Heretofore it has been the policy of the Government to reserve the mineral rights of the Territories for the benefit of that Territory, if and when it should become a State. This bill reserves the right to the Territory of Alaska, if and when it becomes a State, to cancel the authority granted under this bill. I should like to inquire of the Delegate if the present government of the Territory of Alaska has expressed its attitude concerning the bill.

Mr. BARTLETT. Mr. Speaker, in reply to the gentleman from New York [Mr. COLE] I should like to say that the fifteenth session of the Territorial legislature in 1941 adopted a memorial addressed to the Congress asking that legislation be passed with respect to specific situations regarding the Niukluk River on the Seward Peninsula. Since then it has seemed advisable to extend the authority of the bill because I am informed that a decision of the Supreme Court was to the effect that any stream susceptible of being improved to the point of navigation could be deemed to be navigable. If that were literally construed in Alaska substantially all the gold-mining industry would have to suspend. It is our second largest industry.

I should like to say further that the authority of the War Department under the present law and regulations is not diminished by reason of any provision in this bill.

I refrained from introducing it for considerable time so that I might be satisfied that adequate provision should be made for the protection of the salmon

running in this river and other rivers that might be protected. I now believe the language of the bill will accomplish that purpose and that mining can be carried on and the fish will not be endangered. The Secretary of the Interior has adequate authority, through the Fish and Wildlife Service, to compel the suspension of mining operations if the fish runs are interfered with.

Mr. COLE of New York. The gentleman has not yet answered the question which I have raised. The gentleman pointed out that the Territorial legislature in 1941 did memorialize Congress to make mining possible as to a particular stream. That is quite a different proposition from the one we have before us today which grants blanket authority for mining operations in all streams. I think it is very important that the Congress have some official expression from the Territorial government that that government favors this bill, because it is conceivable that even though the Territory, once it becomes a State, may have the right to cancel the privileges conferred by this bill, when that right is exercised by the State, a sizable claim for money damages might be due from the State to an individual. So I suggest that if the gentleman has not had official word from the Territorial government as to this bill that we here in Congress should have that word before the bill is passed.

Mr. BARTLETT. I should like to say to the gentleman from New York that the Territorial legislature will not be in session again for 2 years. If there were literal construction of the Supreme Court decision it might have the effect of suspending practically all gold-mining operations in the Territory at this time, which, of course, would be a calamity.

Mr. COLE of New York. Of course, it is not my desire to delay the passage of the bill. I wonder if the gentleman cannot, on his own authority, as Delegate and representative of the Territory of Alaska, assure the Congress that his constituency favors this bill.

Mr. BARTLETT. I should say that the Territorial government would absolutely favor this bill so long as adequate provisions are made to protect any fish which might be in any of those streams. Those provisions are contained in the bill. I have no doubt if the legislature were in session tomorrow it would approve this bill.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Alaska some questions.

Would this authorize the mining interests to go in and block the navigation of those streams, such as the Tanana and the Yukon?

Mr. BARTLETT. Not at all, because the War Department would have the same authority with respect to navigation that it does now.

Mr. RANKIN. It would not interfere with navigation on those streams?

Mr. BARTLETT. Not in the slightest degree.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588), is further amended to read as follows:

"SEC. 26. The laws of the United States relating to mining claims, mineral locations, and rights incident thereto are hereby extended to the Territory of Alaska: *Provided*, That, subject only to the laws enacted by Congress for the protection and preservation of the navigable waters of the United States, and to the laws for the protection of fisheries, all land and shoal water between low and mean high tide on the shores, bays, and inlets of Alaska, and all land in the beds and on the shores of navigable streams below the line of high water, within the jurisdiction of the United States, shall be subject to exploration and mining for gold and other precious metals by citizens of the United States, or persons who have legally declared their intentions to become such, under such reasonable rules and regulations as the miners in organized mining districts may have heretofore made or may hereafter make governing the temporary possession thereof for exploration and mining purposes until otherwise provided by law: *Provided further*, That the rules and regulations established by the miners shall not be in conflict with the mining laws of the United States; and no exclusive permit shall be granted by the Secretary of the Interior authorizing any person or persons, corporation, or company to excavate or mine under any of said waters below low tide, and if such exclusive permit has been granted it is hereby revoked and declared null and void; but citizens of the United States or persons who have legally declared their intention to become such shall have the right to dredge and mine for gold or other precious metals in said waters, below low tide, and in the beds and on the shores of navigable streams below high water, subject to such general rules and regulations as the Secretary of the Interior may prescribe for the preservation of order; such rules and regulations shall not, however, deprive miners on the beach of the right hereby given to dump tailings into or pump from the sea opposite their claims, except where such dumping would actually obstruct navigation, and the reservation of a roadway 60 feet wide under the tenth section of the act of May 14, 1898, entitled 'An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes,' shall not apply to mineral lands or town sites."

With the following committee amendments:

Page 2, lines 5 to 9, delete the words "all land and shoal water between low and mean high tide on the shores, bays, and inlets of Alaska, and all land in the beds and on the shores of navigable streams below the line of high water" and substitute the words "and subject also to such general rules and regulations as the Secretary of the Interior may prescribe for the preservation of order and the prevention of injury to the fisheries, all land below the line of ordinary high tide on tidal waters and all land below the line of ordinary high-water mark on nontidal waters navigable in fact."

Page 2, line 22, after the word "waters", insert a comma and delete the words "below low tide."

Page 2, line 24, to page 3, line 6, substitute a period for the semicolon in line 24; delete the words "but citizens of the United States or persons who have legally declared their intention to become such shall have the right to dredge and mine for gold or other precious metals in said waters, below low tide, and in the beds and on the shores of navigable streams below high water, subject to such general rules and regulations as the Secretary of the Interior may prescribe for the preservation of order; such rules and regulations" and substitute the words "The rules and regulations prescribed by the Secretary of the Interior under this section."

Page 3, line 10, after the word "navigation", delete the comma and insert the words "or impair the fisheries."

Page 3, line 15, at the end of line 15, delete the quotation marks and insert the following: "No person shall acquire by virtue of this section any title to any land below the line of ordinary high tide or the line of ordinary high-water mark, as the case may be, of the waters described in this section. Any privileges or rights acquired hereunder with respect to mining operations in or on such land shall be terminable by any State, within the boundaries of which such land may be situated, upon the admission of such State to the Union, and such mining operations shall thereupon become subject to the laws of such State.'"

Mr. COLE of New York (interrupting the reading of the amendments). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and adopted.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASIC AUTHORITY FOR PERFORMANCE OF CERTAIN FUNCTIONS AND ACTIVITIES OF BUREAU OF RECLAMATION

Mr. JENSEN. Mr. Speaker, a few minutes ago I objected to the consideration of H. R. 1556, to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation, on the ground that sufficient explanation of the bill had not been made. Since that time the able gentleman from Washington [Mr. JONES] has explained the bill to my satisfaction. I withdraw my objection and ask unanimous consent to return to the consideration of the bill.

The SPEAKER. The gentleman from Iowa asks unanimous consent to return to the consideration of the bill (H. R. 1556) to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation.

Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in addition to other purposes for which appropriations for the Bureau of Reclamation are authorized by law, appropriations for the Bureau of Reclamation are hereby authorized for—

(a) disseminating facts, including recordings, solely in connection with the administration of the reclamation laws: *Provided*, That, to the end of avoiding wasteful duplication, this provision shall not be construed as authorizing the dissemination information which other Federal agencies are specifically authorized to distribute and are regularly engaged in distributing;

(b) refunds of overcollections and deposits for other purposes under the reclamation laws;

(c) payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers, or employees, in the survey, construction, operation, or maintenance of irrigation works;

(d) payment of rewards, when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property;

(e) payment on behalf of the Northport Irrigation District to the Farmers' Irrigation District for carriage of water;

(f) official telephone service in the field in the case of official telephones installed in private homes when authorized under regulations established by the Secretary of the Interior;

(g) operation and maintenance of camps and other facilities turned over by construction contractors and similar facilities and the furnishing of services related thereto on the Columbia Basin project, Washington.

SEC. 2. Revenues received from the lease of marginal lands, Tule Lake division (Klamath project, Oregon-California), shall be available for refunds to the lessees in such cases where it becomes necessary to make refunds because of flooding, or other reasons within the terms of such leases.

With the following committee amendment:

Page 2, line 1, after the word "dissemination" insert the word "of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TITLE 28, UNITED STATES CODE

The Clerk called the bill (H. R. 3214) to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. ROBSION. Mr. Speaker, reserving the right to object, and I shall not, there is some difference of opinion between the members of the Ways and Means Committee and the Judiciary Committee. I understand the gentleman from Minnesota [Mr. KNUTSON] and perhaps one or two other members of the Committee on Ways and Means have been named to confer with members of the Judiciary Committee so that perhaps we can iron out the differences. I do not therefore object. I have agreed with the gentleman from Minnesota [Mr. KNUTSON] and others, that the bill may be passed over without prejudice. It will come up again 2 weeks from today.

Mr. Speaker, for the information of the House, the bill passed over without prejudice is H. R. 3214 and is now on the Unanimous Consent Calendar. It proposes to codify and revise title 28 of the United States Code. This bill constitutes a revision as well as a codification of the laws relating to the courts and the judiciary. These laws are now found principally in title 28 of the United States Code and are derived largely from the Judiciary Code of 1911 which was the last prior revision of these laws and subsequent enactments.

What I said concerning the preparation of the revision of the criminal laws embodied in H. R. 3910 and five other bills, which passed the House unanimously on May 12, 1947, applies equally to the thorough preparation of this bill. The work on this revision was commenced by the former Committee of the Revision of the Laws of which I was a member in 1944. That committee engaged the services of the West Publishing Co. and the Edward Thompson Co., two long established and thoroughly reliable law publishing companies that have assisted in the preparation of the original United States Code and every supplement and new edition of that code. The persons in charge of these two publishing companies have had wide experience in codification and revision, not only of the United States Code, but also codes of some of our great States. These companies have worked continuously and closely with the Committee on the Revision of the Laws. The Committee on Revision of the Laws was eliminated under the Reorganization Act and the functions of that committee were transferred to the Judiciary Committee of the House. These companies supplemented their regular editorial staffs by engaging one of the ablest and most widely experienced codifiers and revisers who by reason of his official connections with the Federal Government has long been familiar with the operation and administration of these laws. In addition, they procured an outstanding group of men as an advisory committee who labored unselfishly toward achieving the very best codification and revision possible of these laws. A number of these men were leaders of the bench and the bar of this country. They appeared before the Judiciary Committee and testified that in their opinion this bill is eminently worthy of favorable action by the Congress.

In addition to the advisory committee, the judicial conference of the United States appointed a committee consisting of a Federal circuit judge and two district judges who took an active part in the preparation of the codification and revision. Also, the late Chief Justice Stone and two associate justices of the Supreme Court selected by him constituted a committee of that court and sat in on several of the advisory committee meetings and offered suggestions and constructive criticism of the preliminary drafts.

The bill has received a favorable report from the Attorney General and the Treasury Department which was, of course, interested particularly in the provisions relating to the tax court. The subcommittee of the Judiciary Committee has held many hearings and many conferences on this bill. It was reviewed line by line and section by section by the Committee on the Revision of the Laws and also by a subcommittee of the Judiciary Committee. These committees approved this bill unanimously. The full committee of Judiciary, after going over the bill carefully, made a unanimous and favorable report to the House. Few bills ever considered by Congress during my years of service have received such careful and painstaking consideration, not only by the committees of the House, but by many able members of the Federal bench and the bar. They had one purpose in mind and that was to report to the House a bill that was as nearly perfect as could be made. Years ago, there was codification and revision of the acts of Congress but they were prepared and presented in such a way that the Congress was only willing to approve them as prima facie evidence of the law. They did not have the stamp of the Congress as being positive law. It has been the desire of all those connected with this important work that it be so accurate as to merit the approval of the Congress as positive law.

The Committee on the Judiciary, cooperating with these publishers, able codifiers, revisers, the Federal judiciary, the bar and the departments of Government, propose to codify and revise the United States Code, to eliminate obsolete and dead laws and to set up a framework of 50 titles and to classify the various statutes so that they may be easily found by the bench and bar and the average intelligent citizen, and that this work above everything else be accurate and be accepted as the law itself and not as prima facie evidence of the law.

We have heretofore pointed out that six titles have already been submitted to the House and have passed by unanimous consent. The bill presenting title 18 covered approximately 500 printed pages; title 28—H. R. 3214, before us today, covers 189 printed pages. A bill embracing title 46 will soon be completed and introduced in the House. It proposes to codify and revise all the shipping laws of the United States and will contain nearly 700 printed pages. These titles are being prepared in the order of their importance and need to the country at this time. The Judiciary Committee and all others aiding in this very important work are very anxious to have the fullest cooperation of all Members of the House and it is my hope that when title 28 is called again 2 weeks from this day on the Consent Calendar that the differences now existing may be resolved and that the House will adopt this bill by unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota that the bill may be passed over without prejudice?

There was no objection.

AMENDING SECTION 14 OF THE VETERANS' PREFERENCE ACT OF JUNE 27, 1944

The Clerk called the bill (H. R. 966) to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING ACT RELATING TO APPOINTMENT OF POSTMASTERS UNDER CIVIL SERVICE

The Clerk called the bill (H. R. 2229) to amend the act of June 25, 1938, relating to the appointment of postmasters under civil service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes," approved June 25, 1938 (52 Stat. 1076), as amended, is amended by striking out the following after the word "provided": "That postmasters now serving may continue to serve until the end of their terms, but they shall not acquire a classified civil-service status at the expiration of such terms of office except as provided in section 2 hereof," and inserting in lieu thereof the following: "That postmasters of the fourth class, appointed in the classified civil service, whose offices advance to a higher class, and postmasters of other classes, appointed in the classified civil service, whose offices are relegated to the fourth class, shall continue to serve under their original appointment until a vacancy occurs by reason of death, resignation, retirement, or removal, in which event the appointment shall be made as provided in section 2 of the act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING AUTHORIZATION FOR PRIORITIES IN TRANSPORTATION BY MERCHANT VESSELS

The Clerk called the bill (H. R. 673) to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, when this bill was called on the Consent Calendar a couple of weeks ago I had the bill passed over because it did not conform to the Ramseyer rule. Since then I have received a supplemental report. I therefore withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the act of July 14, 1941, entitled "An act to provide for priorities in transportation by merchant vessels in the interests of national defense, and for other purposes," as amended and extended (U. S. C., 1940 ed. Supp. IV, title 50 App., secs. 1281 to 1286, inclusive), is repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECRETARIES FOR CIRCUIT AND DISTRICT JUDGES

The Clerk called the bill (H. R. 2746) to provide secretaries for circuit and district judges.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, I object.

JUDGESHIP FOR EASTERN AND WESTERN DISTRICTS OF MISSOURI

The Clerk called the bill (H. R. 1054) to make permanent the judgeship provided for by the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942 (56 Stat. 1083), is amended by striking out the following: "*Provided*, That the first vacancy occurring in said office shall not be filled."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIMBER ALLOTMENT ON NORTHERN CHEYENNE INDIAN RESERVATION

The Clerk called the bill (H. R. 2097) to declare the ownership of the timber on the allotments on the Northern Cheyenne Indian Reservation, and to authorize the sale thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the act of June 3, 1926 (44 Stat. 690), the timber on the allotments on the Northern Cheyenne Indian Reservation, whether or not the lands were hitherto classified as chiefly valuable for timber, are hereby declared to be the property of the allottees and may hereafter be sold pursuant to the provisions of section 8 of the act of June 25, 1910 (36 Stat. 857; 25 U. S. C., sec. 406). Nothing contained in this act shall be construed to require the payment to the allottees of the proceeds of sales made prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAFEGUARDS IN ISSUANCE OF PASSPORTS

The Clerk called the bill (H. R. 3001) to provide further safeguards with respect to the issuance of passports by or under the authority of the Secretary of State, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HARRIS. Mr. Speaker, reserving the right to object, I wonder if we may have the author of the bill explain it to us?

Mr. MUNDT. Mr. Speaker, this bill grew out of hearings before the House Committee on Un-American Activities, which disclosed that in numerous cases, such as the Hans Eisler case, the Gerhart Eisler case, the Browder case, and others, passports were fraudulently secured by faking the pictures on them and using fictitious names. After consultation with the Federal Bureau of Investigation this legislation was worked out enabling and permitting the Secretary of State, through the Division of Passports, to insist upon fingerprint passport identification to do away with that kind of fraud.

The second portion merely extends the statute of limitations in passport cases from 3 years, where it is at present, to 5 years, in order to give the Attorney General's office an opportunity to prosecute the cases effectively.

Mr. HARRIS. Does this have the approval of the State Department?

Mr. MUNDT. It has the unanimous support of the Committee on Foreign Affairs and may I say that the Secretary of State endorsed the proposal but raised the question about the administrative burden on the FBI. So we held a hearing with the FBI and they told us they would be able to handle all aspects of the cases.

Mr. CARROLL. Mr. Speaker, reserving the right to object, is it not true that in this bill when the fingerprints are taken they will be kept in the permanent files of the Bureau of Investigation?

Mr. MUNDT. That is correct.

Mr. CARROLL. The gentleman from Arkansas has asked whether or not the State Department has concurred. Is it not true that the Department of State has not concurred?

Mr. MUNDT. No. The letter from the Secretary of State is incorporated in full in the hearings. The State Department said it was entirely in sympathy with my desire in connection with identifying passport applicants, but they raised the question whether the delay would be serious. So we interrogated the FBI. The FBI said the delay would not exceed a week at the outside and the work could be done in 2, 3, or 4 days when necessary.

Mr. CARROLL. I was under the impression that the State Department said it created a great administrative burden. Do I understand there are about 200,000 applicants for passports annually?

Mr. MUNDT. That is correct.

Mr. CARROLL. As I read the report of the State Department, it points out the administrative burden that will be presented as a result of fingerprinting all individuals.

Mr. MUNDT. On the FBI?

Mr. CARROLL. Yes. The FBI said they can clear in approximately a week.

Mr. MUNDT. Yes.

Mr. CARROLL. The point I raise is this: Whenever a businessman or his family, for instance, wants to go overseas and is fingerprinted, the fingerprints are placed in the criminal bureau of the Federal Bureau of Investigation?

Mr. MUNDT. Not at all. May I call attention to two things in connection with that: In the first place, such fingerprints are not placed in a criminal division of the bureau. They are placed in the Identification Division. In the second place, this is simply permissive legislation permitting the Secretary of State in those cases about which there is question as to identity to require fingerprinting. It is not made mandatory in all cases. The businessman from Denver would not have to be fingerprinted at all if his identity were known, which would almost always be the case.

Mr. CARROLL. Is it not true that the Identification Bureau of the Federal Bureau of Investigation houses all criminal records?

Mr. MUNDT. They are all housed in the FBI, but in different files, may I say.

My fingerprint is down here. Most of the Members of Congress have their fingerprints down there, but they are not in the Criminal Division.

Mr. CARROLL. I think it is true that every Member who served in the military service has his fingerprints on record, but they are not available to the FBI.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. CARROLL. I yield to the gentleman from California.

Mr. HINSHAW. I would like to say to the gentleman that I not only volunteered sending my fingerprints to the FBI, but those of my children, in order that if anything happened, they might be identified by that means, if by no others, and I think it is a very proper thing to do, and no honest man should fear it.

Mr. CARROLL. I understand that the police departments of the various States have instituted such a method, trying to fingerprint the people, but I wanted the Congress to know, before we passed this bill, that these fingerprints, if it is authorized by the Secretary of State, will repose with the Federal Bureau of Investigation, in the Bureau of Identification.

Mr. HINSHAW. An honest man should not fear that program.

Mr. MUNDT. The gentleman is correct. They are not placed in the Criminal Division. And, as the gentleman from California has just pointed out, no honest man should fear having his fingerprints on file in the Bureau; in fact, it may be very valuable as, for instance, in the case of the terrible airplane accident in Maryland during the week end.

Mr. CARROLL. Does the gentleman know what procedure is followed in foreign countries today? Do they require their people to be fingerprinted before they leave their country?

Mr. MUNDT. I do not know, but I may say that I am also preparing companion legislation to this which would require fingerprint identification of foreigners coming over on visas. That has nothing to do with this bill but it will enable us better to identify and keep a tab on foreigners coming to our shores either legally or illegally.

Mr. CARROLL. I think, Mr. Speaker, after full discussion of this measure, I have no objection to it. I withdraw my reservation of objection.

Mr. HARRIS. Mr. Speaker, in view of the discussion and explanation, I withdraw my reservation to object.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the purpose of this section is to grant authority to be exercised for effective administration of the laws relating to the issuance and use of passports, with particular reference to need for detecting individuals engaged in subversive activities and the need for guarding against the unlawful securing and use of passports by such individuals.

(b) Hereafter any individual making application for a passport, or for the renewal of a passport, shall, when required by the Secretary of State, either in individual cases or under regulations prescribing classes of cases, be fingerprinted in duplicate, such fingerprinting to be done at such times and places, and in such manner, as the Secretary may by regulations prescribe. One copy of the fingerprint record shall be forwarded to the Department of Justice, to be preserved in such places, for such time, and in such manner, as the Attorney General may by regulations prescribe. If a passport is issued or renewed the other copy shall, when so required by the Secretary of State (either in individual cases or under regulations prescribing classes of cases), be affixed to and become a part of the passport. In all other cases the other copy of the fingerprint record shall be filed at such place or be used or disposed of in such manner as the Secretary of State, after consultation with the Attorney General, shall by regulations prescribe.

SEC. 2. No person shall be prosecuted, tried, or punished for any offense arising under any law relating to the making of application for, or the granting, issuance, renewal, verification, use, false making, forgery counterfeiting, mutilation, or alteration of, passports unless the indictment is found or the information is instituted within 5 years after the commission of such offense.

SEC. 3. Section 1044 of the Revised Statutes of the United States, as amended (U. S. C., 1940 ed., title 18, sec. 582), is hereby amended to read as follows:

"SEC. 1044. Except as otherwise expressly provided by law, no person shall be prosecuted, tried, or punished for any offense, not capital, unless the indictment is found or the information is instituted within 3 years next after such offense shall have been committed."

SEC. 4. Section 2 and the amendment made by section 3 shall apply in all cases where the period of limitation has not expired prior to the day after the date of the enactment of this act.

With the following committee amendments:

Page 2, line 2, strike out the remainder of the line after the comma, and all of line 3 down to and including the word "cases."

Page 2, line 11, strike out all after the word "state" and all of line 12 down to and including the word "cases."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEOGRAPHIC NOMENCLATURE

The Clerk called the bill (H. R. 1555) to promote uniformity of geographic nomenclature in the Federal Government, and for other purposes.

Mr. FENTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HISTORIC GRAVEYARDS

The Clerk called the bill (H. R. 577) to preserve historic graveyards in abandoned military posts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the War Department policy of transferring bodies from historic military graveyards to national cemeteries be immediately discontinued in every case where local and/or State agencies are willing to assume, through proper legal steps, the responsibility of giving these graves perpetual care.

With the following committee amendment:

Page 1, line 3, strike out all of the lines 3 to 7, inclusive, and insert "That the Secretary of War is hereby authorized in his discretion, and upon such terms and conditions as he may determine with or without monetary consideration, to transfer and convey all right, title, and interest of the United States in or to any historic military cemetery or burial plot located on military posts or reservations which have heretofore, or may hereafter, become abandoned or useless for military purposes, including the graves and monuments contained in such cemeteries or burial plots and approach roads and appurtenances thereto, together with the responsibility for the perpetual care and maintenance thereof, to any State, county, municipality, or proper agency thereof, in which or in the vicinity of which such cemetery or burial plot is located: *Provided*, That in the event the grantee shall cease or fail to care for and maintain the historic military cemetery or burial plot or the graves and monuments contained therein in a manner satisfactory to the Secretary of War, all such right, title, and interest transferred or conveyed by the United States, shall revert to the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REFUND OF TAXES ILLEGALLY PAID BY INDIANS

The Clerk called the bill (H. R. 981) to amend section 2 of the act of 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, after looking over the bill it appears to be one that is properly on the Consent Calendar except that the report indicates that the Department of the Interior is opposed to it. So, on the basis of that information it was my intention to ask that the bill be passed over. However, I understand that the report in that respect is faulty, and the gentleman from Oklahoma, the author of the bill, who is here, can assure the House the report is faulty and that apparently the Department of the Interior has no objection.

Mr. SCHWABE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Oklahoma.

Mr. SCHWABE of Oklahoma. I am very happy to inform the gentleman that the report is faulty to the extent that it says the report from the Bureau is unfavorable. As a matter of fact, the clerk of the committee stamped it with his stamp "unfavorable" but the report itself is not unfavorable, and it is copied at length in the report of the committee.

Mr. COLE of New York. I withdraw my reservation of objection, Mr. Speaker.

Mr. KEAN. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Oklahoma how much money the refunds involve? This is a very complicated bill, and I want to be sure that none of the Indian oil millionaires will be getting refunds on their taxes.

Mr. SCHWABE of Oklahoma. I would be happy to explain to the gentleman

that there are possibly 100 claimants having approximately 300 claims in all, claims of those who were minor Indians formerly restricted and under guardianship. The total amount involved is approximately $225,000. The situation is that in 1942 Congress passed an act permitting the filing of these very claims. No new or additional claims will be filed under the provisions of this bill. Then the Bureau of Internal Revenue held that the act of Congress did not permit the payment but only authorized the filing of the claims. Under that technical situation as the Bureau of Internal Revenue has construed the act of 1942, the claims although allowed were not paid. This bill seeks not only the allowance but also the authorization of payment.

Mr. KEAN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of January 29, 1942 (56 Stat. 21), is hereby amended to read as follows:

"SEC. 2. That any person duly enrolled as a member of an Indian tribe who received in pursuance of a tribal treaty or agreement with the United States an allotment of land which, by the terms of said treaty or agreement was exempted from taxation, or restricted against alienation, or which by the terms of section 6 of the act of Congress of May 27, 1908 (35 Stat. 312), was in the manner therein provided continued under the supervision of probate attorneys of the United States as the representatives of the Secretary of the Interior during the minority of such allottee, and from which land the restrictions have or have not been removed, and any such enrolled member of an Indian tribe who prior to April 26, 1931, had restricted money in the custody or control of the United States, and who was required or permitted to pay any Federal income tax on such lands or on the rents, royalties, or other gains arising from such lands during such restricted or tax-exempt period or on income from such restricted funds while in the custody or control of the United States, or on income from any allotment during the minority of the allottee, or any such person who has been erroneously or illegally taxed by reason of not having claimed or received the benefit of any deductions or exemptions permitted by law, and who has filed a claim or claims for refund at any time or times before January 29, 1944, shall be entitled to and shall be repaid such taxes so paid, with interest at 6 percent from the date such taxes were paid, notwithstanding any previous rejection by the Treasury Department of any such claim or claims for refund theretofore filed upon the same or similar ground and notwithstanding any decision of the Treasury Department or of any court, it not being the policy or intention of the Government to invoke or plead a statute of limitations or any other defense to escape the obligations of agreement solemnly entered into with its Indian wards, or prior to April 26, 1931, to exact for its own use and benefit an income tax from them while their property continued under the supervision of the United States or during the minority of any such allottee: *Provided, however,* That in the case of the death of any enrolled member of an Indian tribe any such taxes paid by him or on his account may in like manner be recovered by the person or persons who would have received such money had it constituted a part of his estate at the time of his death.

"That all acts and parts of acts in conflict herewith are modified for the purpose, and only for the purpose, of carrying into effect the provisions hereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SILVER CREEK RECREATIONAL DEMONSTRATION PROJECT, OREGON

The Clerk called the bill (H. R. 1831) to authorize the exchange of lands acquired by the United States for the Silver Creek recreational project, Oregon, for the purpose of consolidating holdings therein, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 583) be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That for the purpose of consolidating Federal holdings of lands acquired for the Silver Creek recreational demonstration project, in the State of Oregon, the Secretary of the Interior is hereby authorized to exchange any such lands for other lands of approximately equal value when in his opinion such action is in the interest of the United States, the title to any lands acquired hereunder to be satisfactory to the Attorney General. Upon the vesting of title thereto in the United States, any lands acquired pursuant to this authorization shall become a part of the Silver Creek recreational demonstration project, and shall be subject to the laws applicable thereto.

SEC. 2. Upon the conveyance of the Silver Creek recreational demonstration project to the State of Oregon, or political subdivision thereof, pursuant to the act of June 6, 1942 (56 Stat. 326), the Secretary of the Interior may authorize the grantee to exchange or otherwise dispose of any lands so conveyed in order to acquire other lands of approximately equal value for the purpose of consolidating the holdings of the grantee, the title to lands so acquired to be satisfactory to the Attorney General. For the aforesaid purpose the Secretary is authorized to execute a release, as to the particular lands involved, of any condition providing for a reversion of title to the United States, that may be contained in the conveyance by the United States to said grantee. No such release shall be executed, however, unless the grantee shall agree, in form satisfactory to the Secretary, that the lands to be acquired by it shall be subject to the conditions contained in the original conveyance from the United States, except that, in lieu of a provision for reversion, the grantee shall agree to convey said lands to the United States upon a finding by the Secretary in accordance with the procedure provided in said act of June 6, 1942, that the grantee has not complied with such conditions during a period of more than 3 years. Lands so conveyed to the United States shall be subject to administration or disposition in like manner as recreational demonstration project lands that revert to the United States under the terms of the aforesaid act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1831) was laid on the table.

FIXING THE PRICE OF COPIES OF RECORDS FURNISHED BY THE DEPARTMENT OF THE INTERIOR

The Clerk called the bill (H. R. 2938) to amend section 1 of the act of August 24, 1912 (27 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, as indicated by the title this would authorize the Department of the Interior to charge a fee for the reproduction of records of the Department. To that there can be no real objection. My question is that the bill does not provide what shall be done with the proceeds from the sale of these copies. A bill granting similar authority to another department of the Government passed the House on the Consent Calendar 2 weeks or perhaps a month ago, but in that bill provision was made directing the accounting procedure for these funds. This bill is silent in that respect. Therefore I ask unanimous consent that the bill be passed over without prejudice until that point is cleared up.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PAONIA FEDERAL RECLAMATION PROJECT, COLORADO

The Clerk called the bill (H. R. 3143) to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior through the Bureau of Reclamation is hereby authorized to construct, maintain, and operate, pursuant to the Federal reclamation laws, the Paonia project, Colorado, substantially in accordance with the report of the regional director of the Bureau of Reclamation, region IV, dated January 2, 1946, as concurred in by the Commissioner of Reclamation and the Secretary of the Interior: *Provided,* That, notwithstanding any recommendations to the contrary contained in said report, all costs allocated to irrigation shall be reimbursable under the Federal reclamation laws within repayment periods fixed by the Secretary of the Interior at not to exceed 60 years.

SEC. 2. Unexpended balances of sums heretofore appropriated for the Paonia project, Colorado, authorized by finding of feasibility of the Secretary of the Interior approved by the President on March 18, 1939, are hereby made immediately available for expenditure on the Paonia project hereby authorized.

SEC. 3. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such additional sums as may be required for the purposes of this act.

With the following committee amendment:

Page 2, line 4, strike out "60" and insert "68."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC-SCHOOL FACILITIES, WALKER, MINN.

The Clerk called the bill (H. R. 1882) for expenditure of funds for cooperating with the public-school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, an additional sum of $35,000 for the purpose of cooperating with Independent School District Numbered 5, Cass County, Minn., at Walker, Minn., for the construction, extension, equipment, and improvement of public-school facilities at Walker, Minn., as authorized by the act of July 1, 1940 (54 Stat. 707, 708): *Provided*, That the expenditure of the additional amount herein authorized to be appropriated shall be subject to the same terms, conditions, and requests contained in the act of July 1, supra.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHILOH NATIONAL MILITARY PARK, TENN.

The Clerk called the bill (H. R. 2207) to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion, and under such terms and conditions as he may deem necessary, to convey, without consideration, to W. A. Shaw and E. L. Shaw, or nominees, the following-described lands within Shiloh National Military Park in Hardin County in the State of Tennessee: Beginning at a point from which the intersection of Shiloh National Military Park boundary between boundary corners numbered 228 and 229 with center line of Confederate Road bears south eight degrees fifty-seven minutes east, eighty and thirty-seven one-hundredths feet (said intersection bears north eighty-eight degrees 10 minutes fourteen seconds west, one thousand one hundred and thirty-one and eighty-nine one-hundredths feet from boundary corner numbered 228); thence north twenty-nine degrees thirty-one minutes west, three hundred and twenty-six feet; thence south seventy-six degrees nineteen minutes east, three hundred and thirty-seven and fifty-four one-hundredths feet; and thence running sixty feet from and parallel to center line of Confederate Road south thirty-nine degrees twenty minutes west, two hundred and sixty-three and forty-six one-hundredths feet to the point of beginning. The tract as described contains approximately ninety-two one-hundredths acre.

With the following committee amendments:

Page 2, line 3, strike out the word "nine" and substitute in lieu thereof the word "seven."

Page 2, following line 16, add:

"SEC. 2. For the purpose of consolidating Federal holdings within the park, the Secretary of the Interior is authorized, in his discretion and under such terms and conditions as he may deem necessary, to accept any non-Federal real or personal property within the authorized boundaries of the park. In exchange for such properties he may, in his discretion, convey to the grantors of such properties, any federally owned lands or interests in lands within the authorized boundaries of the park which are of approximately equal value, as determined by the Secretary, to the properties being acquired in each case."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SCHOOL BUILDING IN MOCLIPS, WASH.

The Clerk called the bill (H. R. 2545) to provide funds for cooperation with the school board of the Moclips-Aloha district for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the necessary Federal funds for the purpose of cooperating with the school board of Moclips-Aloha district, Grays Harbor County, Wash., for the construction and equipment of a new school building in the town of Moclips, Grays Harbor County, Wash.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of the district on the same terms, except as to payment of tuition, as other children of said school district: *And provided further*, That any amount expended hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the building, through reducing the annual Federal payments for the education of Indian pupils enrolled in public or high schools of the district involved or by the acceptance of Indian pupils in said schools without cost to the United States, and in computing the amount of recoupment, interest at 3 percent per annum shall be included on any unrecouped balances.

With the following committee amendment:

Page 1, lines 4 and 5, strike out the words "the necessary Federal funds" and insert "$88,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER MAINS ACROSS FORT McHENRY NATIONAL MONUMENT AND HISTORIC SHRINE, MD.

The Clerk called the bill (H. R. 2655) to authorize the Secretary of the Interior to grant to the mayor and City Council of Baltimore, State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing two subterranean water mains in, on, and across the land of Fort McHenry National Monument and Historic Shrine, Md.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to grant to the mayor and City Council of Baltimore, a municipal corporation of the State of Maryland, a permanent easement for the purpose of installing, maintaining, and servicing two subterranean water mains and their usual appurtenances, in, on, and across the land of the Fort McHenry National Monument and Historic Shrine, under such terms and conditions as he may determine to be not inconsistent with the use of such land for purposes of the said shrine.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE, CAIRO, ILL.

The Clerk called the bill (H. R. 1610) to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SHAFER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

OLYMPIC GAMES

The Clerk called the bill (H. R. 2276) to authorize the Secretary of War to pay certain expenses incident to training, attendance, and participation of personnel of the Army of the United States in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and for future Olympic games.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to direct the training and attendance of personnel and animals of the Army of the United States as participants in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and future Olympic games: *Provided*, That all expenses incident to the training, attendance, and participation in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games and future Olympic games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army: *Provided further*, That applicable allowances which are or may be fixed by law or regulations for participation in other military activities shall not be exceeded.

With the following committee amendment:

Page 2, strike out all of lines 1 to 7, inclusive, and insert "the expenses in an amount not to exceed $75,000 incident to the training, attendance, and participation in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army for the fiscal years 1948 and 1949."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EIGHTY-FIRST NATIONAL ENCAMPMENT OF THE GRAND ARMY OF THE REPUBLIC

The Clerk called the bill (H. R. 3124) to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such convention, there is hereby authorized to be appropriated a sufficient sum to cover the cost of transportation and pullman accommodations for the leaders and members of the Marine Band, and allowance not to exceed $6 per day each for additional traveling and living expenses while on duty, such allowances to be in addition to the pay and allowance to which they would be entitled while serving their permanent station.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

ILLINOIS AND MICHIGAN CANAL

The Clerk called the bill (H. R. 1628) relinquishing to the State of Illinois certain right, title, or interest of the United States of America, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of enabling the State of Illinois to use the lands now occuped by the Illinois and Michigan Canal for highway, park, recreational, or any other public purposes, there is hereby relinquished to the State of Illinois all such right, title, and interest, if any, as the United States of America may have in and to any part of the land comprising the right-of-way of the Illinois and Michigan Canal, as the same was routed and constructed thrcugh the public lands of the United States of America in the counties of Cook, Will, Grundy, and La Salle, in the State of Illinois, pursuant to the provisions, insofar as applicable, of the acts of March 30, 1822 (3 Stat. 659), March 2, 1827 (4 Stat. 234), and March 2, 1833 (4 Stat. 662), and in and to any part of the 90 feet of land on each side of the canal for the entire length thereof referred to in the act of March 30, 1822 (3 Stat. 659); on condition, however, that if any of the lands with respect to which any right, title, or interest is hereby relinquished by the United States of America to the State of Illinois shall ever cease to be occupied and used for highway, park, recreational, or any other public purposes then, and in that event, all such right, title, and interest, if any, in or to the lands which have ceased to be so occupied and used shall thereupon revest in the United States of America.

SEC. 2. This act shall affect only such right, title, and interest of the United States of America in and to the lands described in section 1 hereof as may have been retained by the United States of America, in fee simple, as a reversionary interest, or otherwise, under the acts of March 30, 1822 (3 Stat. 659), March 2, 1827, (4 Stat. 234), and March 2, 1833 (4 Stat. 662), and as has not been disposed of, prior to the approval of this act, by the United States of America.

SEC. 3. Provided that, to protect the rights of navigation in or over the lands comprising the right-of-way of the Illinois and Michigan Canal and the 90 feet of land on each side of the canal in the sections or parts of sections hereinafter enumerated, the State of Illinois or any authorized agent thereof shall not change in any manner the physical conditions which exist at the time of the passage of this act, unless such changes have been recommended by the Chief of Engineers and authorized by the Secretary of War; this to include construction, erection, or removal of any structure, excavation, or deposition of materials from or on such lands, etc. The sections in which such reservations are made are as follows:

Sections 16, 21, 22, and the west half of section 15, township 33 north, range 1 east, of the third principal meridian, La Salle County, Ill.

The east half of section 13, township 33 north, range 2 east, of the third principal meridian, La Salle County, Ill.; and section 18, township 33 north, range 3 east, of the third principal meridian, La Salle County, Ill.

The east half of the east half of section 22, sections 23, 26, 25, and 36, township 34 north, range 8 east, of the third principal meridian, Grundy County, Ill.; and sections 30, 31, 29, and 20, township 34 north, range 9 east, of the third principal meridian, Will County, Ill.

The east half of section 20, sections 21, 16, 10, 9, and 4, and the south half of section 3, township 35 north, range 10 east, of the third principal meridian, Will County, Ill.

Section 14 and the east half of the east half of section 15, township 37 north, range 11 east, of the third principal meridian, Cook and Du Page Counties, Ill.

Sections 29, 28, 21, 16, 10, and 9, township 39 north, range 14 east, of the third principal meridian, Cook County, Ill. Authorizations issued under the provisions of this act shall contain the following clause:

"If future operations by the United States require removal or alteration in the structure or the work herein authorized, the State of Illinois will be required, upon due notice from the Secretary of War, to remove or alter the work without expense to the United States so as to render navigation reasonably free, easy, and unobstructed. No claim shall be made against the United States on account of any such removal or alteration."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LAND TO CITY OF SITKA, ALASKA

The Clerk called the bill (H. R. 195) to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, I notice that the letter from the Acting Secretary of Agriculture says that the properties are to be sold at their appraised value. Then the bill says "at their reasonably appraised value." May I ask the Delegate from Alaska, Mr. BARTLETT, what that means. Does that mean the value at which the property is appraised by the city of Sitka or does it mean the value which is generally determined by an appraisal by the Department of Agriculture as to the true worth?

Mr. BARTLETT. I cannot answer the gentleman with any positive degree of assurance, but my informal understanding is that the appraisal is to be made by the Department of Agriculture.

Mr. KEAN. Sometimes the appraised value in a city is much lower than the true value and sometimes it is vice versa.

Mr. BARTLETT. I was told by the regional forester of Alaska that the Department would make the appraisal.

Mr. KEAN. That clears up the matter. I thank the gentleman.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized to sell at their reasonably appraised value to the city of Sitka, Alaska, the following-described lands and improvements thereon: The tract of land formerly occupied by the Alaska Agricultural Experiment Station, more particularly shown on the official survey map of the city of Sitka as the United States Reserve for Agricultural Investigations and Weather Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFENSE TO ENTER NATIONAL-FOREST LAND CLOSED TO THE PUBLIC

The Clerk called the bill (H. R. 1826) making it a petty offense to enter any national-forest land while it is closed to the public.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLMER. Mr. Speaker, I object.

MEDICAL DEPARTMENT OF THE ARMY AND NAVY

The Clerk called the bill (H. R. 3215) to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Army-Navy Medical Services Corps Act of 1947."

TITLE I

ARMY MEDICAL SERVICE CORPS

SEC. 101. Effective the date of enactment of this act, there is established in the Medical Department of the Regular Army the Medical Service Corps, which shall consist of the Pharmacy, Supply, and Administration Section, the Medical Allied Sciences Section, the Optometry Section, and such other sections as may be deemed necessary by the Secretary of War, and which shall perform such services as may be prescribed by the Secretary of War. The authorized strength of the Medical Service Corps, Regular Army, shall be such strength as may from time to time be prescribed by the Secretary of War. The Medical Service Corps, Regular Army, shall consist of officers in the grades of second lieutenant to colonel, inclusive: *Provided*, That the number of colonels on active duty in the Medical Service Corps, Regular Army, shall at no time exceed 2 percent of the authorized Regular Army officer strength of such corps.

SEC. 102. (a) From the officers commissioned in the Medical Service Corps, Regular Army, in the permanent grade of major or above, the Secretary of War shall appoint the Chief of the Medical Service Corps, who shall serve as Chief during his pleasure, and who, if commissioned in permanent grade below colonel, shall, without vacation of his permanent grade, have the temporary rank, pay, and allowances of a colonel while so serving, and who, while so serving, shall be superior in rank to all other colonels in the corps.

(b) From the officers commissioned in the Medical Service Corps, Regular Army, the

Surgeon General shall appoint such assistant chiefs, who shall be chiefs of sections, and who shall be consultants to him in activities relative to that specific section.

(c) Unless entitled to higher retired rank or pay under any provision of law, each such commissioned officer who shall have served for four years as Chief of the Medical Service Corps, shall upon retirement be retired with the rank held while so serving, shall receive retired pay at the rate prescribed by law computed on the basis of the basc and longevity pay which he would receive if serving on active duty with such rank, and if thereafter recalled to active service shall be recalled in such rank.

SEC. 103. Except as provided in Public Law 281, Seventy-ninth Congress, approved December 28, 1945, as amended, and except as hereinafter provided for transfer thereto, original appointments in the Medical Service Corps, Regular Army, shall be made only in the grade of second lieutenant from citizens of the United States between the ages of twenty-one and thirty years, who possess such physical and other qualifications as may be prescribed by the Secretary of War: *Provided,* That appointments from sources other than the Regular Army or its active Reserve shall be made from persons who are graduates from recognized schools of pharmacy or other schools or colleges with degrees in sciences allied to medicine or such other degrees as may be approved by the Surgeon General: *Provided further,* That persons holding doctorate degrees in sciences allied to medicine approved by the Surgeon General at time of appointment in the Medical Service Corps, Regular Army, may be credited at time of such appointment with an amount of service equal to three years, for the purpose of determining grade, position on promotion list, permanent grade seniority, and eligibility for promotion.

SEC. 104. Effective from date of enactment of this act, commissioned officers of the Medical Service Corps, Regular Army, shall be promoted to the permanent grades of first lieutenant, captain, major, and lieutenant colonel as now or hereafter prescribed for promotion of promotion-list officers to such grades, respectively. Promotion to the permanent grade of colonel shall be by selection under regulations prescribed by the Secretary of War from officers in the grade of lieutenant colonel with at least one year's service in that grade.

SEC. 105. Effective the date of enactment of this act, Public Law 281, Seventy-ninth Congress, approved December 28, 1945, as amended, is hereby further amended as follows:

(a) Section 5 of said act is amended by striking out paragraphs (c) and (d) and inserting in lieu thereof a new paragraph (c) as follows:

"(c) Persons appointed in the Medical Service Corps shall be appointed in grades of second lieutenant, first lieutenant, captain, or major, according to the periods of service with which they are credited in the same manner as set forth in paragraph (a) of this section for persons appointed in arms and services of the Regular Army, the officers of which are on the promotion list."

(b) Section 6 of said act is amended by striking out from paragraph (b) thereof the words "The Pharmacy Corps" and by striking out paragraph (c) thereof and inserting in lieu thereof a new paragraph (c) as follows:

"(c) In the Medical Service Corps if he would upon appointment receive credit for 23 or more years' service under section 5 of this act."

SEC. 106. Officers of the Regular Army who, on the date of enactment of this act, hold commissions in the Pharmacy Corps, are, effective the date of enactment of this act, transferred in grade to the Medical Service Corps. Each such officer so transferred shall be reappointed in the Medical Service Corps in the permanent grade held by him at the time of such transfer; shall be credited for the purpose of determining eligibility for promotion, with continuous commissioned service on the active list of the Regular Army in the Medical Service Corps equal to the period of service credited to him for promotion purposes under existing provisions of law, and shall, subsequent to such transfer, be thereafter promoted in accordance with the promotion system set forth in section 104 of this act.

SEC. 107. (a) Effective the date of enactment of this act, the Pharmacy Corps and the Medical Administrative Corps are abolished.

(b) Effective the date of enactment of this act, persons holding temporary appointments or commissions in the Army of the United States permanently assigned or detailed to the Medical Administrative Corps, the Pharmacy Corps, or the Sanitary Corps, shall be automatically transferred and permanently assigned or detailed, as the case may be, to the Medical Service Corps, Regular Army, established by this act, in the same temporary grade and rank held by them at such time.

(c) The Secretary of War is authorized to prescribe from time to time such regulations as may be necessary for the administration of title I of this act.

(d) No back pay shall accrue to any person by reason of the enactment hereof.

(e) Effective the date of enactment of this act, all laws and parts of laws, insofar as they are inconsistent with or in conflict with the provisions of title I of this act, are repealed.

TITLE II

NAVY MEDICAL SERVICE CORPS

SEC. 201. Effective the date of enactment of this act, there is established in the Medical Department of the United States Navy a Medical Service Corps which shall consist of the Pharmacy, Supply, and Administrative Section, the Medical Allied Sciences Section, the Optometry Section, and such other sections as may be deemed necessary by the Secretary of the Navy. The authorized strength of the Medical Service Corps shall be 4 percent of the authorized strength of the Hospital Corps. The Medical Service Corps shall consist of officers in the grades of ensign to captain, inclusive, and such officers shall take precedence next after dental officers: *Provided,* That the number of captains on active duty in the Medical Service Corps, exclusive of extra numbers, shall at no time exceed 2 percent of the authorized strength of such corps.

SEC. 202. Officers of the Medical Service Corps shall be staff officers and shall be subject to all provisions of law now existing or hereafter enacted relating to the advancement in rank and retirement of other staff officers with the exception of the provisions relating to the composition of selection boards for staff officers. Boards for selection of officers of the Medical Service Corps for recommendation for advancement in rank shall be composed of not less than six nor more than nine officers of the Medical Corps not below the rank of captain: *Provided,* That in case there be not a sufficient number of officers of the Medical Corps legally or physically capacitated to serve on such board as herein provided, officers of the line on the active list above the rank of commander shall be detailed to duty on such board to constitute the required minimum membership.

SEC. 203. During the period that appointments to the Regular Navy may be made pursuant to section 5 of the act of April 18, 1946 (Public Law 347, 79th Cong. 2d sess.), all appointments to the Medical Service Corps shall be made in accordance with the provisions of said act.

SEC. 204. All appointments in the Medical Service Corps, except those provided for in section 203 of this act, shall be in the grade of ensign from those persons serving as commissioned warrant or warrant officers of the Hospital Corps of the Regular Navy and from other persons who possess such physical and other qualifications for appointment as may be prescribed by the Secretary of the Navy: *Provided,* That appointments from sources other than the Regular Navy shall be made from persons who are graduates of recognized schools of pharmacy, or other schools or colleges with degrees in sciences allied to medicine or such degrees as may be approved by the Surgeon General: *Provided further,* That persons holding a doctorate degree in sciences allied to medicine approved by the Surgeon General at time of appointment in the Medical Service Corps may, subject to regulations to be prescribed by the Secretary of the Navy, be appointed in the grade of lieutenant (junior grade). No person shall be appointed under the provisions of this section unless he be a citizen of the United States between the ages of 21 and 32 years and until he shall have established his mental, moral, and professional qualifications to the satisfaction of the Secretary of the Navy.

SEC. 205. All appointments in the Medical Service Corps shall be made by the President, by and with the advice and consent of the Senate.

SEC. 206. The Secretary of the Navy, under such regulations as he may prescribe, may revoke the commission of any officer appointed pursuant to section 204 of this act in accordance with the provisions of section 12 of the act of August 13, 1946 (Public Law 729, 79th Cong.): *Provided,* That any officer whose commission is so revoked and who at the time of his appointment under section 204 of this act held permanent status as a commissioned warrant or warrant officer may be reappointed by the President without examination to such permanent status with the same lineal position and other rights and benefits which he would have had or would have attained in due course had he not been appointed in the Medical Service Corps.

SEC. 207. No officer of the Medical Service Corps shall be entitled to command in the line or any other staff corps of the Navy, nor shall any officer suffer reduction in pay or allowances by reason of appointment in accordance with this act.

SEC. 208. All laws now existing or hereafter enacted relating to the various staff corps of the Navy shall be construed to include the Medical Service Corps, unless otherwise provided in this act.

SEC. 209. The Secretary of the Navy is hereby authorized to prescribe the necessary regulations to carry out the provisions of this title.

TITLE III

THE HOSPITAL CORPS OF THE NAVY

SEC. 301. (a) The first paragraph under the heading "Hospital Corps," page 572, volume 39, of the Statutes at Large (act of Aug. 29, 1916), as amended by the act of April 18, 1946 (Public Law 347, 79th Cong., 2d sess.), is hereby further amended to read as follows:

"Hereafter the authorized strength of the Hospital Corps of the Navy shall equal 3½ percent of the authorized enlisted strength of the Navy and Marine Corps, and as soon as the necessary transfers or appointments may be effected the Hospital Corps of the United States Navy shall consist of the following grades and ratings: Commissioned warrant officers and warrant officers, Hospital Corps, and enlisted men classified as chief hospital corpsmen; hospital corpsmen, first class; hospital corpsmen, second class; hospital corpsmen, third class; hospital apprentices, first class, and hospital apprentices, second class; such classifications in enlisted ratings to correspond, respectively, to the enlisted ratings, seaman branch, of chief petty officers; petty officers, first class; petty officers, second class; petty officers, third class; seamen, first class; and seamen, second class: *Provided,* That enlisted men

of other ratings in the Navy and in the Marine Corps shall be eligible for transfer to the Hospital Corps, and men of that corps to other ratings in the Navy and the Marine Corps."

(b) The second paragraph under such heading is hereby amended to read as follows:

"The President may hereafter appoint as many warrant officers, Hospital Corps, as may be deemed necessary from the ratings of chief hospital corpsman and hospital corpsman, first class: *Provided*, That no person shall be appointed pursuant hereto until he shall have established his mental, moral, physical, and professional qualifications to the satisfaction of the Secretary of the Navy: *Provided further*, That the warrant officers now in the Hospital Corps of the United States Navy or hereafter appointed therein in accordance with the provisions of this act shall have the same rank, pay, and allowances as are now or may hereafter be allowed other warrant officers."

SEC. 302. The Secretary of the Navy is hereby authorized to prescribe the regulations necessary to carry out the provisions of this title and no person shall suffer any reduction in grade or rate, or in pay or allowances, by reason of the requirements of this title or of the regulations provided pursuant thereto.

With the following committee amendments:

On page 2, in line 24, strike out the words "appoint such" and substitute in lieu thereof the word "designate."

On page 3, in line 22, strike out the word "recognized" and substitute in lieu thereof the word "accredited."

On page 3, in line 23, insert a comma after the word "pharmacy" and immediately thereafter insert the word "optometry."

On page 7, in line 6, strike out the word "Administrative" and substitute in lieu thereof the word "Administration."

On page 7, in line 10, strike out the numeral "4" and substitute in lieu thereof the numeral "20."

On page 7, in line 11, strike out the words "Hospital Corps" and substitute in lieu thereof the words "Medical Corps of the Navy."

On page 7, line 13, change the comma to a period, strike out the remainder of section 201 and substitute in lieu thereof the following: "The first proviso to section 4 of the act of June 10, 1926 (44 Stat. 719), as amended, is hereby further amended to read as follows: 'That except as otherwise provided herein, officers having the same rank and the same date of precedence in that rank shall take precedence in the following order: (a) line officers, (b) medical officers, (c) supply officers, (d) chaplains, (e) civil engineers, (f) dental officers, (g) officers of the Medical Service Corps, and (h) officers of the Nurse Corps.' The authorized number of captains on the active list of the Medical Service Corps shall equal 2 percent of the total number of officers on the active list of that corps at any one time. A computation to determine such authorized number shall be made by the Secretary of the Navy as of January 1 of each year, and the resulting number as so computed shall be held and considered for all purposes as the authorized number until a subsequent computation shall be made."

On page 7, in line 21, strike out the words "other staff officers" and substitute in lieu thereof "officers of the Medical Corps of the Navy."

On page 8, in line 7, change the period to a colon and add the following proviso: "*And provided further*, That commanders in the Medical Service Corps shall not be involuntarily retired by reason of failure of selection for promotion until they shall have completed 30 years of service."

On page 8, in line 23, strike out the word "recognized" and substitute in lieu thereof the word "accredited."

On page 8, in line 23, insert a comma after the word "pharmacy" and immediately thereafter insert the word "optometry."

On page 10, strike out lines 6, 7, and 8 and substitute in lieu thereof the following: "of the Navy, nor shall any such officer suffer reduction in the pay and allowances to which entitled by virtue of his permanent status by reason of appointment in the Medical Service Corps established by this title."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES NAVAL POSTGRADUATE SCHOOL

The Clerk called the bill (H. R. 1379) to establish the United States Naval Postgraduate School, and for other purposes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to establish the United States Naval Postgraduate School for the advanced instruction and training of commissioned officers of the Regular Navy and Marine Corps and the reserve components thereof in the practical and theoretical duties of commissioned officers.

SEC. 2. The military command of the United States Naval Postgraduate School (hereinafter referred to as the postgraduate school) shall be exercised by a line officer of the Regular Navy, qualified to command at sea, detailed by the Secretry of the Navy, from the active list not below the grade of captain to serve as superintendent. Such other officers of the line and staff of the Navy and Marine Corps, of appropriate ranks and qualifications, shall be detailed by the Secretary of the Navy as may be necessary to assist the superintendent in (a) the training of students in the practical and theoretical duties of commissioned naval officers, and (b) the administration of the postgraduate school.

SEC. 3. The Secretary of the Navy is authorized to employ at the postgraduate school, under the direction of the superintendent, such number of civilian senior professors, professors, associate professors, assistant professors, and instructors, as in his opinion may be necessary for the proper instruction of students in the theoretical, academic, and scientific subjects pertaining to the technical and practical aspects of the naval profession; and such senior professors, professors, associate and assistant professors, and instructors so employed shall receive such compensation for their services as may be prescribed by the Secretary of the Navy. The Secretary of the Navy shall report to the Congress each fiscal year the number of senior professors, professors, associate and assistant professors, and instructors so employed and the amount of compensation prescribed for each. The act of January 16, 1936 (49 Stat. 1092), as amended by the acts of November 28, 1943 (57 Stat. 594), and August 2, 1946 (Public Law 596, 79th Cong., 2d sess.), shall apply to the civilian teaching staff of the postgraduate school.

SEC. 4. The act of June 10, 1946 (Public Law 402, 79th Cong., 2d sess.), creating the civilian position of Academic Dean of the Postgraduate School of the Naval Academy shall apply to the postgraduate school established by this act.

SEC. 5. The Secretary of the Navy is hereby authorized to permit commissioned officers of the military services of foreign countries, with the authorization and direction of the President of the United States, to receive instruction at the postgraduate school. Such officers shall be subject to the same rules and regulations governing attendance, discipline, discharge, and standards of study as are applied to students of the United States Navy: *Provided*, That such officers shall not be entitled to appointment to any office or position in the United States Navy by reason of completion of the prescribed course of study at the postgraduate school.

SEC. 6. The Secretary of the Navy is authorized, at the request of the Secretary of War and the Secretary of the Treasury, to permit attendance and instruction at the postgraduate school of officers of the Army of the United States and United States Coast Guard, respectively, in such numbers and ranks as may be agreed upon by the Secretary of the Navy with the Secretaries of War and Treasury, respectively: *Provided*, That the War Department and the Treasury Department shall bear the proportionate share of the cost of such instruction as may be received by the students detailed to receive such instruction by the Secretaries of War and Treasury, respectively. Such officers of the Army of the United States and the United States Coast Guard, while under instruction, shall be subject to the same rules and regulations as are applied to students of the United States Navy.

SEC. 7. The title of the act approved December 7, 1945 (Public Law 250, 79th Cong., 1st sess.), is hereby amended to read as follows: "To authorize the Superintendent of the United States Naval Postgraduate School to confer bachelors of science, masters, and doctors degrees in engineering and related fields." Section 1 of the foregoing act is hereby amended to read as follows: "That, pursuant to such regulations as the Secretary of the Navy may prescribe, the Superintendent of the United States Naval Postgraduate School is authorized, upon due accreditation from time to time by the appropriate professional authority of the applicable curriculum of such school leading to bachelors of science, masters or doctors degrees in engineering or related fields, to confer such degree or degrees on qualified graduates of such school."

SEC. 8. There is hereby authorized to be appropriated such amounts as may be necessary for the postgraduate school to carry out its functions as provided herein.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF PUBLIC UTILITY DISTRICT NO. 1, COWLITZ COUNTY, WASH.

The Clerk called the bill (H. R. 2693) for the relief of Public Utility District No. 1, of Cowlitz County, Wash.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not already appropriated, the sum of $62,299.38, to Public Utility District No. 1, Cowlitz County, Wash., in full settlement of the said public-utility district's claim against the United States for a fee paid by the said public-utility district to the clerk of the United States District Court for the Western District of Washington, Southern Division, in cause No. 8592, pursuant to the provisions of paragraph 8, section 555, title 28, United States Code, Annotated, as then in effect: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating

the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRIAL PIECES OF COINS

The Clerk called the bill (S. 565) to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3539 of the Revised Statutes, as amended (U. S. C., title 31, sec. 352), is amended by striking out the word "two" wherever it appears therein and inserting in lieu thereof the word "ten."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANDARD OF INGOTS AND WEIGHT OF SILVER COINS

The Clerk called the bill (S. 566) to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3533 of the Revised Statutes (U. S. C., title 31, sec. 346) is amended by striking out the word "three-thousandths" and inserting in lieu thereof the word "six-thousandths."

SEC. 2. Section 3536 of the Revised Statutes, as amended (U. S. C., title 31, sec. 349), is amended to read as follows:

"In adjusting the weight of silver coins the following deviations shall not be exceeded in any single piece: In the dollar, 6 grains; in the half-dollar, 4 grains; in the quarter-dollar, 3 grains; and in the dime, 1½ grains."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFERRING BLAIR COUNTY, PA., TO WESTERN JUDICIAL DISTRICT

The Clerk called the bill (H. R. 325) to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Blair County, Pa., of the middle judicial district of Pennsylvania, be, and it is hereby, detached from said judicial district and attached to the western judicial district of Pennsylvania: *Provided*, That the transfer herein provided shall not affect any case or proceedings now pending.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO EXTEND RECLAMATION LAWS TO THE STATE OF ARKANSAS

The Clerk called the bill (H. R. 1274) to extend the reclamation laws to the State of Arkansas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ALLEN of Louisiana. Mr. Speaker, I object.

The SPEAKER. Objection is heard. Is there objection to the present consideration of the bill?

Mr. ALLEN of Louisiana. Mr. Speaker, I object to the present consideration of the bill.

GRANTING WATER RIGHT AND CERTAIN LAND IN CLARK COUNTY, NEV., TO THE CITY OF LAS VEGAS, NEV.

The Clerk called the bill (H. R. 3151) to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to donate and convey, subject to such conditions and reservations as he deems needful to protect the interests of the United States in adjacent lands, to the city of Las Vegas, a municipal corporation within the county of Clark, State of Nevada, all the right, title, and interest of the United States to a water right and certain lands in lot 1 and the west half of the northeast quarter of the northwest quarter of section 30, township 20 south, range 61 east, of the Mount Diablo meridian, Clark County, Nev., the said lands being described by metes and bounds as follows: Beginning at corner 1, the southwest corner of said lot 1; thence north, with part of the west boundary thereof, eight hundred and twelve and forty-six one-hundredths feet to corner 2; thence north eighty-nine degrees twenty-three minutes forty-five seconds east, passing within said lot 1 seven hundred and eighty-three and forty-two one-hundredths feet to corner 3; then north thirteen degrees forty-one minutes east five hundred and twenty-three and thirty-eight one-hundredths feet to corner 4, in the north boundary of said section 30; thence north eighty-nine degrees twenty-three minutes forty-five seconds east, with part of said north boundary of said section, one thousand one hundred and thirteen and forty-two one-hundredths feet to corner 5, the northeast corner of the said west half northeast quarter northwest quarter; thence south no degree twenty-eight minutes three seconds west, with the east boundary of said subdivision, one thousand three hundred and twenty and sixty-six one-hundredths feet to corner 6, the southeast corner of said west half northeast quarter northwest quarter; thence south eighty-nine degrees twenty-five minutes thirty-one seconds west, with the north sixteenth line of said section 30, two thousand and nine and seventy one-hundredths feet to the place of beginning, containing forty-nine and ninety-three one-hundredths acres, more or less; also water permit numbered 9940 from the State engineer of the State of Nevada, approving the appropriation of water from the Las Vegas Artesian Basin.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANCOS WATER CONSERVANCY DISTRICT

The Clerk called the bill (H. R. 3197) to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction-cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to enter into a contract amending that certain contract between the Mancos Water Conservancy District and the United States dated July 20, 1942, to provide that the reimbursable construction-cost obligation of the district to the United States for construction of the Mancos project will be increased from $600,000 to $900,000, and that the period of repayment of this obligation will be extended from 40 years to 60 years.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VACANCY OF DISTRICT JUDGE IN THE SOUTHERN DISTRICT OF NEW YORK

The Clerk called the bill (H. R. 1436) to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONTINUATION OF VETERANS' AFFAIRS OFFICES IN THE TERRITORY OF THE REPUBLIC OF THE PHILIPPINES

The Clerk called the next business, House Joint Resolution 196, authorizing the Administrator of Veterans' Affairs to continue and establish offices in the Territory of the Republic of the Philippines.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I understand this merely extends the right to remain in their present possession for 12 months.

Mrs. ROGERS of Massachusetts. The gentleman is correct. They may have to move out and get temporary housing facilities for a year. It is only for 1 year. The present law expires within 2 or 3 weeks. Without the extension these veterans will have no place to go and it will be much more costly.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a) to establish regional offices, suboffices, contact units, or other subordinate offices may con-

tinue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary.

With the following committee amendment:

Page 2, line 3, after the word "necessary" insert "but in no event after June 30, 1948."

The amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 115, authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines, strike out all after the enacting clause and insert the provisions of House Joint Resolution 196 as amended.

The Clerk read the title of the Senate resolution.

The SPEAKER. Is there objection to the consideration of the Senate bill?

Mr. ALLEN of Louisiana. Mr. Speaker, reserving the right to object, what is the difference between the two bills?

Mrs. ROGERS of Massachusetts. The Senate bill extends the time indefinitely. The House bill cuts the extension down to only 1 year.

Mr. ALLEN of Louisiana. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the Senate bill, as follows:

Resolved, etc., That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a), to establish regional offices, sub-offices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: Strike out all after the enacting clause and insert the following: "That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a) to establish regional offices, suboffices, contract units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary, but in no event after June 30, 1948."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House Resolution 196 were laid on the table.

INCREASING MINIMUM ALLOWANCE PAYABLE FOR REHABILITATION IN SERVICE-CONNECTED CASES

The Clerk called the bill (H. R. 3308) to increase the minimum allowance payable for rehabilitation in service-connected cases.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I ask unanimous consent that the bill may be read for our information.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That, effective on the first day of the first calendar month subsequent to the date of enactment of this act, paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended, is amended to read as follows:

"3. While pursuing training prescribed herein, and for 2 months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended: *Provided*, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, $115 per month; and for a person with a dependent, $135 plus the following amounts for additional dependents: (1) $20 for one child and $15 additional for each additional child, and (2) $15 for a dependent parent: *Provided further*, That the rates set out herein shall not be subject to the increases authorized by Public Law No. 312, Seventy-eighth Congress, approved May 27, 1944: *And provided further*, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."

Amend the title so as to read: "A bill to increase the minimum allowance payable for rehabilitation in certain service-connected cases."

Mr. COLE of New York. Mr. Speaker, reserving the right to object, irrespective of the merits of the bill, the total annual cost is five and a quarter million dollars, entirely too much to justify its consideration on the Consent Calendar. I wonder if the gentlewoman from Massachusetts would not ask that it be stricken from the calendar so that it could be brought up either under a suspension of the rules or under a rule so that we might have ample opportunity to discuss it?

Mrs. ROGERS of Massachusetts. Is the gentleman's reason for objecting because the bill will cost more than a million dollars a year?

Mr. COLE of New York. As the gentlewoman from Massachusetts knows, there is a general understanding that where the cost involved exceeds a million dollars a bill will not be considered on the Consent Calendar.

Mrs. ROGERS of Massachusetts. I thought perhaps because these men were disabled and in need that the bill might be expedited.

Mr. COLE of New York. Irrespective of the merits of the bill, the cost is five and a quarter millions.

Mrs. ROGERS of Massachusetts. As the gentleman knows, it has been very difficult to get a rule.

Mr. COLE of New York. I was not aware of that.

Mrs. ROGERS of Massachusetts. That is why I am so anxious to get it through in this way. I realize that the objectors have a million-dollar limitation, but in view of the difficulty we are having in securing a rule I thought he might withdraw his objection. It is for the disabled.

Mr. COLE of New York. I want the gentlewoman to understand that I have no objection to the bill, and I so indicated, but I do have a responsibility to perform in serving in this capacity, and that is that bills cannot be considered which have an expenditure of over a million dollars. If the gentlewoman will not make the request, she will put me in the embarrassing position of having to object to the bill, which I hope she will not do.

Mrs. ROGERS of Massachusetts. I do not want to embarrass the gentleman, but I want to get the bill through.

Mr. RANKIN. The reason I had the bill read was this: The Disabled American Veterans have complained to me that one of these bills is discriminatory against the disabled veterans. That is the reason I wanted the entire provisions of the bill read.

Mrs. ROGERS of Massachusetts. May I say to the gentleman that the Disabled American Veterans are anxious to have this bill read and passed as is.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENDING SECOND-CLASS MAILING PRIVILEGES TO BULLETINS ISSUED BY STATE CONSERVATION AND FISH AND GAME AGENCIES OR DEPARTMENTS

The Clerk called the bill (H. R. 2857) to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the ninth paragraph under the heading "Office of the Third Assistant Postmaster General" of the first section of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912 (U. S. C., 1940 ed., title 39, sec. 229), is amended by inserting after "issued by State boards of health," the following: "by State conservation and fish and game agencies or departments."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF WAR TO PERMIT THE DELIVERY OF WATER FROM THE DISTRICT OF COLUMBIA

The Clerk called the bill (H. R. 310) to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, would the gentleman accept an explanation of the bill?

Mr. STEFAN. I would like to talk to the gentleman about it or have it explained in detail. I do not think we can get a detailed explanation at this time.

Mr. SMITH of Virginia. Can we not pass it over temporarily? I will confer with the gentleman, then we will take it up later?

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXCLUDING CERTAIN INTERNS AND OTHERS OF THE FEDERAL GOVERNMENT FROM CLASSIFICATION ACT

The Clerk called the bill (H. R. 1714) to exclude certain interns, student nurses, and other student employees of hospitals of the Federal Government from the Classification Act and other laws relating to compensation and benefits of Federal employees, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 102 (a) of the Federal Employees Pay Act of 1945 (Public Law 106, 79th Cong.), as amended, is amended by striking out "and" before "(5)" and by changing the period at the end of such sentence to a semicolon and adding: "and (6) student nurses, medical or dental interns, residents-in-training, student dietitians, student physical therapists, and student occupational therapists, assigned or attached to a hospital, clinic, or medical or dental laboratory operated by any department, agency, or instrumentality of the Federal Government, or by the District of Columbia, and any other student-employees, assigned or attached to any such hospital, clinic, or laboratory primarily for training purposes, who may be designated by the head of such department, agency, or instrumentality, or by the Commissioners of the District of Columbia, as the case may be, with the approval of the Civil Service Commission."

SEC. 2. The Classification Act of 1923, as amended and extended (5 U. S. C., ch. 13), shall not apply to student nurses, medical or dental interns, residents-in-training, student dietitians, student physical therapists, and student occupational therapists, assigned or attached to a hospital, clinic, or medical or dental laboratory operated by any department, agency, or instrumentality of the Federal Government, or by the District of Columbia, and any other student-employees, assigned or attached to any such hospital, clinic, or laboratory primarily for training purposes, who may be designated by the head of such department, agency, or instrumentality, or by the Commissioners of the District of Columbia, as the case may be, with the approval of the Civil Service Commission.

SEC. 3. The heads of the departments, agencies, and instrumentalities of the Federal Government and the Commissioners of the District of Columbia shall prescribe stipends to be paid to persons included in section 2 of this act who are at their respective hospitals, clinics, or laboratories; but no such stipend shall be in excess of the applicable maximum prescribed by the Civil Service Commission. Such persons may be provided living quarters, subsistence, and laundering while at the hospitals, clinics, or laboratories and, when so furnished, the reasonable value thereof, as prescribed by the head of the department, agency, or instrumentality concerned, or by the Commissioners of the District of Columbia, as the case may be, shall be deducted from their stipends; but such deductions may not be less than the lowest deduction applicable to regular employees at the same hospital, clinic, or laboratory for similar accommodations.

SEC. 4. Any person included in section 2 of this act who suffers disability or death as a result of personal injury arising out of and in the course of training, or sustained in the performance of duties in connection therewith, shall be treated, for the purposes of the act of September 7, 1916, as amended (5 U. S. C., ch. 15), as though he were an employee, as defined in such act, who had sustained such injury in the performance of duty.

SEC. 5. The Civil Service Retirement Act of 1930, as amended (5 U. S. C., ch. 14), shall not be applicable to any person included in section 2 of this act.

SEC. 6. The acts of March 14, 1936, as amended (5 U. S. C. 30b, and the following, and 5 U. S. C. 30f, and the following), relating to annual leave and sick leave, respectively, for employees of the United States, shall not be applicable to any person included in section 2 of this act. The heads of the departments, agencies, and instrumentalities of the Federal Government and the Commissioners of the District of Columbia shall prescribe, for persons included in section 2 who are assigned or attached to their respective hospitals, clinics, or laboratories, the conditions under which sick leave and vacations, with or without the payment of stipends, shall be granted, and the extent of such sick leave and vacations. Any annual leave accumulated prior to the enactment of this act by any person included in section 2 shall be carried forward and added to any vacations granted pursuant to this section, but all sick leave accumulated by him prior to such enactment is hereby canceled.

SEC. 7. If any person included in section 2 is, pursuant to the order of the head of the department, agency, or instrumentality concerned, or the Commissioners of the District of Columbia, as the case may be, temporarily detailed to or affiliated with any other Government or non-Government institution, to procure necessary supplementary training or experience, his status as a student-employee shall not be considered terminated by reason of such detail or affiliation, but he may receive his stipend and other perquisites provided under this act from the hospital, clinic, or laboratory to which he is assigned or attached for only 60 days of such detail or affiliation in each training year (as defined by such head or such Commissioners). Where the detail or affiliation under this section is to or with another Federal institution the student-employee shall be paid his necessary expenses of travel to and from such institution in accordance with the Standardized Government Travel Regulations and the provisions of the Subsistence Expense Act of 1926, as amended (5 U. S. C., ch. 16).

SEC. 8. This act shall not be construed as affecting in any way the compensation, rights, or benefits of student nurses receiving training in accordance with the act of June 15, 1943, as amended (50 U. S. C., App., 1451, and the following).

SEC. 9. Nothing contained in this act shall be construed as limiting any authority conferred upon the Administrator of Veterans' Affairs by the act of January 3, 1946 (Public Law 293, 79th Cong.).

SEC. 10. Funds now or hereafter appropriated to the departments, agencies, and instrumentalities of the Federal Government and to the District of Columbia for the expenses of their respective hospitals, clinics, and laboratories to which persons included in section 2 are assigned or attached are hereby made available and authorized for carrying out the provisions of this act with respect to such persons.

With the following committee amendments:

On page 4, lines 1 through 3, strike out section 5 and insert a new section as follows:

"SEC. 5. Persons included under section 2 of this act shall not be subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended (5 U. S. C., ch. 14), except that in the event any such person later becomes subject to the provisions of such Retirement Act, his service as a student-employee shall be credited in accordance with the provisions of such Retirement Act."

On page 4, lines 4 through 20, strike out section 6.

On page 5, line 7, strike out after the word "affiliation" the word "in" and insert the word "for."

On page 4, line 21, strike out "7" and insert "6"; on page 5, line 15, strike out "8" and insert "7"; on page 5, line 20, strike out "9" and insert "8"; on page 5, line 24, strike out "10" and insert "9."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL AVIATION COUNCIL

The Clerk called the bill (H. R. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, to make inquiry of a member of the committee or perhaps the author, because the cost of these activities is not stated in the report.

Mr. HINSHAW. This bill gives statutory authority to an organization that is already in being known as the Air Coordinating Committee. I doubt that any expense that might be attached to it would amount to anything at all because it merely does that. There is no consideration of expense involved in it because of the fact that it gives statutory authority to an existing agency known as the Air Coordinating Committee.

Mr. COLE of New York. If that is the situation, what is the reason for authorizing such sums as may be necessary to carry out the act?

Mr. HINSHAW. The reason would be that after once giving it statutory authority, the budget for it would come as a separate budget, but it would make no addition to the existing Budget in the over-all Government picture.

Mr. COLE of New York. It seems to me that when a Federal activity is created by statute or is sought to be created

by statute, even though it is one that is being practiced under Executive authority, the Congress should be advised of the annual cost of this new agency to be created, and I was in hopes that the gentleman from California could indicate the approximate annual cost of this Council.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Arkansas.

Mr. HARRIS. I would like to ask the author of the bill if it is a fact that the cost of this would be the salary of the executive secretary plus such incidental costs necessary to the activities of the committee?

Mr. HINSHAW. That is correct, because the other members of the committee are all officers of the Government at the present time, and they already have an executive secretary under the Classification Act for this group, and supplied by one of the departments, and it simply means that he becomes classified under this particular bill, and there is no addition to the pay roll of the overall government.

Mr. COLE of New York. Can the gentleman advise us what funds have been heretofore appropriated for this activity which is now being put in statutory form?

Mr. HINSHAW. That question did not arise before the committee, but it was simply the assignment of various personnel from the various departments. I do not imagine it will run over $50,000 to $75,000 a year altogether; that is, the salaries that are involved in it.

Mr. COLE of New York. Very well. With that information, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

NATIONAL AVIATION COUNCIL

SECTION 1. (a) For the purpose of formulating, unifying, and clarifying national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry, and of monitoring and harmonizing the pertinent activities of the executive branch of the Government in accordance with such policies, there is hereby established a National Aviation Council (hereinafter referred to as the "Council").

(b) The Council shall have as members one representative of each participating agency. The President shall appoint a Chairman and a Vice Chairman of the Council from among the members.

(c) For the purposes of this act, participating agencies shall be the State, War, Navy, Commerce, and Post Office Departments, the Federal Communications Commission, and the Civil Aeronautics Board, except that—

(1) the President may from time to time designate as a participating agency any other agency of the Government which he finds has a substantial and continuing interest in the field of aviation, and may terminate the participation of any agency which he finds no longer has such an interest; and

(2) in connection with any matter arising under this act which is of substantial interest to any agency of the Government which is not a participating agency, the Council, in accordance with procedures established by it, shall designate such agency as a participating agency for purposes of consideration of, and action on, such matter.

(d) The member who is to represent any participating agency shall be the head of such agency. Each member shall designate an alternate or alternates to serve on the Council in the event of his absence or inability to serve.

RECOMMENDATIONS BY THE COUNCIL

SEC. 2. (a) The Council shall recommend to the appropriate agencies of the Government the adoption and carrying out, within the limits of authority possessed by them, of such policies, plans, and procedures relative to governmental activities (except activities related to the exercise of quasi-legislative or quasi-judicial functions) relating to or affecting aviation as in the judgment of the Council will promote the public interest and aid in effectuating the purposes set forth in section 1; and

(b) The Council may recommend to the President the establishment of such policies, plans, procedures, or action relating to or affecting aviation as in the judgment of the Council will promote the public interest and aid in effectuating the purposes set forth in section 1.

(c) The powers conferred upon the Council by this section shall be exercised as to any particular matter only by unanimous concurrence of the representatives of all of the agencies participating in the decision on such matter. In the event the Council is unable to reach unanimous agreement with regard to any matter, the Council, upon the request of any member, and after obtaining the views of the head of each agency concerned, shall submit such matter, together with such views, to the President.

EXECUTIVE SECRETARY AND OTHER PERSONNEL

SEC. 3. (a) There shall be an Executive Secretary of the Council, appointed by the Council in accordance with the civil-service laws, who shall perform such duties as may be required by law or prescribed by the Council.

(b) The Council may employ such experts, assistants, special agents, examiners, attorneys, and other employees as in its judgment may be necessary for the performance of its duties. Such employees shall be appointed in accordance with the civil-service laws, and their compensation fixed in accordance with the Classification Act of 1923, as amended, except that expert administrative, technical, and professional personnel may be employed, and their compensation fixed, without regard to such laws.

ASSISTANCE FROM OTHER AGENCIES

SEC. 4. (a) The Council may require reports and information from any agency of the Government as to the activities of such agency which relate to aviation.

(b) The Council may utilize the services, information, facilities, and personnel of the various agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such agencies, can be furnished without undue interference with the performance of the work and duties of such agencies.

ADVISORY BOARD

SEC. 5. (a) There is hereby created an Advisory Board of the National Aviation Council (hereinafter referred to as the "Board") which shall consist of ten members who shall be appointed by the Council for terms of 2 years, subject to removal by the Council. All of the members of the Board shall represent the general public and the public interest, but in order that the Council may have the benefit of experience in the matters with which it will deal under this act, at least one member of the Board shall be drawn from each of the following: Those having had experience in matters relating to (1) civil air transport, (2) the aeronautical manufacturing industry, (3) labor or labor relations, (4) private flying and fixed base operation, (5) research and development in aviation or related fields, and (6) education in aeronautics. The Board shall select its own Chairman from among its members. The Executive Secretary of the Council shall act as Secretary of the Board.

(b) The Board, or such panels thereof as may be appropriate under the circumstances, shall advise the Council on matters arising under this act.

(c) Members of the Board shall receive a per diem allowance of $25 for each day, or part thereof, of service in attending meetings of the Board or of a panel thereof or conferences held upon call of the Council, plus necessary traveling expenses incurred while so engaged.

REPORTS TO CONGRESS

SEC. 6. The Council shall submit to the President, for transmission to the Congress, an annual report with respect to its activities, and may include in such report such recommendations as it may deem advisable; and the Council may from time to time submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Views of the Board, as well as minority views and recommendations of the Council and the Board, if any, shall be included in such annual reports and in such special reports and recommendations.

DEFINITION OF "AGENCY OF THE GOVERNMENT"

SEC. 7. As used in this act the term "agency of the Government" means any department or independent establishment in the executive branch of the Government.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to enable the Council to carry out the provisions of this act and to perform any other duties which may be imposed upon it by law or Executive order.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER FOR FALLS CHURCH, VA.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 136, the bill (H. R. 310) to authorize the Secretary of War to permit delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. STEFAN. Reserving the right to object, Mr. Speaker, I wish to state for the information of the House that the reason I asked that this bill go over without prejudice was because I wanted a little information about it. I now understand it is an emergency, and the outlying district will pay for the water. It has been approved by the Commissioners, and it comes to the House with the

unanimous vote of the committee. Is my understanding correct?

Mr. SMITH of Virginia. That is correct.

Mr. STEFAN. Therefore I withdraw my reservation of objection, Mr. Speaker.

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I do so in order to request that returns to bills be deferred until the completion of the call of the entire calendar. While I have no objection to this request, hereafter I will object.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, on the recommendation of the Chief of Engineers, United States Army, and the Board of Commissioners of the District of Columbia, is hereby authorized in his discretion, upon request of the town council of the town of Falls Church, Fairfax County, Va., or any other competent State or local authority in the Washington metropolitan area in Virginia, to permit the delivery of water from the District of Columbia water system at the Dalecarlia Filtration Plant, or at other points on said water system, to the Falls Church water system for the purpose of supplying water for the use of said town and such adjacent areas as are now or shall hereafter be served by the water system of said town, or to any other competent State or local authority in said metropolitan area in Virginia. The Secretary of War is hereby further authorized, in his discretion and upon the recommendation of the Chief of Engineers, and said Board of Commissioners, to permit the delivery of such water through the water mains of Arlington County by a connection to Arlington mains at the southerly end of Chain Bridge, or to make connections with the Arlington County water system at one or more points along the boundary line of Arlington County: *Provided*, That all expense of installing any such connection or connections or other appurtenances and any subsequent changes therein shall be borne by said town of Falls Church, or such other communities of said metropolitan area requesting such services: *Provided further*, That all payments for water taken directly from the mains of the water-supply system of the District of Columbia at the Dalecarlia Filtration Plant, or from other points on said water system, shall be made at such time and in such manner as the Secretary of War and said Board of Commissioners may prescribe; all such payments to be deposited in the Treasury of the United States as other water rents now collected in the District of Columbia are now deposited, but for water as may be supplied through the water mains of Arlington County, as hereinabove authorized, such payments shall be made by said Arlington County in the same manner as payments for water supplied for the use of said Arlington County: *Provided further*, That payment for water delivered to communities in said metropolitan area from or through the water mains of Arlington County shall be made to said county as may be mutually arranged on an equitable basis and as approved by the Secretary of War and said Board of Commissioners: *And provided further*, That the Secretary of War, directly or upon the request of the Board of Commissioners, may revoke at any time any permit for the use of said water that may have been granted.

SEC. 2. That the Secretary of War, through the Chief of Engineers, shall have the right at all times to investigate the distribution systems of any community outside the District of Columbia supplied with water from the said District of Columbia water system and if, in his opinion, there is an excessive wastage of water, he shall have the right to curtail the supply to said communities to the amount of such wastage.

SEC. 3. The Secretary of War or the said Board of Commissioners is hereby authorized to acquire by purchase or condemnation all necessary lands, easements, and rights-of-way for pipe lines within the District of Columbia needed for the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL HOME LOAN BANK ACT

The Clerk called the bill (H. R. 3448) to amend the Federal Home Loan Bank Act, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b) of section 10 of the Federal Home Loan Bank is hereby amended by striking the words "20 years" appearing in the first sentence thereof, and inserting in lieu thereof the words "25 years."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOME OWNERS' LOAN ACT OF 1933

The Clerk called the bill (H. R. 2800) to amend section 5 of the Home Owners' Loan Act of 1933, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection c of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following:

"Notwithstanding any other provision of this subsection except the area restriction such associations may invest their funds in title I, Federal Housing Administration loans, loans guaranteed or insured, as provided in the Servicemen's Readjustment Act of 1944, as amended, or in other loans for property alteration, repair, or improvement: *Provided*, That no such loan shall be made in excess of $1,500 except in conformity to the other provisions of this subsection, and that the total amount of loans so made without regard to the other provisions of this subsection shall not, at any time, exceed 15 percent of the association's assets."

With the following committee amendment:

Page 1, line 8, after the word "in", strike out the balance of the line and insert "loans insured under title I of the National Housing Act, as amended."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORGANIC ACT OF PUERTO RICO

The Clerk called the bill (H. R. 3309) to amend the Organic Act of Puerto Rico.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SALE OF WEATHER BUREAU PROPERTY, EAST LANSING, MICH.

The Clerk called the bill (S. 640) to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and obtain other quarters for the said Bureau in the State of Michigan.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, this bill authorizes the Secretary of Commerce to sell to the Michigan State College a certain piece of real property located on the campus of the university. I was struck by the fact that the bill also carries an authorization for appropriation of public funds, and I should like to inquire of the gentleman from Michigan why it is necessary for the Congress to appropriate funds in order to permit one of its agents to sell or transfer some of its own property.

Mr. DONDERO. I do not know that I can explain to the gentleman from New York the last phase of his inquiry, but I do know that this piece of property, the Weather Bureau, is on the campus of Michigan State College at East Lansing, within the district of the gentleman from Michigan [Mr. BLACKNEY]. The Weather Bureau is inclined to make an exchange of this property for another site, and Michigan State College wants it. They are willing to take it and I think pay for it with other property. The Federal Government is to obtain a site outside the city in a more advantageous position.

Mr. COLE of New York. Will the gentleman, who is the distinguished chairman of the Committee on Public Works, agree with me that no expenditure on the part of the Federal Government will be involved in this transfer?

Mr. DONDERO. I am unable to answer that. This bill does not come from my committee, but I am familiar with the situation at East Lansing. The gentleman from Michigan [Mr. BLACKNEY] is here. Perhaps he can explain it.

Mr. COLE of New York. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, any other law to the contrary notwithstanding, the Secretary of Commerce is authorized to sell, in such manner and on such terms and conditions as he deems to be to the best interest of the United States, to the Michigan State College of Agriculture and Applied Science the Weather Bureau station located on the campus of the said college, to convey such property to the said college by quitclaim deed, and to deposit the proceeds of such sale in the Treasury as a miscellaneous receipt: *Provided*, That the sale of the Weather Bureau property to the Michigan State College of Agriculture and Applied Science shall not be consummated, and the Weather Bu-

reau shall not be required to vacate said property, unless and until the said Bureau shall have obtained and occupied other quarters in the State of Michigan, either by construction of a new building or by rental of, or other means of obtaining, such quarters.

SEC. 2. There is hereby authorized to be appropriated, out of money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 10, strike out all of section 2.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHOCTAW AND CHICKASAW INDIAN NATIONS, OKLAHOMA

The Clerk called the bill (H. R. 2005) to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 21, 1932 (47 Stat. 88), is hereby amended to provide that leases or renewal leases may be made for any term not to exceed 15 years: *Provided*, That nothing herein contained shall operate to prevent the sale pursuant to law of the segregated coal or asphalt deposits leased or unleased of the Choctaw-Chickasaw Nations at any time, but any such sale shall be subject to any leases of such deposits heretofore or hereafter made pursuant to law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC HOSPITAL DISTRICT NO. 2, CLALLAM COUNTY, WASH.

The Clerk called the bill (H. R. 2411) to authorize patenting of certain lands to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to patent lots 2 and 3, block 33, as shown on the official supplemental plat of survey of block 33, located in the city of Port Angeles, State of Washington, accepted March 24, 1923, containing seven and sixty-four one-hundredths acres, to Public Hospital District No. 2, Clallam County, Wash., for hospital purposes.

SEC. 2. The patent conveying title to the lands described in the first section of this act shall (1) contain a reservation to the United States of all minerals, including coal, oil, and gas, together with the right to prospect for, mine, and remove the same under regulations to be prescribed by the Secretary of the Interior; and (2) provide that if, at any time, the Secretary of the Interior finds that Public Hospital District No. 2, Clallam County, Wash., has ceased to use the land, or any part thereof, for hospital purposes, or has alienated or attempted to alienate, the same, title to such land, or part thereof, shall thereupon revert to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OTTER CREEK RECREATIONAL DEMONSTRATION AREA, KENTUCKY

The Clerk called the bill (H. R. 2852) to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area in the State of Kentucky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described tracts of surplus Federal lands comprising 394.5 acres, are hereby made a part of the Otter Creek Recreational Demonstration Area in the State of Kentucky, subject to all laws relating to such recreational demonstration project areas, without transfer of funds:

Tract A-57, William L. Carr: Grantee, United States Government; grantor, William L. Carr and Rosa Lee Carr (wife); 31.71 acres, more or less; recorded in deed book No. 72, page No. 602, August 25, 1942.

Tract A-73, T. L. Crutcher: Grantee, United States Government; grantor, T. L. Crutcher; 15.6 acres, more or less; recorded in deed book No. 74, page No. 188, September 11, 1943.

Tract A-74, T. L. Crutcher: Grantee United States Government; grantor, T. L. Crutcher; 6.1 acres, more or less; recorded in deed book No. 74, page No. 188, September 11, 1943.

Tract A-75, T. L. Crutcher: Grantee, United States Government; grantor, T. L. Crutcher; 7.7 acres, more or less; recorded in deed book No. 74, page No. 188, September 11, 1943.

Tract A-124, J. C. Hawkins: Grantee, United States Government; grantor, J. C. Hawkins and Lula Hawkins (wife); 5.54 acres, more or less; recorded in deed book No. 71, page No. 400, September 23, 1941.

Tract A-170, V. L. Leonard: Grantee, United States Government; grantor, Irene Leonard (otherwise known as Mrs. V. L. Leonard, widow); 0.49 acre, more or less; recorded in deed book No. 73, page No. 476, September 25, 1941.

Tract A-230, Gus Otterson: Grantee, United States Government; grantor, Gus Otterson and Rosie Otterson (wife); 1.2 acres, more or less; recorded in deed book No. 73, page No. 483, March 20, 1943.

Tract A-231, Gus Otterson: Grantee, United States Government; grantor, Gus Otterson and Rosie Otterson (wife); 13.68 acres, more or less; recorded in deed book No. 73, page No. 483, March 20, 1943.

Tract A-249, Jesse Lee Poole; Grantee, United States Government; grantor, Jesse Lee Poole and Elizabeth Poole (wife); 50.2 acres, more or less; recorded in deed book No. 72, page No. 169, February 24, 1942.

Tract A-258, Rock Haven Baptist Church: Grantee, United States Government; grantor, J. C. Hawkins, trustee, Rock Haven Baptist Church; 2 acres, more or less; recorded in deed book No. 71, page No. 524, November 7, 1941.

Tract A-271, Joe Seelye: Grantee, United States Government; grantor, Joe Seelye and Dora Seelye (wife); 72.25 acres, more or less; recorded in deed book No. 73, page No. 151, October 31, 1942.

Tract A-318, Burrell Van Buren: Grantee, United States Government; grantor, Burrell Van Buren and Olive Van Buren (wife); 82.55 acres, more or less; recorded in deed book No. 73, page No. 255, December 5, 1942.

That part of tract A-346 lying north and west of Otter Creek, J. Hood Withers: Grantee, United States Government; grantor, J. Hood Withers and Julia K. Withers (wife), Mrs. Molly Henry (widow), Mrs. Ina Withers (widow), Mrs. Kate Warren (widow); two parcels totaling 101.85 acres, more or less; recorded in deed book No. 73, page No. 611, May 1, 1943

Tract A-353, Burrell Van Buren: Grantee, United States Government; grantor, Burrell Van Buren and Olive Van Buren (wife); 3.6 acres, more or less; recorded in deed book No. 73, page No. 255, December 5, 1942.

The deed books referred to in the foregoing tract descriptions are contained in the office of the clerk of court, Meade County, Brandenburg, Ky.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNIZING UNCOMPENSATED SERVICES RENDERED THE NATION UNDER THE SELECTIVE TRAINING AND SERVICE ACT OF 1940, AS AMENDED

The Clerk called the joint resolution (H. J. Res. 167) to recognize uncompensated services rendered the Nation under the Selective Training and Service Act of 1940, as amended, and for other purposes.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Congress declares that many members of local boards, boards of appeal, Government appeal agents, examining physicians and dentists, and other uncompensated personnel of the Selective Service System have, in a manner which is an example of patriotism, served the United States in the administration of the Selective Training and Service Act of 1940, as amended. This service has been voluntary and uncompensated and in many cases has resulted in great sacrifices on the part of these citizens.

That in accordance with the historic policy of the United States to recognize and publicly acknowledge the gratitude of the people and the Government of the United States for patriotic service, the Director of Selective Service is directed to issue to such uncompensated personnel of the Selective Service System, upon the expiration of the Selective Training and Service Act of 1940, as amended, suitable certificates of separation.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This completes the call of bills on the Consent Calendar eligible for consideration today.

PANAMA CANAL

Mr. ANDREWS of New York. Mr. Speaker, recently at the request of the gentleman from Michigan [Mr. ENGEL], chairman of the Subcommittee on War Department Appropriations, there was introduced in the House and referred to the Committee on Armed Services a very short bill, H. R. 3629, which is on the Consent Calendar today. It merely authorizes the transfer to the Panama Canal of property which is surplus to the needs of the War Department or Navy Department. Without the passage of this

bill, certain provisions in the War Department appropriation bill to be considered tomorrow would be subject to a point of order. I ask unanimous consent for the immediate consideration of the bill H. R. 3629, which has the unanimous approval of the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the War Department and the Navy Department are authorized to transfer to the Panama Canal, regardless of present location and without charge to the Panama Canal, materials, supplies, tools, and equipment of every character, including structures, vessels, and floating equipment, which are surplus to the needs of the department having title thereto and which may be certified by the Governor of the Panama Canal as necessary for the care, maintenance, operation, improvement, sanitation, and government of the Panama Canal and Canal Zone.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947—CONFERENCE REPORT

Mr. KNUTSON. Mr. Speaker, I call up the conference report on the bill (H. R. 1) to reduce individual income tax payments, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

On page 2 of the Senate engrossed amendments in lieu of the table there appearing insert the following:

"If the aggregate is:	The reduction shall be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $100,000.	24% of the aggregate.
Over $100,000 but not over $250,000.	$24,000, plus 19¼% of excess over $100,000.
Over $250,000	$52,875, plus 15% of excess over $250,000."

And on page 3 of the Senate engrossed amendments in lieu of the table there appearing insert the following:

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $100,000.	14½% of the aggregate.
Over $100,000 but not over $250,000.	$14,500, plus 12% of excess over $100,000.
Over $250,000	$32,500, plus 10% of excess over $250,000."

And the Senate agree to the same.

HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
R. L. DOUGHTON,
Managers on the Part of the House.

E. D. MILLIKIN,
ROBERT A. TAFT,
HUGH BUTLER,
WALTER F. GEORGE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to reduce individual income tax payments submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill provided that, with respect to taxable years beginning after December 31, 1946, the aggregate of the tentative normal tax and the tentative surtax under existing law should be reduced as shown in the following table:

"If the aggregate were:	The reduction would be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $250,000.	24% of the aggregate.
Over $250,000	$60,000, plus 15% of excess over $250,000."

The Senate amendment provides that the reduction for taxable years beginning in 1947 shall be as shown in the following table:

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $50,000.	14½% of the aggregate.
Over $50,000 but not over $250,000.	$7,250, plus 12% of excess over $50,000.
Over $250,000	$31,250, plus 10% of excess over $250,000."

The Senate amendment further provides that for taxable years beginning after December 31, 1947, the reduction shall be as shown in the following table:

"If the aggregate is:	The reduction shall be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $50,000.	24% of the aggregate.
Over $50,000 but not over $250,000.	$12,000, plus 19¼% of excess over $50,000.
Over $250,000	$50,500, plus 15% of excess over $250,000."

The House bill provided that, with respect to taxable years beginning after December 31, 1946, the combined normal tax and surtax should in no event exceed 76½ percent of the net income of the taxpayer. The Senate amendment retains the House figure with respect to taxable years beginning after December 31, 1947, but provides that with respect to taxable years beginning in 1947 the over-all limitation shall be 81 percent. The House recedes with an amendment which provides that the aggregate of the tentative normal tax and the tentative surtax under existing law shall be reduced as shown in the following tables:

"Taxable years beginning in 1947

"If the aggregate is:	The reduction shall be:
Not over $200	19¼% of the aggregate.
Over $200 but not over $265.52.	$38.50.
Over $265.52 but not over $100,000.	14½% of the aggregate.
Over $100,000 but not over $250,000.	$14,500, plus 12% of excess over $100,000.
Over $250,000	$32,500, plus 10% of excess over $250,000.

"Taxable years beginning after 1947

"If the aggregate is:	The reduction shall be:
Not over $200	33⅓% of the aggregate.
Over $200 but not over $279.17.	$67.
Over $279.17 but not over $100,000.	24% of the aggregate.
Over $100,000 but not over $250,000.	$24,000, plus 19¼% of excess over $100,000.
Over $250,000	$52,875, plus 15% of excess over $250,000."

Amendments Nos. 2 and 3: The House bill amended the tax table contained in section 400 of the Internal Revenue Code, relating to the optional tax on individuals with adjusted gross incomes of less than $5,000. Amendment No. 2 limits the application of the tax table in the House bill to taxable years beginning after 1947, and amendment No. 3 provides an additional tax table to be applicable to taxable years beginning in 1947 to reflect the reductions provided by amendment No. 1. The House recedes.

Amendment No. 4: This is a clerical amendment and the House recedes.

Amendment No. 5: The House bill amended section 25 (b) (1) of the code to provide an additional exemption of $500 for a taxpayer who attains the age of 65 before the end of the taxable year. The House bill provided that in the case of a joint return the additional exemption of $500 is allowed with respect to each spouse who has attained the age of 65 only if the gross income of such spouse for the taxable year is $500 or more. Under the Senate amendment this gross-income limitation is removed, with the result that, on a joint return, an additional exemption is allowed for each spouse who has attained the age of 65, regardless of the amount of the gross income. The additional exemption for a spouse who has attained the age of 65 may also be taken by the taxpayer on his separate return if such spouse has no gross income. The House recedes.

Amendment No. 6: This is a technical amendment and the House recedes.

Amendment No. 7: The House bill added a new subsection (o) to section 22 of the code so as to require an individual entitled to the old-age exemption to include in gross income the first $500 of certain tax-exempt pensions, annuities, etc. This amendment eliminates the provision of the House bill. The House recedes.

Amendment No. 8: The House bill made a technical amendment to section 22 (b) (5) of the code which was necessitated by the provision in the House bill adding section 22 (o) to the code. The Senate amendment eliminates the provision of the House bill. The Senate amendment also makes four technical amendments, not found in the House bill, relating to the old-age exemption. The first technical amendment amends section 58 (a) (1) of the code, relating to the declaration of estimated tax, to give effect to the old-age exemption. The second technical amendment amends section 1622 (h) (1) of the code to authorize the allowance of the old-age exemption for withholding purposes. The third technical amendment requires employers to give effect to the additional exemption for old age with respect to the first payment of wages made on or after the ninetieth day after the date of the enactment of the bill, if a withholding exemption certificate is filed at least 30 days before such ninetieth day. The fourth technical amendment amends section 23 (x) of the code so that the additional exemption for old age will not operate to increase the present maximum deduction for medical expenses. The House recedes.

Amendments Nos. 9 and 10: These are clerical amendments and the House recedes.

Amendments Nos. 11 and 12: The House bill amended section 1622 (a) of the code, relating to the percentage method of withholding, to reflect the reductions in tax provided in the House bill. The House bill contained four rates for computing the amount to be withheld under the percentage method of withholding. Amendment No. 11 substitutes three rates for the four provided in the House bill. Amendment No. 12 provides new wage bracket withholding tables in lieu of the withholding tables provided in the House bill. The House recedes.

Amendment No. 13: This amendment provides that the new withholding rates and the wage bracket withholding tables shall be applicable with respect to wages paid on or after July 1, 1947, instead of June 1, 1947, as provided in the House bill. The House recedes.

Amendments Nos. 14 and 15: These are clerical amendments and the House recedes.

Amendment No. 16: The House bill added a new subsection to section 108 of the code to provide for the computation of the tax imposed by sections 11, 12, and 400 of the code for taxable years beginning in 1946 and ending in 1947. This amendment adds another subsection to section 108 of the code to provide for the computation of the tax imposed by such sections for taxable years beginning in 1947 and ending in 1948. The House recedes.

HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
R. L. DOUGHTON,
Managers on the Part of the House.

Mr. KNUTSON. Mr. Speaker, we appear before the House today with the conference report on H. R. 1, which was agreed to on Thursday last.

Perhaps we had better briefly review H. R. 1 as it came to the House in its original form.

The main differences between the House and Senate were as follows:

First. The Senate bill instead of providing a 20-percent reduction on the entire tax attributable on incomes between $1,400 and $302,400, reduced the rate of reduction to 15 percent on the tax attributable to that part of the income in excess of $79,700 and not in excess of $302,400. Your conferees reached a compromise agreement on which the 20-percent reduction rate was continued on the tax on incomes between $1,400 and approximately $137,000 and a 15-percent rate of reduction was allowed on the tax attributable to that part of the income in excess of that amount and not in excess of $302,400. Otherwise, the House reductions for 1948 and subsequent years were retained.

Second. The Senate bill provided that the reductions for the calendar year 1947 should be approximately one-half those under the House bill. This has the practical effect of putting the reductions in effect July 1, 1947, instead of January 1, 1947, since withholding at the full House rates starts on July 1, 1947. However, the Senate bill obviated the necessity for making refunds on the tax collected for the first 6 months of 1947 and reduced the revenue loss for the full calendar year 1947 by over $1,500,000,000.

The House conferees reluctantly yielded on this point.

The only other amendment, not of a clerical or technical nature, was the elimination by the conferees of the so-called Martin amendment, which was omitted with the understanding that it would be considered in the next revenue bill. This amendment required an individual entitled to the additional $500 exemption to include in gross income the first $500 of certain tax-exempt annuities. While the entire conference was in sympathy with the purpose of the amendment, both the Treasury Department and the Bureau of Internal Revenue stated it was unworkable in its present form and your conferees agreed with the Senate conferees that the matter should be eliminated from the bill and taken up in the general revenue bill.

The Senate bill adopted the House provision allowing an additional exemption to taxpayers over 65 years of age. However, the House bill provided that in the case of a joint return, the additional $500 exemption is allowable only to the spouse who has income of $500 or more. The Senate bill removed this limitation, with the result that every person who has attained the age of 65 is allowed the additional $500 exemption, regardless of the amount of his income. Where a separate return is filed by one spouse, and the other spouse has no gross income, the spouse filing the separate return can claim under the conference agreement not only his additional $500 exemption but also the additional $500 exemption of his wife.

The technical and clerical amendments are fully discussed in the statement of the managers, attached to the conference report.

I think I have stated the case, without going into technical details, about as well as I am capable of doing.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. COOPER. I think another way of stating it might be that whereas the House bill had three brackets of reduction, up to $1,400, 30 percent reduction; from $1,400 to $302,000, 20 percent reduction; and above $302,000, 10½ percent reduction, the Senate added one more bracket, so as to make four brackets instead of three. They continued the first bracket as in the House bill, up to about $1,400, 30 percent reduction, but they added a second bracket and made two brackets out of the one bracket that was in the House bill. So that from $1,400 up to $79,000 it was to carry a 20 percent reduction; from $79,000 to $302,000 it was to carry a 15 percent reduction, and from $302,000 on up, 10½ percent reduction. In conference this new bracket that was added by the Senate was changed, as has been indicated by the distinguished chairman, in that instead of extending the $1,400 to $79,000 as was provided in the Senate amendment, it is now provided in the conference report that from $1,400 to $137,000, the 20 percent reduction shall apply. From $137,000 to $302,000, the 15 percent reduction shall apply, and from $302,000 on up, 10½ percent reduction shall apply.

Mr. KNUTSON. That is correct.

Mr. Speaker, I will say it is my intention to insert some tables that are quite voluminous. They have been compared by Mr. Stam and his staff. I ask unanimous consent that these burden tables be here made a part of my remarks in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(The tables are as follows:)

TABLE I.—*Comparison between the estimated reduction in the individual income-tax liability from present law under the House bill, the Senate bill, and the conference report, calendar year 1947*

Net income class (in thousands)	Present law liability	Reduction in liability from present law under—					
		House bill		Senate bill		Conference report	
		Amount	Percent	Amount	Percent	Amount	Percent
	Millions	*Millions*		*Millions*		*Millions*	
0 to $1	$365	$113	2.8	$62	2.9	$62	2.9
$1 to $2	2,746	856	21.2	459	21.7	459	21.4
$2 to $3	3,368	803	19.9	429	20.3	429	20.0
$3 to $4	2,384	517	12.8	295	14.0	295	13.8
$4 to $5	1,136	238	5.9	129	6.1	129	6.0
Total under $5	9,999	2,527	62.5	1,374	65.0	1,374	64.1
$5 to $10	1,453	302	7.5	162	7.7	162	7.6
$10 to $25	2,125	427	10.6	218	10.3	218	10.1
$25 to $50	1,501	296	7.3	151	7.1	151	7.0
$50 to $100	1,385	269	6.7	113	5.4	113	5.3
$100 to $300	857	162	4.0	70	3.3	81	3.8
$300 to $500	161	28	.7	11	.5	25	1.1
$500 to $1,000	145	19	.5	8	.4	13	.6
$1,000 and over	129	14	.4	7	.3	8	.4
Total over $5	7,756	1,517	37.5	740	35.0	771	35.9
Grand total	17,755	4,044	100.0	2,114	100.0	2,145	100.0

Source: Joint Committee on Internal Revenue Taxation.

TABLE II.—*Estimated Federal receipts general and special accounts for the fiscal year 1948 under present law, House bill, Senate bill, and conference report*

[In billions of dollars]

Item	Estimated receipts in fiscal 1948 of—				Estimated effect upon the budget for fiscal 1948 of—		
	Present law	House bill	Senate bill	Conference report	House bill	Senate bill	Conference report
Direct taxes on individuals:							
Income taxes	20.0	[1] 15.1	16.8	16.7	−4.9	−3.2	−3.3
Estate and gift taxes	.7	.7	.7	.7			
Total direct taxes on individuals	20.8	15.8	17.5	17.4			
Direct taxes on corporations	8.6	8.6	8.6	8.6			
Excise taxes	7.8	7.8	7.8	7.8			
Net employment taxes [2]	.8	.8	.8	.8			
Customs	.5	.5	.5	.5			
Miscellaneous receipts:							
Existing legislation	2.6	2.6	2.6	2.6			
Proposed legislation [3]	.4	.4	.4	.4			
Total miscellaneous receipts	3.0	3.0	3.0	3.0			
Net receipts	41.4	[1] 36.5	38.2	38.1	−4.9	−3.2	−3.3

[1] Part of the reduction in liability under the House bill will result in increased refunds rather than decreased receipts; however, for comparative purposes, the full amount is shown here as a decrease in receipts. The estimate of increased refunds is $450 million.
[2] After deduction for appropriation to Federal old-age and survivors insurance trust fund.
[3] As proposed by the President in the 1948 Budget.
Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE III.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*

SINGLE PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Percent	Percent	Percent	Percent	Percent
$500																
$600	$19.00	$13.30	$16.15	$13.30	$16.15	$13.30	$5.70	$2.85	$5.70	$2.85	$5.70	30.00	15.00	30.00	15.00	30.00
$700	38.00	26.60	32.30	26.60	32.30	26.60	11.40	5.70	11.40	5.70	11.40	30.00	15.00	30.00	15.00	30.00
$750	47.50	33.25	40.37	33.25	40.37	33.25	14.25	7.13	14.25	7.13	14.25	30.00	15.00	30.00	15.00	30.00
$800	57.00	39.90	48.45	39.90	48.45	39.90	17.10	8.55	17.10	8.55	17.10	30.00	15.00	30.00	15.00	30.00
$900	76.00	53.20	64.60	53.20	64.60	53.20	22.80	11.40	22.80	11.40	22.80	30.00	15.00	30.00	15.00	30.00
$1,000	95.00	66.50	80.75	66.50	80.75	66.50	28.50	14.25	28.50	14.25	28.50	30.00	15.00	30.00	15.00	30.00
$1,200	133.00	93.10	113.05	93.10	113.05	93.10	39.90	19.95	39.90	19.95	39.90	30.00	15.00	30.00	15.00	30.00
$1,500	190.00	133.00	161.50	133.00	161.50	133.00	57.00	28.50	57.00	28.50	57.00	30.00	15.00	30.00	15.00	30.00
$1,600	209.00	153.00	181.50	153.00	181.50	153.00	56.00	27.50	56.00	27.50	56.00	26.79	13.16	26.79	13.16	26.79
$1,700	228.00	173.00	201.50	173.00	201.50	173.00	55.00	26.50	55.00	26.50	55.00	24.12	11.62	24.12	11.62	24.12
$1,800	247.00	193.00	221.50	193.00	221.50	193.00	54.00	25.50	54.00	25.50	54.00	21.86	10.32	21.86	10.32	21.86
$1,900	266.00	212.80	239.40	212.80	239.40	212.80	53.20	26.60	53.20	26.60	53.20	20.00	10.00	20.00	10.00	20.00
$2,000	285.00	228.00	256.50	228.00	256.50	228.00	57.00	28.50	57.00	28.50	57.00	20.00	10.00	20.00	10.00	20.00
$2,500	380.00	304.00	342.00	304.00	342.00	304.00	76.00	38.00	76.00	38.00	76.00	20.00	10.00	20.00	10.00	20.00
$3,000	484.50	387.60	436.05	387.60	436.05	387.60	96.90	48.45	96.90	48.45	96.90	20.00	10.00	20.00	10.00	20.00
$4,000	693.50	554.80	624.15	554.80	624.15	554.80	138.70	69.35	138.70	69.35	138.70	20.00	10.00	20.00	10.00	20.00
$5,000	921.50	737.20	829.35	737.20	829.35	737.20	184.30	92.15	184.30	92.15	184.30	20.00	10.00	20.00	10.00	20.00
$6,000	1,168.50	934.80	1,051.65	934.80	1,051.65	934.80	233.70	116.85	233.70	116.85	233.70	20.00	10.00	20.00	10.00	20.00
$7,000	1,434.50	1,147.60	1,291.05	1,147.60	1,291.05	1,147.60	286.90	143.45	286.90	143.45	286.90	20.00	10.00	20.00	10.00	20.00
$8,000	1,719.50	1,375.60	1,547.55	1,375.60	1,547.55	1,375.60	343.90	171.95	343.90	171.95	343.90	20.00	10.00	20.00	10.00	20.00
$9,000	2,023.50	1,618.80	1,821.15	1,618.80	1,821.15	1,618.80	404.70	202.35	404.70	202.35	404.70	20.00	10.00	20.00	10.00	20.00
$10,000	2,346.50	1,877.20	2,111.85	1,877.20	2,111.85	1,877.20	469.30	234.65	469.30	234.65	469.30	20.00	10.00	20.00	10.00	20.00
$11,000	2,688.50	2,150.80	2,419.65	2,150.80	2,419.65	2,150.80	537.70	268.85	537.70	268.85	537.70	20.00	10.00	20.00	10.00	20.00
$12,000	3,049.50	2,439.60	2,744.55	2,439.60	2,744.55	2,439.60	609.90	304.95	609.90	304.95	609.90	20.00	10.00	20.00	10.00	20.00
$13,000	3,434.25	2,747.40	3,090.83	2,747.40	3,090.83	2,747.40	686.85	343.42	686.85	343.42	686.85	20.00	10.00	20.00	10.00	20.00
$14,000	3,842.75	3,074.20	3,458.48	3,074.20	3,458.48	3,074.20	768.55	384.27	768.55	384.27	768.55	20.00	10.00	20.00	10.00	20.00
$15,000	4,270.25	3,416.20	3,843.23	3,416.20	3,843.23	3,416.20	854.05	427.02	854.05	427.02	854.05	20.00	10.00	20.00	10.00	20.00
$20,000	6,645.25	5,316.20	5,980.73	5,316.20	5,980.73	5,316.20	1,329.05	664.52	1,329.05	664.52	1,329.05	20.00	10.00	20.00	10.00	20.00
$25,000	9,362.25	7,489.80	8,426.03	7,489.80	8,426.03	7,489.80	1,872.45	936.22	1,872.45	936.22	1,872.45	20.00	10.00	20.00	10.00	20.00
$30,000	12,264.50	9,811.60	11,038.05	9,811.60	11,038.05	9,811.60	2,452.90	1,226.45	2,452.90	1,226.45	2,452.90	20.00	10.00	20.00	10.00	20.00
$40,000	18,425.25	14,740.20	16,582.73	14,740.20	16,582.73	14,740.20	3,685.05	1,842.52	3,685.05	1,842.52	3,685.05	20.00	10.00	20.00	10.00	20.00
$50,000	25,137.00	20,109.60	22,623.30	20,109.60	22,623.30	20,109.60	5,027.40	2,513.70	5,027.40	2,513.70	5,027.40	20.00	10.00	20.00	10.00	20.00
$60,000	32,247.75	25,798.20	29,022.98	25,798.20	29,022.98	25,798.20	6,449.55	3,224.77	6,449.55	3,224.77	6,449.55	20.00	10.00	20.00	10.00	20.00
$70,000	39,643.50	31,714.80	35,679.15	31,714.80	35,679.15	31,714.80	7,928.70	3,964.35	7,928.70	3,964.35	7,928.70	20.00	10.00	20.00	10.00	20.00
$80,000	47,324.25	37,859.40	42,591.83	37,859.40	42,591.83	37,859.40	9,464.85	4,732.42	9,464.85	4,732.42	9,464.85	20.00	10.00	20.00	10.00	20.00
$90,000	55,290.00	44,232.00	49,966.00	44,621.50	49,761.00	44,232.00	11,058.00	5,324.00	10,668.50	5,529.00	11,058.00	20.00	9.63	19.30	10.00	20.00
$100,000	63,540.75	50,832.60	57,608.80	51,634.64	57,186.67	50,832.60	12,708.15	5,931.95	11,906.11	6,354.08	12,708.15	20.00	9.34	18.74	10.00	20.00
$150,000	105,806.25	84,645.00	96,760.00	87,560.31	95,510.00	85,185.31	21,161.25	9,046.25	18,245.94	10,296.25	20,620.94	20.00	8.55	17.24	9.73	19.49
$200,000	148,551.50	118,841.20	136,355.60	123,893.78	135,105.60	121,518.78	29,710.30	12,195.90	24,657.72	13,445.90	27,032.72	20.00	8.21	16.60	9.05	18.20
$250,000	191,771.75	153,417.40	176,391.20	160,630.99	175,141.20	158,255.99	38,354.35	15,380.55	31,140.76	16,630.55	33,515.76	20.00	8.02	16.24	8.67	17.48
$300,000	234,996.75	187,997.40	216,431.20	197,372.24	215,181.20	194,997.24	46,999.35	18,565.55	37,624.51	19,815.55	39,999.51	20.00	7.90	16.01	8.43	17.02
$400,000	321,446.75	265,110.25	298,278.50	274,610.25	297,028.50	272,235.25	56,336.50	23,168.25	46,836.50	24,418.25	49,211.50	17.53	7.21	14.57	7.60	15.31
$500,000	407,896.75	342,460.25	380,178.50	351,960.25	378,928.50	349,585.25	65,436.50	27,718.25	55,936.50	28,968.25	58,311.50	16.04	6.80	13.71	7.10	14.30
$750,000	624,021.75	535,835.25	584,928.50	545,335.25	583,678.50	542,960.25	88,186.50	39,093.25	78,686.50	40,343.25	81,061.50	14.13	6.26	12.61	6.47	12.99
$1,000,000	840,146.75	729,210.25	789,678.50	738,710.25	788,428.50	736,335.25	110,936.50	50,468.25	101,436.50	51,718.25	103,811.50	13.20	6.01	12.07	6.16	12.36
$2,000,000	1,704,646.75	1,502,710.25	1,608,678.50	1,512,210.25	1,607,428.50	1,509,835.25	201,936.50	95,968.25	192,436.50	97,218.25	194,811.50	11.85	5.63	11.29	5.70	11.43
$5,000,000	4,275,000.00	3,823,210.25	4,050,000.00	3,825,000.00	4,050,000.00	3,825,000.00	451,789.75	225,000.00	450,000.00	225,000.00	450,000.00	10.53	5.26	10.53	5.26	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE IV.—*Comparison of individual income tax under present law, House bill, Senate bill, and conference report*

MARRIED PERSON—NO DEPENDENTS

Net income before personal exemption	Amount of tax						Amount of tax reduction					Percent tax reduction				
			Senate bill		Conference report			Senate bill		Conference report			Senate bill		Conference report	
	Present law	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years	House bill	For 1947	For 1948 and subsequent years	For 1947	For 1948 and subsequent years
												Per cent	*Per cent*	*Per cent*	*Per cent*	*Per cent*
$1,000																
$1,200	$38.00	$26.60	$32.30	$26.60	$32.30	$26.60	$11.40	$5.70	$11.40	$5.70	$11.40	30.00	15.00	30.00	15.00	30.00
$1,500	95.00	66.50	80.75	66.50	80.75	66.50	28.50	14.25	28.50	14.25	28.50	30.00	15.00	30.00	15.00	30.00
$1,800	152.00	106.40	129.20	106.40	129.20	106.40	45.60	22.80	45.60	22.80	45.60	30.00	15.00	30.00	15.00	30.00
$2,000	190.00	133.00	161.50	133.00	161.50	133.00	57.00	28.50	57.00	28.50	57.00	30.00	15.00	30.00	15.00	30.00
$2,100	209.00	153.00	181.50	153.00	181.50	153.00	56.00	27.50	56.00	27.50	56.00	26.79	13.16	26.79	13.16	26.79
$2,200	228.00	173.00	201.50	173.00	201.50	173.00	55.00	26.50	55.00	26.50	55.00	24.12	11.62	24.12	11.62	24.12
$2,300	247.00	193.00	221.50	193.00	221.50	193.00	54.00	25.50	54.00	25.50	54.00	21.86	10.32	21.86	10.32	21.86
$2,400	266.00	212.80	239.40	212.80	239.40	212.80	53.20	26.60	53.20	26.60	53.20	20.00	10.00	20.00	10.00	20.00
$2,500	285.00	228.00	256.50	228.00	256.50	228.00	57.00	28.50	57.00	28.50	57.00	20.00	10.00	20.00	10.00	20.00
$3,000	380.00	304.00	342.00	304.00	342.00	304.00	76.00	38.00	76.00	38.00	76.00	20.00	10.00	20.00	10.00	20.00
$4,000	589.00	471.20	530.10	471.20	530.10	471.20	117.80	58.90	117.80	58.90	117.80	20.00	10.00	20.00	10.00	20.00
$5,000	798.00	638.40	718.20	638.40	718.20	638.40	159.60	79.80	159.60	79.80	159.60	20.00	10.00	20.00	10.00	20.00
$6,000	1,045.00	836.00	940.50	836.00	940.50	836.00	209.00	104.50	209.00	104.50	209.00	20.00	10.00	20.00	10.00	20.00
$7,000	1,292.00	1,033.60	1,162.80	1,033.60	1,162.80	1,033.60	258.40	129.20	258.40	129.20	258.40	20.00	10.00	20.00	10.00	20.00
$8,000	1,577.00	1,261.60	1,419.30	1,261.60	1,419.30	1,261.60	315.40	157.70	315.40	157.70	315.40	20.00	10.00	20.00	10.00	20.00
$9,000	1,862.00	1,489.60	1,675.80	1,489.60	1,675.80	1,489.60	372.40	186.20	372.40	186.20	372.40	20.00	10.00	20.00	10.00	20.00
$10,000	2,185.00	1,748.00	1,966.50	1,748.00	1,966.50	1,748.00	437.00	218.50	437.00	218.50	437.00	20.00	10.00	20.00	10.00	20.00
$11,000	2,508.00	2,006.40	2,257.20	2,006.40	2,257.20	2,006.40	501.60	250.80	501.60	250.80	501.60	20.00	10.00	20.00	10.00	20.00
$12,000	2,869.00	2,295.20	2,582.10	2,295.20	2,582.10	2,295.20	573.80	286.90	573.80	286.90	573.80	20.00	10.00	20.00	10.00	20.00
$13,000	3,230.00	2,584.00	2,907.00	2,584.00	2,907.00	2,584.00	646.00	323.00	646.00	323.00	646.00	20.00	10.00	20.00	10.00	20.00
$14,000	3,638.50	2,910.80	3,274.65	2,910.80	3,274.65	2,910.80	727.70	363.85	727.70	363.85	727.70	20.00	10.00	20.00	10.00	20.00
$15,000	4,047.00	3,237.60	3,642.30	3,237.60	3,642.30	3,237.60	809.40	404.70	809.40	404.70	809.40	20.00	10.00	20.00	10.00	20.00
$20,000	6,393.50	5,114.80	5,754.15	5,114.80	5,754.15	5,114.80	1,278.70	639.35	1,278.70	639.35	1,278.70	20.00	10.00	20.00	10.00	20.00
$25,000	9,082.00	7,265.60	8,173.80	7,265.60	8,173.80	7,265.60	1,816.40	908.20	1,816.40	908.20	1,816.40	20.00	10.00	20.00	10.00	20.00
$30,000	11,970.00	9,576.00	10,773.00	9,576.00	10,773.00	9,576.00	2,394.00	1,197.00	2,394.00	1,197.00	2,394.00	20.00	10.00	20.00	10.00	20.00
$40,000	18,097.50	14,478.00	16,287.75	14,478.00	16,287.75	14,478.00	3,619.50	1,809.75	3,619.50	1,809.75	3,619.50	20.00	10.00	20.00	10.00	20.00
$50,000	24,795.00	19,836.00	22,315.50	19,836.00	22,315.50	19,836.00	4,959.00	2,479.50	4,959.00	2,479.50	4,959.00	20.00	10.00	20.00	10.00	20.00
$60,000	31,891.50	25,513.20	28,702.35	25,513.20	28,702.35	25,513.20	6,378.30	3,189.15	6,378.30	3,189.15	6,378.30	20.00	10.00	20.00	10.00	20.00
$70,000	39,273.00	31,418.40	35,345.70	31,418.40	35,345.70	31,418.40	7,854.60	3,927.30	7,854.60	3,927.30	7,854.60	20.00	10.00	20.00	10.00	20.00
$80,000	46,939.50	37,551.60	42,245.55	37,551.60	42,245.55	37,551.60	9,387.90	4,693.95	9,387.90	4,693.95	9,387.90	20.00	10.00	20.00	10.00	20.00
$90,000	54,891.00	43,912.80	49,596.40	44,282.35	49,401.90	43,912.80	10,978.20	5,294.60	10,608.65	5,489.10	10,978.20	20.00	9.65	19.33	10.00	20.00
$100,000	63,127.50	50,502.00	57,226.00	51,283.38	56,814.75	50,502.00	12,625.50	5,901.50	11,844.12	6,312.75	12,625.50	20.00	9.35	18.76	10.00	20.00
$150,000	105,383.50	84,306.80	96,368.40	87,200.98	95,118.40	84,825.97	21,076.70	9,015.10	18,182.52	10,265.10	20,557.53	20.00	8.55	17.25	9.74	19.51
$200,000	148,124.00	118,499.20	135,959.60	123,530.40	134,709.60	121,155.40	29,624.80	12,164.40	24,593.60	13,414.40	26,968.60	20.00	8.21	16.60	9.06	18.21
$250,000	191,339.50	153,071.60	175,990.80	160,263.58	174,740.80	157,888.58	38,267.90	15,348.70	31,075.92	16,598.70	33,450.92	20.00	8.02	16.24	8.67	17.48
$300,000	234,564.50	187,651.60	216,030.80	197,004.83	214,780.80	194,629.83	46,912.90	18,533.70	37,559.67	19,783.70	39,934.67	20.00	7.90	16.01	8.43	17.03
$400,000	321,014.50	264,723.50	297,869.00	274,223.50	296,619.00	271,848.50	56,291.00	23,145.50	46,791.00	24,395.50	49,166.00	17.54	7.21	14.58	7.60	15.32
$500,000	407,464.50	342,073.50	379,769.00	351,573.50	378,519.00	349,198.50	65,391.00	27,695.50	55,891.00	28,945.50	58,266.00	16.05	6.80	13.72	7.10	14.30
$750,000	623,589.50	535,448.50	584,519.00	544,948.50	583,269.00	542,573.50	88,141.00	39,070.50	78,641.00	40,320.50	81,016.00	14.13	6.27	12.61	6.47	12.99
$1,000,000	839,714.50	728,823.50	789,269.00	738,323.50	788,019.00	735,948.50	110,891.00	50,445.50	101,391.00	51,695.50	103,766.00	13.21	6.01	12.07	6.16	12.36
$2,000,000	1,704,214.50	1,502,323.50	1,608,269.00	1,511,823.50	1,607,019.00	1,509,448.50	201,891.00	95,945.00	192,391.00	97,195.50	194,766.00	11.85	5.63	11.29	5.70	11.43
$5,000,000	4,275,000.00	3,822,823.50	4,050,000.00	3,825,000.00	4,050,000.00	3,825,000.00	452,176.50	225,000.00	450,000.00	225,000.00	450,000.00	10.58	5.26	10.53	5.26	10.53

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the distinguished gentleman from North Carolina.

Mr. DOUGHTON. Mr. Speaker, I was very much opposed to the retroactive provision in H. R. 1, which passed the House. That was one of the main reasons why I was opposed to the bill. A retroactive tax bill is much more difficult to administer, in the first place.

In the next place, it would have made it ineffective for half of the fiscal year 1947 and we would have lost something like $4,000,000,000. The retroactive provision is eliminated. The loss in revenue for 1947 will be about half the amount, as I understand it. In addition to that, it is my understanding that the estimate of the revenue receipts for the fiscal year 1948 are about two and one-half or three billion dollars more now than they were at the time H. R. 1 was passed in the House.

One reason why I was so strongly opposed to H. R. 1 was because I would not vote for any tax bill unless we were assured it would balance the budget, in the first place, and, second, that we could make a reasonable payment on the public debt. Then, if we could have tax reduction, very well.

Now the picture has changed. The revenue losses will be only about half as much. The revenue receipts will be two or three billion dollars more. So that I feel that inasmuch as the bill is not retroactive, and that the revenue receipts for the fiscal year 1948 will be two or three billion dollars more than were estimated, and that the loss on account of the retroactive feature will be only about half as much, I could support this conference report. Progress seems to be being made as far as reducing the President's budget is concerned.

So I feel now that we can balance the budget, that we can make a reasonable payment on the debt, and for those reasons I signed the conference report and shall vote for it. I would not have signed the conference report, however, if it had contained all the provisions in the House bill.

Mr. KNUTSON. The distinguished gentleman from North Carolina is always consistent, always helpful, and very cooperative.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DONDERO. In the discussion that was had recently the question was asked: Suppose a man makes $10,000 in the last 6 months of 1947, but made nothing in the first 6 months of 1947, will the new rate apply to his entire income for the year or will it be divided one half at the old rate and one half at the new rate?

Mr. KNUTSON. He would compute the income tax for the entire year and apply approximately one-half of the House reduction. That is really what it amounts to, as I understand.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. FORAND. Is not this the first step in the move to shift the burden of taxation from the backs of the big taxpayers to the backs of the little people?

Mr. KNUTSON. I do not so consider it at all.

Mr. FORAND. Is it not a fact that as a result of this bill as now written 4 percent of the taxpayers will get 36 percent of the relief?

Mr. KNUTSON. No; that is not correct. The gentleman knows as well as I that 64 percent of the income dollar goes to those receiving $5,000 or less a year.

Mr. FORAND. The gentleman is evading my question. Is it not a fact

that 4 percent of the taxpayers get 36 percent of the relief of this bill?

Mr. KNUTSON. I do not figure that out.

Mr. FORAND. May I go just one step further, Mr. Speaker, and ask another question? I said this was the first step to shift the burden of taxation. According to the gentleman's own statement when a witness appeared before our committee last week pleading for the removal of the excise tax on coal the chairman stated that it was the intent of the committee to shift the burden of taxation from income taxes to excise taxes.

Mr. KNUTSON. No; that is not the way the chairman stated it at all, and it is unfortunate that the gentleman from Rhode Island should have received that impression. What the chairman did say in effect was that at the present time we derived 75 percent of our revenue from income taxes, which is all well and good as long as business is booming and everybody is making money, but once we get into a recession the income tax is going to be wholly inadequate as a source of revenue and we must therefore find new sources of revenue.

Mr. FORAND. And therefore we are going into excise taxes on a larger scale, which means that the excise taxes are paid by the little taxpayers of this country, the little people, the people of low incomes.

Mr. KNUTSON. The little people have been let out.

Mr. FORAND. They have what?

Mr. KNUTSON. They have been let out.

Mr. FORAND. They have been let out?

Mr. KNUTSON. Yes.

Mr. FORAND. That is not the way I read it.

Mr. KNUTSON. Well, I know; the gentleman does not want to read it right.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CURTIS. In connection with what the gentleman from Rhode Island said, I believe it should be pointed out that the bill as written by the House and as it comes from the conference committee enhances the relative position of the low income tax groups.

Mr. KNUTSON. Certainly it does.

Mr. CURTIS. Had a straight-across-the-board reduction been made, whether it be 10 percent, or 15 or 20 percent, the man with the small income, after that was applied, would pay the same proportion of tax as the man with the large income, they would still be in the same relative position if it were applied across the board.

Mr. KNUTSON. That is what some of them object to.

Mr. CURTIS. This was varied to such an extent that the lower income tax brackets get the higher percentage. They start out at 30 percent. In other words, the individual with a net taxable income of a thousand dollars pays less taxes proportionately now than he did before this bill?

Mr. KNUTSON. There is no question about that.

Mr. CURTIS. The relation of his tax to the tax of the wealthy man is in a much better position?

Mr. KNUTSON. Yes. The gentleman from Rhode Island said this is the first step in a certain direction. It is the first step back to sanity in taxation.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Rhode Island.

Mr. FORAND. Can the chairman of the Committee on Ways and Means or any Member of this House deny the fact that a widow with an income of $600 a year will get relief of 10 cents a week, but if that widow is fortunate enough to have an income of $10,000 she will have a far greater relief, better than $9 a week?

Mr. KNUTSON. I do not know.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. GEARHART. The gentleman from Rhode Island should bear in mind that under the Democratic tax-reduction bill of 1945 that same widow would have gotten only a 5-cent reduction.

Mr. KNUTSON. Money went farther in those days.

Now, let us not get into politics. I want this thing discussed on its merits. I have tried to avoid politics and I hope all the other Members will do likewise.

Mr. Speaker, I now yield 7 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, H. R. 1 will live long in the annals of tax perfidy. It will be known for its betrayal of millions of small needy taxpayers. There is no difference between this conference bill and the iniquitous bill originally passed by the House. In fact, as the bill now stands, the neediest taxpayers who were granted a crumb of relief by the House version of H. R. 1 now receive only half a crumb for 1947. The bill still leaves the lion's share of tax reduction to the wealthy. Have no illusions—the people are going to know just how much it favors the rich against the poor. You cannot hide the fact, despite the earnest efforts to camouflage the Knutson 20-percent across-the-board plan, that the little man with the big family who now pays a hundred dollars of tax will save, under this bill, the magnificent sum of $15 in 1947. The man who pays $1,000 in tax will save, under this bill, exactly the sum of $100, or 6⅔ times as much. The man who nows pays $10,000 in tax will save, under this bill, the sum of $1,000 or 66⅔ times as much. The man who now pays $100,000 in tax will save, under this bill, a mere $10,000, or 666⅔ times as much. The man who now pays a million dollars in tax will save, under this bill, approximately $75,000, or 5,000 times as much.

No, Mr. Speaker, it is readily apparent that these tax savings, which are multiplied by two for 1948 and subsequent tax years, are a deliberate windfall for the well-to-do.

Yet I do not know why I should appear surprised at this turn of events. Long ago we learned what could be expected from the Mellon-minded Republicans on tax matters. However, H. R. 1 is quite a contrast from the concern expressed by the unanimous Republican membership of the Committee on Ways and Means in their minority report on the tax-adjustment bill of 1945. In that report, Mr. Speaker, concern was expressed for the low-income groups—the school teachers, clergymen, shop keepers, sales people, bookkeepers, barbers, clerks, and other relatively fixed low-income groups. The then minority asserted that the "successful solution of our entire reconversion problem will very largely depend upon the resources of this particular segment of the taxpaying public. Within this group we find the bulk of the American market for the products of agriculture and industry, not to mention the sources of capital used in the production of agricultural and manufactured goods and maintenance of essential services. If tax demands continue for too long to empty the pockets of these citizens, the results can be serious on a broad scale."

This element of taxpayers in the low income groups is forgotten by the majority as they enact H. R. 1. In providing a huge windfall to stimulate the managerial incentive and venture capital of the upper bracket taxpayer, the majority overlook the dire need of the lowest income taxpayers under a $500 personal exemption.

What a gross fraud has now been perpetrated upon the American people, and particularly these low-income groups. In contrast with the Revenue Act of 1945 which dropped 3,500,000 of the most needy taxpayers from the rolls, H. R. 1 leaves everyone on the rolls but a few elderly people.

You will recall, Mr. Speaker, that many of us were concerned about the bill continuing the wartime excise tax rates, which was passed by the Congress earlier this session. At that time we feared that an attempt would be made to keep these war-time sales taxes on a permanent basis. Industry representatives, however, who had no opportunity to be heard before the Committee on Ways and Means, and consumers groups privately were assured that such was not the case—that the war-time rates were simply being extended to permit the Congress to make a comprehensive review of the internal revenue laws. Last Wednesday, however, the gentleman from Minnesota [Mr. KNUTSON] made the following statement to a witness before your committee:

> It is the hope of the committee to be able to shift much of the burden that is now being carried by the income tax group, which includes almost everyone, over to the excises, at least in part.

And he said:

> Obviously, if we are going to extend the excise field we will have to include a great many items that are not now included. It is the thought of the committee that perhaps the revenue derived from excises should be set aside into a fund that could be called the war retirement tax fund.

Mr. Speaker, the President has advised that now is the time for debt retirement. The gentleman from Minne-

sota [Mr. KNUTSON] offers instead the Republican program for tax reduction. He would enact a host of sales taxes to provide the wind-falls to the rich so generously granted by H. R. 1.

Does the Republican Party accept this leadership? Do they think they can get away with replacing a graduated income tax based upon ability to pay with regressive sales taxes?

Mr. Speaker, even at this late stage this diabolical scheme should be stopped. It is far worse at its best than the bastard Mellon tax plan of 1924 which died in shame at the hands of Jack Garner and his courageous Democratic colleagues on the Committee on Ways and Means at that time. The conference report on H. R. 1 should not be approved, but should be allowed to die—just as the report on the legislative budget has been allowed to die in conference.

It will require no scrutiny, Mr. Speaker, to convince the President that this bill is vicious in its favoritism, and that it ought to be voted. An equitable tax bill, giving fair and broad relief, might be passed in view of the favorable increased revenues and a reduction of expenditures, but that does not mean H. R. 1 as presented to the House under this conference report.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, there are so many impelling reasons why this conference report on H. R. 1 should not be adopted that I shall be able only to list them. Because of the necessity for brevity a full discussion of the facts in support of each point is impossible at this time. But the legislative history of H. R. 1 and the data supplied by our technical staffs lead me to the following conclusions:

First. Now is the time for debt retirement, not tax reduction: The estimates of revenue receipts for fiscal 1947 and fiscal 1948 made by the staff of the Joint Committee on Internal Revenue Taxation, it is true, are higher than the estimates made by the Treasury. If the joint staff estimates are correct, they seem to forecast a continuation of relatively high levels of national income through 1948. Now these estimates of continued prosperity lead me to repeat, if we cannot begin substantial debt retirement now in times of record national income, when on earth will we be able to begin?

Second. The prospect for substantial appropriations cuts are, if anything, worse than when H. R. 1 was originally considered by the House: At that time the Republican leaders promised a reduction in the President's budget of four and one-half to six billion dollars, but the chairman of the Committee on Ways and Means conceded the other day what we all, of course, already knew—that neither of the goals can be attained. Who can now predict at this time what the cost of our foreign policy will be? Indeed, the majority are beginning already to crow about a reduction of two and eight-tenths billions, of which one and four-tenths billions are, at best, illusory paper transactions. In my opinion, Mr. Speaker, the $800,000,000 cut in the appropriation for tax refunds and the $600,000,000 transfer from 1948 to 1947 for the Commodity Credit Corporation are a frantic effort to cover up the inability of the majority to provide even what they consider to be a safe margin for tax reduction now. Indeed, I am advised that since the Commodity Credit item appeared as both a debit and credit in the President's budget, the transfer of this item to 1947 does not alter the 1948 total of expenditures and receipts. I have asked Budget Director Webb to verify in writing my information that this is nothing more than an offsetting bookkeeping transaction.

Third. The people do not want tax reduction at the expense of debt retirement: If ever there was a subject that should be treated as a nonpartisan issue, it is the formulation of a sound fiscal policy. But if the majority cannot find such a high motive for abandoning H. R. 1, they should do so in their own political self-interest. The rash Republican campaign promise of 20-percent tax reduction should be remembered only as a vote-getting device. According to the recent Gallup poll, only 38 percent of the people would give priority to tax reduction over debt retirement.

Fourth. I charge that the Republican plan is to substitute sales taxes to replace the revenue lost by H. R. 1: Have the majority considered Mr. Speaker, what the people are going to think of their continuing by an act of this session of Congress the wartime excise tax rates in order to be able to reduce income taxes, chiefly favoring the upper brackets? Excise taxes are sales taxes and are known to be regressive. The graduated income tax is the accepted standard of ability to pay. Yet I could hardly believe my ears the other day during a session of the Committee on Ways and Means when the chairman announced the intention of the Republicans to find new sources of revenue—new excise taxes—thus shifting much of the burden that is now being carried by the income-tax group to the excises. Mr. Speaker, if the gentleman from Minnesota wants to run on a platform in 1948 of substituting sales taxes for the income tax, I predict that his chairmanship of the Committee on Ways and Means is endangered.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. That statement is neither factual nor fair. The chairman of the committee has explored the excise field with the view of seeing what could be developed there to supplement the shrinking revenues that will come from the income-tax source once times become hard.

Mr. EBERHARTER. That bears out my statement absolutely. The gentleman favors a reduction of the income tax right now, and at the same time he is looking for a place to impose additional excise or sales taxes. That bears out exactly what I said.

Mr. KNUTSON. Not necessarily. The Chair is exploring the field for getting additional taxes.

Mr. EBERHARTER. The gentleman favors an income tax reduction now, yet at the same time he is looking for new places to levy sales or excise taxes.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to my colleague on the committee.

Mr. FORAND. That is the very point I made in my few remarks with the chairman a few minutes ago. Now I will quote from the printed hearings. The chairman is addressing a witness, Mr. Newbold:

> The CHAIRMAN. Mr. Newbold, of course, we realize that the 4-cents-per-ton tax imposed on coal is discriminatory. Would you object to the tax, if it were extended to cover competing fuels, such as gas and electricity? Of course, we have two kinds of electricity, one that is generated with coal, which would pay the tax, and electricity that it generated by water power. My purpose in asking the question is this. We are now undertaking a revision of the tax code. It is the hope of the committee to be able to shift much of the burden that is now being carried by the income-tax group, which includes almost everyone, over to the excises at least in part, because the income tax is not a reliable source of income in times of depression or recession.

Mr. EBERHARTER. Fifty. Many overdue technical revisions of the Internal Revenue Code will have to be postponed if H. R. 1 becomes law. We should not waste our opportunity to develop a sound permanent peacetime tax structure.

Sixth. H. R. 1 discriminates against low-income taxpayers: This bill is an infinitely more inequitable tax bill than the Revenue Act of 1943, which President Roosevelt termed "tax relief for the greedy, not for the needy." There can be no dispute of the fact that less than 4 percent of the taxpayers, those with incomes in excess of $5,000 receive 36 percent of the tax reduction under H. R. 1, while the remaining 96 percent, the low-income taxpayers, and these hard-pressed people now total nearly 48,000,000—will divide what is left. Or, let us put it in terms of take-home pay, something that everyone can understand. All these percentages mean little to anyone but a tax expert. However, Mr. Speaker, I think the working people of my district and my State will know what the Republican Party stands for when they learn that the $300,000 man is given an increase in take-home pay, after taxes, of more than 60 percent, while the man under $5,000 receives less than a 5-percent increase in take-home pay. The current 15 cents an hour wage increases seem like small change when compared with the windfall of $19 an hour increase

in take-home pay which the $300,000 man receives under this tax bill. I think each Member of the House should realize the number of people to whom he is voting this special tax bonus of 60 percent, if he votes for adoption of this conference report. State by State, Mr. Speaker, the number of persons who will receive this generous sum are:

Number of taxpayers, by State and by size of net income

[Estimates for 1947 based on 1943 distribution, by State and classes]

States and Territories	Total	Under $5,000	$5,000, under $10,000	$10,000, under $25,000	$25,000, under $50,000	$50,000, under $100,000	$100,000, under $300,000	$300,000 and over
1. Alabama	585,959	570,982	9,128	4,420	992	347	84	6
2. Alaska	183,021	177,847	3,043	1,693	304	111	19	4
3. Arizona	294,386	276,131	4,958	2,586	516	147	48	
4. Arkansas	3,993,181	3,833,067	99,843	46,127	9,918	3,201	937	88
5. California	375,413	360,374	9,691	4,279	759	216	78	16
6. Colorado	899,863	856,473	29,525	10,438	2,317	814	250	46
7. Connecticut	108,715	102,964	3,493	1,599	364	167	90	38
8. Delaware	392,731	374,414	12,283	4,514	1,083	327	102	8
9. District of Columbia	612,074	585,023	16,115	8,229	1,892	582	191	42
10. Florida	686,480	664,586	12,959	6,771	1,538	464	152	10
11. Georgia	173,160	163,806	6,526	2,022	506	186	40	4
12. Hawaii	173,059	168,486	3,155	1,223	152	33	10	
13. Idaho	3,448,219	3,308,887	89,250	37,992	8,400	2,757	809	124
14. Illinois	1,323,532	1,287,050	24,792	9,216	1,771	520	163	20
15. Indiana	831,683	800,311	23,890	6,301	891	239	41	10
16. Iowa	586,981	566,302	14,199	5,360	830	213	71	6
17. Kansas	603,559	589,703	8,564	4,138	810	249	75	20
18. Kentucky	611,760	594,383	10,593	5,266	1,032	363	115	8
19. Louisiana	293,967	285,491	5,635	2,304	405	101	29	2
20. Maine	937,258	898,595	26,595	9,216	1,953	667	206	26
21. Maryland	1,921,114	1,853,351	42,710	19,090	4,271	1,308	358	26
22. Massachusetts	2,275,038	2,166,923	78,432	22,570	4,777	1,691	583	62
23. Michigan	972,421	945,396	18,481	6,677	1,346	402	119	
24. Minnesota	247,988	238,689	5,409	3,150	597	108	35	
25. Mississippi	1,234,644	1,198,126	22,200	10,956	2,429	716	193	24
26. Missouri	180,120	173,167	5,071	1,646	192	29	11	4
27. Montana	437,206	421,216	11,156	3,997	658	150	25	4
28. Nebraska	77,132	74,883	1,352	658	152	59	22	6
29. Nevada	186,615	182,527	2,705	1,081	213	69	20	
30. New Hampshire	1,925,792	1,848,671	51,950	19,795	3,755	1,210	377	34
31. New Jersey	115,764	112,324	2,141	1,081	152	52	12	2
32. New Mexico	5,867,636	5,611,536	155,963	73,257	18,095	6,269	2,183	333
33. New York	747,443	730,108	10,255	5,360	1,194	379	119	28
34. North Carolina	174,318	168,486	4,508	1,176	132	13	3	
35. North Dakota	2,999,262	2,892,351	72,685	26,237	5,576	1,763	564	86
36. Ohio	510,408	496,099	9,353	3,903	708	268	71	6
37. Oklahoma	513,446	491,419	14,312	5,925	1,245	402	131	12
38. Oregon	3,684,045	3,570,977	71,445	30,563	7,448	2,636	840	136
39. Pennsylvania	318,807	308,892	5,973	2,868	729	239	102	4
40. Rhode Island	373,120	365,054	5,071	2,398	425	134	38	
41. South Carolina	149,450	145,086	3,268	940	121	29	6	
42. South Dakota	687,849	669,266	11,269	5,501	1,235	435	125	18
43. Tennessee	1,919,647	1,862,712	33,256	18,009	3,886	1,167	413	104
44. Texas	211,434	205,928	3,606	1,505	304	72	19	
45. Utah	100,780	98,284	1,690	658	101	29	18	
46. Vermont	792,588	767,550	16,565	6,771	1,225	350	115	12
47. Virginia	1,046,793	1,015,599	20,397	8,511	1,639	491	144	12
48. Washington (includes Alaska)	497,180	486,739	6,874	2,868	546	121	32	
49. West Virginia	1,183,854	1,151,324	22,087	8,464	1,488	383	100	8
50. Wisconsin	87,669	84,243	2,366	893	132	23	10	2
51. Wyoming								
Total	48,544,504	46,801,801	1,126,897	470,202	101,204	32,701	10,298	1,401
	48,544.6	46,801.8	1,126.9	470.2	101.2	32.7	10.3	1.4

In all, Mr. Speaker, a total of only 1,401 taxpayers in all the States of the Union and the Territories are so generously provided for. And against these 1,401, balance the interests of the 49,000,000 who must assume their burden of eventual debt retirement if H. R. 1 should become law. This conference bill would actually restore the upper-bracket taxpayers practically to the pre-war-tax level. In fact, Mr. Speaker, the original 20-percent across-the-board plan would have reduced the taxes paid by the very wealthy below the 1939 level. In contrast, however, the taxpayers with incomes below $5,000 will, under this bill, still pay several hundred percent as much as their prewar tax. Need I remind you that personal exemptions in 1939 were $2,500 for a married couple and $1,000 for a single person? And we all know that the millions of young people who fought the war are largely in the brackets under $5,000, where the personal exemptions means so much. Must these veterans who fought the war now come home to pay, not only their share of the financial cost—this $258,000,000,000 debt—but the share of the upper-bracket taxpayers as well? That is precisely what will happen if H. R. 1 becomes law.

Seventh. Proponents of the bill have abandoned the pretense that it is based upon the concept of ability to pay: The majority report of the Committee on Ways and Means of the House devoted nearly a page in an effort to try to justify this "rich relief" bill on the ground that present standards of ability to pay were being retained. I think it is significant that the majority report of the Finance Committee of the other body says not one word about ability to pay.

Eighth. The stimulation of managerial incentives and the investment of venture capital should not receive a higher priority than the purchase of the necessities of life: Throughout the reports and debates on this bill we find Republicans emphasizing the need for stimulating managerial incentive and investment capital. But, Mr. Speaker, how about offering a little incentive to the workingman with $2,500 net income who is trying to keep his wife and two kids from want under present Republican National Association of Manufacturers' price levels? Moreover, according to the House majority report on H. R. 1, more than one-third of the income of the $300,000 man who is supposed to contribute so much venture capital is now taxable at a maximum rate of only 25 percent. This is the result of present capital-gains-tax limitations, provided the taxpayer has the courage to leave his money invested for 6 months. How much greater tax incentive must he have? There must have been plenty of incentive for the number of $100,000-a-year men to increase from 2,921 in 1939 to 9,018 in 1947. The same incentives which caused this increase would still remain without the passage of H. R. 1.

Ninth. The special tax exemption for the aged is a sad acknowledgment of our failure to establish an adequate system of social security: I can assure the majority that the indiscriminate allowance of a special exemption, whether needed by an aged person or not, will not be accepted as a satisfactory solution of the financial insecurity of old people. Many old folks are not covered under the present social-security system, and many do not earn enough to receive any tax benefit under H. R. 1. How much better would it have been for the Committee on Ways and Means to have kept its promise to the aged by making expansion and liberalization of the social-security system the first order of business of the Eightieth Congress.

Tenth. H. R. 1 presents administrative and compliance problems: In this respect, the conference bill is worse than the bill passed by the House. The flat 20 percent across the board has degenerated to the point that two sets of tables, each with five brackets, are required. I suggest that you look at page 6196 of the RECORD for May 29. There you will see how complex this simple matter of a 20-percent tax cut has become. If a tax cut embodying all the inequities of H. R. 1 is to be enacted, then surely the same results can be achieved through adjustment of the surtax brackets and surtax tables. Yet the only reason given by the majority for following their own system of percentage reduction is that it is "more readily understood by the public." Note, however, that the figure 20 percent does not appear even once in the conference amendments. I predict that H. R. 1 will force many smaller taxpayers next March 15 for the first time to seek counsel on how best to compute their income tax liabilities. Congress claimed, and perhaps deserved, great credit for the simplification of the tax structure, but this bill now piles complexity upon complexity to the filing of a tax return. Taxpayers still may elect to use the simplified form, but they will do so ordinarily after computing the tax both ways—with the resulting headaches caused by H. R. 1.

These are not all the reasons why H. R. 1 should not become law. But I must stop. It would be wonderful if we could have all the blessings of democratic government without cost. But if we must have taxes, let them be imposed as simply as possible and upon the ability-to-pay principle. And if the Congress is going to depart from the principle of ability to pay, let it be done honestly and openly, and let there be no pretense about it. Taxation we must have, Mr. Speaker; but, if I may borrow from the recent Denver speech of the senior Senator from Illinois, let it by all means be "taxation without misrepresentation."

Mr. Speaker, I have a table here which shows the inequity of this tax bill, and I ask unanimous consent to revise and extend my remarks and include this table in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I hardly know whether it is worth while to correct some of the misstatements made by the preceding speaker.

Mr. FERNANDEZ. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. FERNANDEZ. Can the distinguished chairman tell us what will be the over-all reduction in revenue for this calendar year under the bill as agreed to by the conference committee?

Mr. KNUTSON. It will be about $1,700,000,000 for this year and $4,000,000,000 next year. Of that amount, 64 percent will go to those receiving $5,000 and less. To hear some of the preceding speakers, one would be led to believe that this bill is designed to give relief to the rich. Well, they are simply confused in their facts. The reverse is the case. We are giving 30 percent reduction to those in the low-income bracket, 20 percent up to $137,000, and 15 percent between $137,000 and $302,000, and only 10½ percent on incomes above $302,000, hence it will be seen the statements made by the preceding speakers fall of their own weight.

Mr. REED of New York. Mr. Speaker, the final action on H. R. 1 will be taken here today when the conference report is adopted. I realize that this is probably the best result that can be obtained at this time. Naturally, I have been in favor of H. R. 1 as it left the House in the first instance. The change from January 1 to July 1, 1947, is not in accord with my views, but inasmuch as almost all legislation is a matter of compromise I believe that the conferees on the part of the House did all that they could do to relieve the taxpayers of any portion of their tax in 1947. Personally, I believe that it would be much better for the country if H. R. 1 as the House enacted it could have been put into effect, because it would not only relieve the taxpayers from a terrific burden but it would release venture capital and thus provide an incentive for new enterprise with ever increasing pay rolls.

I want to call attention to a fact that must not be overlooked in adopting tax legislation. I refer to the importance of furnishing more jobs and more pay rolls to provide opportunity for the ever increasing flow coming from our high schools and colleges. I shall only take one instance which shows the constant need for an increase in the development of new enterprise. I note in Sunday's paper that there are 29,000 students in Minnesota University. When it is considered that our universities all over the United States are bulging with students and that an army of students will enter the business and professional and industrial world, it is highly important that new enterprise be developed to absorb this great mass of young people. Then there are the boys and girls graduating from schools all over this land they, too, must find their place in private enterprise if this country is to expand.

I was very much impressed with the statement made by H. W. Prentis, Jr., president of the Armstrong Cork Co., Lancaster, Pa., in an address delivered on November 20, 1946, before the one hundred and fifty-eighth dinner of the Economic Club of New York.

I take pleasure in quoting from his reremarks under the heading "Present taxes discourage individual initiative":

Here are three married men—each with two children—residing in New York. The first earns $10,000 a year; spends $7,750 for living expenses; pays $1,825 in Federal and State income taxes; and saves $425 per annum. The second receives $15,000 a year; spends $10,200 for his family's living; pays $3,585 in income taxes; puts aside $1,215 per annum. The third enjoys earnings of $20,000; spends $11,950 for living expenses; pays $5,745 in income taxes; and saves $2,305 per annum. Living costs in each case have been carefully estimated item by item.

If the $10,000 man invests his entire annual savings of $435 regularly every year with compound interest at 2½ percent, it will take him 36 years to accumulate enough to leave his family a net estate of $20,000—after paying modest funeral and legal expenses and the New York estate tax of approximately $200. If the $15,000 man invested all his yearly savings with compound interest at 2½ percent, he would have to work 34 years to provide a net estate of a little over $50,000 for his widow; the $20,000 man, 37 years to leave approximately $100,000 to his dependdents. Note too that all three of these men, if they died at 65, would have had to reach their maximum earning levels at the comparatively early ages of 29, 31 and 28 years respectively—a situation which would be the exception rather than the rule. No provision for life insurance was made in any of these cases so that all would remain on the same comparative basis. Invested at 3 percent, the first man's widow would receive the munificent annual income of $600; the second's, $1,500; the third's, $3,000—all subject to income taxes at prevailing rates.

Now one of the finest instincts of a normal man is his desire to provide for the future security of himself and his family. Hence, the present tax laws, which strike at the very roots of personal incentive, should rightly be a matter of deep concern to every thoughtful American. People generally do not realize what has been done to them in the past 10 years. With income and estate taxes and interest rates at their present levels, it is virtually impossible—as these figures show—for a young man starting at scratch to accumulate a competency for his old age and that of his family after he is gone. The present personal income taxes, corporate taxes, the capital gains tax and the ever-present threat of taxes on accumulated surplus combine to encourage the integration of existing, closely held family enterprises with larger corporations, and simultaneously make the development of similar small businesses in the future a well-nigh insurmountable task. So all that even an exceptionally able man with no inherited capital behind him can look forward to in America tomorrow is perhaps a little more than the pittance provided by the Federal old-age pension system. We should never forget that, while the welfare of the so-called common man is of vital importance, it is only through the initiative and ingenuity of the uncommonly gifted individual that the general well-being can be further advanced.

The bill as agreed upon in conference brings some relief to all classes of tax-burdened people and it does release some money in the way of venture capital, but it does not in my opinion go far enough in respect to either of these important factors.

I am hoping to see the long range tax bill, upon which hearings are now being held, solve a multitude of problems which have long been delayed because of the war and unlimited spending; even prior to the war.

We must not overlook the investment required to create a job. Pay rolls require a vast investment in each individual worker's job. It is easy to demagogue on a tax measure, but to do so is dangerous to free enterprise.

I insert some realistic information relating to jobs:

A study by the Twentieth Century Fund estimates that aggregate investment of new capital in commerce and industry, transportation, urban development and rural development may exceed $280,000,000,000 in the next 15 years, exceeding $18,000,000,000 annually.

The Chamber of Commerce of Gastonia, N. C., and the Chamber of Commerce of the United States recently cooperated in a case

study of "Investment Per Job" in that community. This survey revealed an average investment in fixed and working capital per worker in Gastonia manufacturing industries of $8,000 in food processing; $3,941 in apparel and finished products; $3,850 in beverage bottling and $2,179 in textile mills. In distribution and service industries, the investment per job varied from $45,762 for cotton merchants; $9,000 in warehouses; $8,385 in furniture, and $7,200 in automobile repair to $2,357 in barber shops and $1,567 in cleaning shops.

THE CONFERENCE BILL—H. R. 1—AMOUNT OF TAX REDUCTION

The aggregate full year income-tax reduction granted individuals by the Knutson bill, H. R. 1, as agreed to in conference, is substantially the same as it would have been under the House bill, $4,000,000,000. For the calendar year 1947, the reduction agreed to by the conferees is approximately $2,000,000,000. And for all except about 4,750 taxpayers, the reduction for 1948 in the individual case will be the same under the conference bill as it would have been under the House bill.

THE EFFECTIVE DATE OF THE REDUCTION

The effective date, so to speak, of the reduction under the conference bill is 6 months later than under the House bill. As the measure was passed by the House, the reduction dated back to the beginning of the year 1947. In the Senate it was postponed, in effect, to the middle of the year and the change was adopted by the conferees. This action does not mean that the taxable year 1947 will be divided into two taxable years or that the tax liability for the year will be affected by which half the income is received or accrued in. The postponement of the reduction for a half year is expressed in terms of a decrease in its first-year amount by one-half.

I have said that the aggregate full year tax reduction agreed to in conference is substantially the same as under the House bill and that for all but about 4,750 taxpayers the reduction for each is the same as it would have been under the House bill.

The difference lies in the surtax net income band between $1,400 and $302,400. The Senate and conference bills subdivided this into two bands. The Senate bill fixed the line of separation at $79,700 of surtax net income.

The conference bill fixed it at approximately $136,700. The lower band in each case was given a 20-percent reduction in tax; the higher, a reduction of 15 percent. The reduction under the House bill was 20 percent throughout.

THE 20-PERCENT-REDUCTION BAND

As has just been stated, the House bill granted a 20-percent reduction to surtax net incomes between $1,400 and $302,400, representing the range of tentative tax liability—before reduction—between $279.17 and $250,000.

The conferees lowered the upper limit of this band to approximately $136,700 of surtax net income—on which the existing tentative tax is $100,000. The Senate had lowered it to approximately $79,700—on which the existing tentative tax is $50,000.

THE 15-PERCENT-REDUCTION BAND

This percentage of reduction is new under the Senate and the conference bills. It applies to an area carved out of the upper part of 20-percent-reduction area of the House bill. Its higher limit, both in the Senate and conference bills, was $302,400 of surtax net income—the upper limit of the 20-percent area in the House bill. Its lower limit, as agreed to in conference, is $136,700 of surtax net income. Under the Senate bill it was $79,700.

THE 30- AND 10½-PERCENT-REDUCTION BANDS

The width of neither the 30-percent nor the 10½-percent reduction band of the House bill was changed by the Senate and was not, therefore, in conference. The same is true of the marginal band between $1,000 and $1,400 of surtax net income, where the reduction moves downward from a high of 30 percent to a low of 20 percent.

REVENUE EFFECT

The effect of the conference action in dividing the 20-percent-reduction zone is an estimated decrease of $63,000,000 in the aggregate reduction for all taxpayers. Under the Senate bill, the estimated decrease was $76,000,000. The number of taxpayers affected by the conference agreement, as I have stated, will probably be about 4,750.

ADDITIONAL EXEMPTION FOR INDIVIDUALS AGED 65 YEARS OR OVER

The House bill allowed an additional exemption of $500 in the form of a credit against net income, for both normal and surtax purposes, for individuals aged 65 years or more at the end of the taxable year. In the case of a joint return, only one such credit was to be allowed unless the husband and wife had each reached the age of 65 and each had a gross income of $500 or over. Moreover, the credit was to be applied in reduction of the aggregate of certain amounts, otherwise wholly excludible from gross income, received as pensions, annuities, retirement pay, old age and survivors benefits, or similar payments. The conferees accepted the Senate changes eliminating this affect and allowing the additional exemptions to each of the spouses making a joint return if the age of each is 65 or more, regardless of the amount of the gross income. And in the case of a separate return by husband or wife, the other having no gross income, the conferees accepted the Senate amendment allowing the taxpayer an additional exemption of $500 for himself and one of like amount for his wife. Related amendments harmonize the tax withholding provisions with these provisions affecting the tax liability.

This liberalization of the provisions governing the additional exemption of $500 for aged individuals will further decrease the revenue only by an estimated $50,000,000.

FISCAL YEARS

The diminished tax reduction agreed to in conference for the year 1947 required amplification of the fiscal year provisions of the House bill. Since the House bill made the full reduction effective January 1, 1947, there was need only for prorating provisions covering taxable years beginning in 1946 and ending in 1947. The decreased reduction for 1947 in the conference bill requires fiscal year provisions covering not only taxable years beginning in 1946 and ending in 1947, but also those beginning in 1947 and ending in 1948.

Mr. KNUTSON. Mr. Speaker, in order to conserve time, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. ALLEN of Illinois. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 99, answered "present" 1, not voting 109, as follows:

[Roll No. 69]

YEAS—220

Allen, Calif.	Gamble	Murray, Tenn.
Allen, Ill.	Gathings	Murray, Wis.
Allen, La.	Gavin	Nixon
Anderson, Calif.	Gearhart	Nodar
Andresen, August H.	Gillie	Norblad
Andrews, N. Y.	Graham	Norrell
Angell	Grant, Ind.	O'Hara
Arends	Griffiths	O'Konski
Arnold	Gross	Owens
Auchincloss	Gwinn, N. Y.	Passman
Banta	Gwynne, Iowa	Philbin
Bates, Mass.	Hale	Phillips, Calif.
Beall	Hall, Edwin Arthur	Phillips, Tenn.
Bender	Hall, Leonard W.	Ploeser
Bennett, Mich.	Halleck	Plumley
Bennett, Mo.	Hébert	Potts
Bishop	Hedrick	Poulson
Blackney	Herter	Ramey
Boggs, Del.	Heselton	Rankin
Bolton	Hinshaw	Redden
Bonner	Hoeven	Reed, Ill.
Boykin	Hoffman	Reed, N. Y.
Bradley	Hope	Reeves
Bramblett	Horan	Rich
Brehm	Howell	Riehlman
Brooks	Jackson, Calif.	Rizley
Buck	Javits	Robertson
Buffett	Jenison	Robsion
Bulwinkle	Jensen	Rockwell
Burke	Johnson, Calif.	Rogers, Fla.
Busbey	Johnson, Ill.	Rogers, Mass.
Butler	Johnson, Ind.	Rohrbough
Byrnes, Wis.	Jones, N. C.	Ross
Canfield	Jones, Wash.	Russell
Carson	Jonkman	Sadlak
Case, N. J.	Kean	St. George
Case, S. Dak.	Keating	Sarbacher
Chadwick	Kerr	Schwabe, Mo.
Chenoweth	Kersten, Wis.	Schwabe, Okla.
Chiperfield	Kilday	Scoblick
Church	Knutson	Scott Hugh D., Jr.
Clippinger	Kunkel	Shafer
Coffin	Landis	Sheppard
Cole, Kans.	Lane	Short
Cole, Mo.	Larcade	Simpson, Ill.
Cole, N. Y.	Latham	Smith, Maine
Cotton	Lea	Smith, Ohio
Coudert	LeCompte	Smith, Wis.
Cox	LeFevre	Snyder
Crawford	Lemke	Springer
Cunningham	Lewis	Stefan
Curtis	Lodge	Stevenson
Dague	Love	Stratton
Davis, Ga.	Lucas	Taber
Davis, Tenn.	McConnell	Talle
Dawson, Utah	McCowen	Thomas, Tex.
Devitt	McDonough	Tibbott
D'Ewart	McDowell	Twyman
Dirksen	McGregor	Vinson
Dolliver	McMahon	Vorys
Domengeaux	McMillan, S. C.	Vursell
Dondero	McMillen, Ill.	Wadsworth
Doughton	MacKinnon	Weichel
Eaton	Maloney	Welch
Ellis	Martin, Iowa	West
Ellsworth	Mathews	Whittington
Elsaesser	Meade, Ky.	Wigglesworth
Engel, Mich.	Meade, Md.	Wilson, Ind.
Engle, Calif.	Merrow	Wilson, Tex.
Fallon	Meyer	Wolcott
Fenton	Michener	Wolverton
Fletcher	Miller, Md.	Woodruff
Foote	Mundt	Youngblood
Fulton		

NAYS—99

Abernethy	Boggs, La.	Cannon
Almond	Brown, Ga.	Carroll
Andrews, Ala.	Bryson	Celler
Battle	Buchanan	Clark
Beckworth	Buckley	Colmer
Blatnik	Burleson	Combs
Bloom	Byrne, N. Y.	Cooley

Cooper	Huber	Pace
Cravens	Hull	Patman
Crosser	Jarman	Pickett
Delaney	Johnson, Okla.	Poage
Dingell	Johnson, Tex.	Price, Ill.
Eberharter	Jones, Ala.	Rains
Evins	Karsten, Mo.	Rayburn
Feighan	Kee	Richards
Fernandez	Kefauver	Rooney
Flannagan	Kennedy	Sabath
Fogarty	King	Sasscer
Folger	Kirwan	Smathers
Forand	Lanham	Smith, Va.
Gordon	Lesinski	Spence
Gore	Lyle	Stigler
Gorski	McCormack	Teague
Gossett	Madden	Thomason
Granger	Mahon	Trimble
Grant, Ala.	Manasco	Walter
Gregory	Mansfield,	Wheeler
Hardy	Mont.	Whitten
Harris	Marcantonio	Williams
Harrison	Miller, Calif.	Winstead
Havenner	Mills	Worley
Heffernan	Morgan	Zimmerman
Hobbs	Morris	
Holifield	Murdock	

ANSWERED "PRESENT"—1

Chelf

NOT VOTING—109

Albert	Goodwin	Muhlenberg
Andersen,	Hagen	Norton
H. Carl	Hand	O'Brien
Bakewell	Harless, Ariz.	O'Toole
Barden	Harness, Ind.	Patterson
Barrett	Hart	Peden
Bates, Ky.	Hartley	Peterson
Bell	Hays	Pfeifer
Bland	Hendricks	Powell
Brophy	Hess	Preston
Brown, Ohio	Hill	Price, Fla.
Camp	Holmes	Priest
Chapman	Jackson, Wash.	Rabin
Clason	Jenkins, Ohio	Rayfiel
Clements	Jenkins, Pa.	Rees
Clevenger	Jennings	Riley
Corbett	Jones, Ohio	Rivers
Courtney	Judd	Sadowski
Crow	Kearney	Sanborn
Davis, Wis.	Kearns	Scott, Hardie
Dawson, Ill.	Keefe	Scrivner
Deane	Kelley	Seely-Brown
Donohue	Keogh	Sikes
Dorn	Kilburn	Simpson, Pa.
Douglas	Klein	Smith, Kans.
Drewery	Lusk	Somers
Durham	Lynch	Stanley
Elliott	McGarvey	Stockman
Elston	Macy	Sundstrom
Fellows	Mansfield, Tex.	Taylor
Fisher	Mason	Thomas, N. J.
Fuller	Miller, Conn.	Tollefson
Gallagher	Miller, Nebr.	Towe
Gary	Mitchell	Vail
Gifford	Monroney	Van Zandt
Gillette	Morrison	Wood
Goff	Morton	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Morton for, with Mr. Chelf against.

Mr. Bakewell for, with Mr. Chapman against.

Mr. Preston for, with Mr. Hays against.

Mr. Jenkins of Ohio for, with Mr. Priest against.

Mr. Wood for, with Mr. Keogh against.

Mr. Van Zandt for, with Mr. Bell of Missouri against.

Mr. Deane for, with Mr. Klein against.

Mr. Sundstrom for, with Mr. Lynch against.

Mr. O'Toole for, with Mr. Rayfiel against.

Mr. Holmes for, with Mrs. Norton against.

Mr. Hart for, with Mr. Powell against.

Mr. Vail for, with Mr. Rabin against.

Mr. Price of Florida for, with Mr. Kelley against.

Mr. Brophy for, with Mr. Camp against.

Mr. Donohue for, with Mr. Pfeifer against.

Mr. Towe for, with Mrs. Douglas against.

Mr. Dorn for, with Mr. Somers against.

Mr. Simpson of Pennsylvania for, with Mr. Stanley against.

Mr. Sikes for, with Mr. Monroney against.

Mr. Judd for, with Mr. Dawson of Illinois against.

Mr. Hand for, with Mr. Sadowski against.

Mr. Hess for, with Mr. Jackson of Washington against.

Mr. Miller of Nebraska for, with Mr. O'Brien against.

Mr. Harness of Indiana for, with Mrs. Lusk against.

Mr. Elston for, with Mr. Gary against.

Mr. Kearns for, with Mr. Clements against.

Mr. Seely-Brown for, with Mr. Albert against.

Mr. Jennings for, with Mr. Drewry against.

General pairs until further notice:

Mr. August H. Andresen with Mr. Mansfield of Texas.

Mr. Brown of Ohio with Mr. Courtney.

Mr. Barrett with Mr. Peden.

Mr. McGarvey with Mr. Elliott.

Mr. Macy with Mr. Durham.

Mr. Muhlenberg with Mr. Barden.

Mr. Goodwin with Mr. Riley.

Mr. Hill with Mr. Bland.

Mr. Hagen with Mr. Rivers.

Mr. Gillette with Mr. Harless of Arizona.

Mr. Gallagher with Mr. Hedrick.

Mr. Crow with Mr. Morrison.

Mr. Corbett with Mr. Fisher.

Mr. Clevenger with Mr. Peterson.

Mr. CHELF. Mr. Speaker, I have a live pair with the gentleman from Kentucky, Mr. MORTON. If he were present he would vote "yea." I voted "nay." I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROBSION. Mr. Speaker, the Republican candidates for the House and Senate at the November elections in 1946 made their solemn pledge to the country that if they were elected they would, first, reduce the expenditures of the Government; second, reduce taxes; and, third, pay a substantial sum on the national debt.

On March 27, 1947, the Republican leaders brought before the House H. R. 1 which proposed to reduce very substantially the income taxes of all groups of the American people. This measure at once met with opposition of the administration and their leaders in the House and Senate. On a roll call in the House it was passed by a vote of 273 to 137. Quite a number of Democrats voted for the bill. The bill then went to the Senate where it was recently adopted by a vote of 58 to 34. As the Senate had made some changes in the House bill, it was referred to a conference committee made up of five Members of the House and five Members of the Senate. After giving thorough consideration to the bill passed by the House and the bill passed by the Senate, eight of the conferees agreeing submitted their conference report to the House and Senate and this conference report, if adopted by both Houses, completes this legislation.

On a roll call just completed the House accepted the conference report by a vote of 220 for and 99 against, a majority of more than 2 to 1. The effective date of these reductions is July 1, 1947. The House bill provided that these reductions should begin on January 1, 1947. This provision was changed in the Senate. Of course, no one knows if the President will sign the bill or veto it. The President has indicated many times that there should be no tax reduction at this time. Many of his leaders in the House and Senate have taken the same position and a number of the so-called liberals and some others are urging the President to veto this bill and deny the 50,000,000 or more income taxpayers of the Nation relief from these heavy taxes. I sincerely trust that the President will not veto the bill. The people of many countries to whom we have made generous grants and loans which will never be repaid, have been granted tax relief by their governments. The American people today have the highest per capita debt and the highest per capita taxes of the people of any country in the world. They need and are entitled to this relief.

This bill, among other things, reduces the taxes of approximately 30,000,000 income taxpayers in the lowest brackets approximately 30 percent. It reduces the taxes of approximately 20,000,000 or more income taxpayers in the middle group approximately 20 percent, and the income taxes of about 1,000 persons in the higher income-tax group 10½ percent. A man with a wife, earning not more than $2,300, will not be required to pay any income taxes. A man with a wife and two children, if his income does not exceed $3,300, will be free from paying income taxes. Persons over 65 years of age will be allowed an additional exemption of $500. These reductions in taxes and savings to the people in the lower income-tax groups will be available to spend for the benefit of themselves and their families and thereby reduce the burden of the cost of living. The large percentage of those in the middle income-tax group and who contribute much to the invested capital to create jobs will be encouraged to invest these savings in job-producing activities. This also will be true of those in the higher income group, and therefore about 50,000,000 income taxpayers of this country will benefit from this measure.

Of course, I have helped to pass many tax bills since I have been a Member of Congress. I believe this is the best tax bill I have ever had an opportunity to vote for, and millions of Americans will be greatly disappointed if the President vetoes this bill. If he does, let us indulge the hope that the House and Senate will pass it over his veto. It is urged that we cannot afford to cut taxes. The President submitted his budget to Congress calling for $37,500,000,000. Many of us believed then, and still believe, that was excessive; that there is no need of this country spending that tremendous sum for the coming fiscal year, the third peacetime year since the war. The highest sum that President Roosevelt asked the Congress to give him for a peacetime year was approximately $12,500,000,000. Mr. Truman asks for three times that much. The Congress is cutting off a lot of unnecessary officeholders and a lot of unnecessary expenses. We can cut taxes and at the same time reduce the national debt by several billion dollars and the Republicans will then have carried out two of their major promises. In a few days the Congress will have completed action on a measure to bring about more peaceful and equitable relationship between

management and labor and protect the welfare of the American people as a whole.

The reduction in expenditures, reduction in taxes and the management-labor relations have and will pass the House and Senate by overwhelming majorities and if President Truman vetoes these measures, he certainly will render a disservice to himself and to the American people.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill H. R. 1, just before the roll call, and to include certain extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, after any other special orders, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. BUSBEY asked and was granted permission to extend his remarks in the RECORD and include an article from the May issue of Plain Talk entitled "State Department's Left Hand."

Mr. EDWIN ARTHUR HALL asked and was granted permission to extend his remarks in the RECORD and include a radio address recently made by him.

Mr. MACKINNON asked and was granted permission to extend his remarks in the RECORD and include two articles.

Mr. LARCADE (at the request of Mr. DOMENGEAUX) was granted permission to extend his remarks in the RECORD.

EXTENDING TIME CERTAIN PERSONS MAY ACT AS COUNSEL, AGENT, OR ATTORNEY

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1073) to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (j) of the Renegotiation Act (50 U. S. C., Supp. V, App., sec. 1191 (j)) is amended to read as follows:

"(j) Nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to prevent any person by reason of service in a department or the Board during the period (or a part thereof) beginning May 27, 1940, and ending on June 30, 1949, from acting as counsel, agent, or attorney, for prosecuting any claim against the United States: *Provided*, That such person shall not prosecute any claim against the United States (1) involving any subject matter directly connected with which such person was so employed, or (2) during the period such person is engaged in employment in a department."

Mr. KNUTSON. Mr. Speaker, this bill is identical with a House bill, H. R. 3101, which has been unanimously reported by the Ways and Means Committee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3101) was laid on the table.

AMENDING SECTION 4 OF THE PUBLIC DEBT ACT OF 1941

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 2872, to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the Public Debt Act of 1941 (Public, No. 7, 77th Cong., 1st sess.), as amended by section 6 of the Public Debt Act of 1942 (Public, No. 510, 77th Cong., 2d sess.), hereby is amended further to read as follows:

"SEC. 4. (a) Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1942 by the United States or any agency or instrumentality thereof shall not have any exemption as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto; except that any such obligations which the United States Maritime Commission or the Federal Housing Administration had, prior to March 1, 1941, contracted to issue at a future date, shall when issued bear such tax-exemption privileges as were, at the time of such contract, provided in the law authorizing their issuance. For the purposes of this subsection a Territory, a possession of the United States, and the District of Columbia, and any political subdivision thereof, and any agency or instrumentality of any one or more of the foregoing, shall not be considered as an agency or instrumentality of the United States.

"(b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective acts or parts of acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

"(c) Nothing contained herein shall be construed to amend or repeal sections 114 and 115 of the Revenue Act of 1941."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRIBUTIONS BY PERSONAL HOLDING COMPANIES

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 468) to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies.

Mr. Speaker, this bill has also been unanimously reported by the Ways and Means Committee.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 115 (a) of the Internal Revenue Code is amended by adding after the words "subchapter A net income" and before the comma the following: "reduced by the net operating loss credit provided in section 26 (c) (1)."

SEC. 2. The amendment made by section 1 shall be effective for all taxable years beginning after December 31, 1943.

SEC. 3. No interest shall be allowed or paid in respect of any overpayment of tax resulting from the foregoing amendment.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the last sentence of section 115 (a) of the Internal Revenue Code is amended to read as follows: 'In the case of a corporation which, under the law applicable to the taxable year in which the distribution is made, is a personal holding company, or which, for the taxable year in respect of which the distribution is made under section 504 (c) or section 506 or a corresponding provision of a prior income-tax law, is a personal holding company under the law applicable to such taxable year, such term also means any distribution (whether or not a dividend as defined in the preceding sentence) to its shareholders, whether in money or in other property, to the extent of its subchapter A net income, less the sum of the following:

"'(1) The net operating loss credit provided in section 26 (c) (1);

"'(2) The dividend carry-over provided in section 27 (c); and

"'(3) The deductions for amounts for retirement of indebtedness provided in section 504 (b).'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill last passed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, H. R. 468 amends the last sentence of section 115 (a) of the Internal Revenue Code. To understand this, you will need a little background.

Shareholders in ordinary corporations are taxed on dividends only. These are defined as distributions from earnings or profits. In order to compel personal holding companies to distribute all of their profits, subchapter A of the Internal Revenue Code imposed a heavy sur-

tax on what was defined as the "undistributed subchapter A net income." It soon became evident that some corporations might have taxable income but no "earnings or profits" from which to pay ordinary dividends and so could get no credit for dividends. To meet that problem a sentence was added to section 115 (a) to make any distribution whatever, even a distribution of capital, by a personal holding company taxable as if it were a dividend. The only object of that provision was to enable such a corporation to claim a dividend credit large enough to offset the heavy surtax imposed by subchapter A. But the language used in the original provision, section 186 of the 1942 act, went further than the particular object required and inequities resulted in that shareholders were taxable on capital distributions even when the corporation did not require the credits. That led to the introduction of a limitation by section 512 of the 1943 act, which provided that a capital distribution—which was not an ordinary dividend—should be taxable up to the amount of the subchapter A net income. Unfortunately, that limitation was still too broad. This is because the tax base for personal holding companies is not the subchapter A net income but the undistributed subchapter A net income. Again, distributions of capital were unnecessarily taxed as if they were ordinary dividends. To accomplish this further limitation, which should have been done at the time of the amendment in 1943, this bill, H. R. 468, became necessary. This bill correlates the definition of "dividends" with the undistributed net income of personal holding companies. It has been carefully drafted and studied both by the Treasury officials and by the Joint Committee staff, and it has not only their express approval but also the approval of the Bureau of the Budget.

An example will clarify the meaning of this amendment:

In 1946, X Corporation has no earnings or profit but had a 1945 net operating loss of $10,000. Its subchapter A net income for 1946 is $11,000 but current earnings and profits are zero because of capital losses which are not deductible. However, its undistributed subchapter A net income is $1,000, that is, $11,000 less the $10,000 prior year loss. Assume that in 1946 it distributed $15,000 from capital. In the case of an ordinary corporation, such a distribution would be nontaxable to the stockholders. However, under the present wording of section 115 (a), $11,000 out of the $15,000 would be taxable to personal holding company stockholders whereas only $1,000 is all that is required as dividend credit to offset the "undistributed subchapter A net income." The present amendment is designed to correct this type of inequity.

The provision is made retroactive to December 31, 1943, so as to correct any inequities in all years that are still open since the 1943 amendment.

EXTENSION OF REMARKS

Mr. NIXON (at the request of Mr. KERSTEN of Wisconsin) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SASSCER asked and was given permission to extend his remarks in the Appendix of the RECORD and include the inaugural address of Mayor D'Alesandro, of Baltimore.

SPECIAL ORDER GRANTED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow following the completion of the legislative business for the day and such special orders as may already have been entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONSIDERATION OF H. R. 2798

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 221, providing for the consideration of the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, and ask for its immediate consideration. The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and yield myself 1 minute.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] will be recognized for 30 minutes and the gentleman from Illinois [Mr. ALLEN] is now recognized for 1 minute.

Mr. ALLEN of Illinois. Mr. Speaker, the bill made in order by this rule merely provides for the conversion of Federal savings and loan associations to comparable State associations.

Under the Home Owners' Loan Act of 1933, as amended, State associations were permitted to join Federal associations. This bill merely provides that Federal loan associations, if they desire, may associate themselves under the charter of a State association.

I understand the bill passed the Committee on Banking and Currency unanimously and that the rule was granted unanimously by the Rules Committee. It is an open rule providing for 1 hour's general debate.

I now yield to the gentleman from Illinois.

LEGISLATION ENACTED IN 1933 HAS PROVED OF BENEFIT TO BUILDING AND LOAN ASSOCIATIONS AND TO MEMBER SHAREHOLDERS

Mr. SABATH. Mr. Speaker, I am naturally pleased that this bill does not aim to repeal or weaken the law that was passed in 1933 to insure the financial stability of thousands of building and loan associations throughout the country and which saved thousands upon thousands of shareholder members from loss of their weekly savings deposited in such associations. At that time nearly every one of the associations was in a most serious financial plight and unfortunate condition because a large number of the member shareholders, due to losses sustained in the stock-market crash and others, owing to the loss of their employment, could not make their weekly payments and many were obliged to withdraw their deposits. The crippling of these associations was further augmented by the loans which they had made on properties which had depreciated in value and the losses they sustained were more than they could possibly stand. Therefore, I am pleased to say, as one who advocated this legislation to save the building and loan associations from collapse and to save the meager savings of hundreds of thousands of member shareholders, the law proved a blessing to these thrifty people and served to reestablish confidence in building and loan associations. Since that time the associations have grown tremendously and the shareholders have been encouraged to lay aside a small amount of their earnings secure in their feeling that under the protection of the Government their savings would be safeguarded. Even the most vicious opponents of the New Deal must admit from time to time that the legislation passed in those most trying days was in the best interest of the people and for the best interest of the Nation.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

STATE CONVERSION OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS

Mr. WOLCOTT. Mr. Speaker, I call up the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (i) of section 5 of Home Owners' Loan Act of 1933, as amended, is hereby amended by striking out the period at the end thereof and inserting a colon and the addition of the following: "*Provided, however*, That said conversion shall not be in contravention of the State law. Any association chartered as a Federal savings and loan association may convert itself into a savings and loan, building and loan, or homestead association, or a cooperative bank, incorporated under the laws of the State, District or Territory in which the principal office of such association is located (hereinafter referred to as the State institution), upon the vote, cast at a legal meeting specified by the law of such State, District, or Territory as required for such a conversion, but in no event less than

51 percent of all the votes cast at such meeting, voting in person or by proxy: *Provided further*, That legal titles are protected by such conversion: *Provided further*, That conveyances of legal titles are made. If none of the outstanding shares of the converting Federal association are held by the Secretary of the Treasury or the Home Owners' Loan Corporation, and if such conversion is to a State institution, which is mutual in character and of a type which has been insured by the Federal Savings and Loan Insurance Corporation, no approval of such conversion by the Federal Home Loan Bank Board or the Federal Home Loan Bank Administration shall be required and such converted institution shall continue to be an insured institution and bound under all of the agreements contained in the original application for insurance of accounts, and by such conversion shall accept and be bound by all agreements required by section 403 of title IV of the National Housing Act and such insured institution shall upon such conversion and thereafter be authorized to issue securities in the form theretofore approved by Federal Savings and Loan Insurance Corporation for issuance by similar insured institutions in such State, District, or Territory. Such conversion shall be effective upon approval by the duly constituted authorities of the State, District, or Territory which have supervision over such institutions where such institution is located, and the filing of a certified copy of the resolution authorizing such conversion and the approval of such State, District, or Territory authority with the Federal Home Loan Bank Administration or the Federal Home Loan Bank Board.

"In addition to the foregoing provision for conversion upon a vote of the members only, any association chartered as a Federal savings and loan association, including any having outstanding shares held by the Secretary of the Treasury or Home Owners' Loan Corporation, may convert itself into a State institution upon an equitable basis, subject to approval, by regulations or otherwise, by the Federal Home Loan Bank Board or the Federal Home Loan Bank Administration and by the Federal Savings and Loan Insurance Corporation: *Provided*, That if the insurance of accounts is terminated in connection with such conversion, the notice and other action shall be taken as provided by law and regulations for the termination of insurance of accounts."

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

Page 2, beginning with the word "vote" in line 4, strike out the balance of line 4 and all of lines 5, 6, 7, and the word "proxy" in line 8, and insert in lieu thereof the following: "vote required for such conversion, cast at a meeting called and held for such purpose in accordance with the law of such State, District, or Territory due notice of such meeting to be given to all the shareholders of such association, but in no event upon the vote of less than 51 percent of all the votes cast, voting in person or by proxy at such meeting: *Provided further.*"

Page 2, strike out the words "are protected" in line 14, all of line 15, and the words "legal titles are made" in line 16, and insert in lieu thereof the following: "to all real estate shall be passed by proper conveyances."

Page 3, line 24, strike out ", by regulations or otherwise."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL HOME LOAN BANK ACT, TITLE IV OF THE NATIONAL HOUSING ACT

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 222 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2799) to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and I yield myself at this time such time as I may require.

Mr. Speaker, this bill provides for the retirement of the capital stock held by the Government in the Federal home-loan banks and the Federal savings and loan insurance corporations, and for a reduction in the premium charged institutions insured by the Federal Savings and Loan Insurance Corporation.

The Committee on Banking and Currency passed this bill unanimously and the Rules Committee passed the resolution unanimously. I do not know of any objection to the bill.

Mr. SABATH. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, if I am not mistaken, the House passed a similar bill in the last session. I think it is legislation in the right direction. I cannot find any objection to the bill; I think it should pass; consequently, there is no objection to the rule being adopted and action taken without any further comment.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill (H. R. 2799) to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, and for other purposes, be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the Federal Home Loan Bank Act, as amended, is amended by the addition of a new subsection as follows:

"(l) At the option of each member but within 2 years after the enactment of this amendment, each member of each Federal home-loan bank shall acquire and hold and thereafter maintain its stock holding in an amount equal to at least 2 percent of the aggregate of the unpaid principal of such members' mortgage loans, home-purchase contracts, and similar obligations, but not less than $500. Such stock in excess of the amount required may be purchased from time to time by members and may be retired from time to time as heretofore. From time to time and at least annually after the enactment of this amendment, each Federal home-loan bank shall retire and pay off at par an amount of its stock held by the Reconstruction Finance Corporation or assigns for the Government equivalent to the amount of its stock held by its members in excess of the amount required to be held by them immediately prior to the enactment of this amendment: *Provided*, That none of such Government capital shall at any time be retired so as to reduce the aggregate capital, reserves, surplus, and undivided profits of the Federal home-loan banks to less than $150,000,000. Funds arising from the retirement of said stock held by or for the Government shall remain in the Treasury of the United States and be available for subscription to stock in the Federal home-loan banks in the future. Upon a determination by the Board that the proper functioning of the Federal home-loan banks at any time requires additional capital, the Board shall request the Secretary of the Treasury to subscribe to the stock of the Federal home-loan banks as determined by the Board in an amount not in excess of the stock retired under this amendment and the Secretary of the Treasury shall subscribe for such stock and pay therefor from the funds in the Treasury as a result of this amendment."

SEC. 2. Subsection (g) of section 11 of the Federal Home Loan Bank Act, as amended, is amended by inserting the words "one-half" before the words "the sums paid in on outstanding capital."

SEC. 3. Subsection (b) of section 402 of the National Housing Act is amended by the addition of the following:

"After the effective date of this amendment the Corporation is authorized and directed to pay off and retire its capital stock in units of $1,000, from time to time, from its assets which are in excess of $150,000,000. Such retirement and payment shall be to Home Owners' Loan Corporation or its successor and for the full amount paid for such stock less any amount paid as dividends thereon. Such payments shall be continued from time to time as such funds are available from assets in excess of $150,000,000 until the entire capital stock is retired and the Corporation shall continue to operate with its insurance reserve, undivided profits, and other funds. Whenever, in the judgment of the Board of Trustees of the Corporation, funds are required for insurance purposes, the Secretary of the Treasury is authorized and directed to purchase obligations of the Corporation in an amount equal to the amount of capital stock of the Corporation previously retired, in accordance with the provisions of this paragraph, in addition to the amounts of such obligations which he is otherwise authorized to purchase."

SEC. 4. (a) Subsections (a) and (b) of section 404 of the National Housing Act, as amended (U. S. C., 1940 ed., title 12, sec. 1727 (a) and (b)), are amended by striking out the word "one-eighth" wherever it appears therein and inserting in lieu thereof the word "one-twelfth."

(b) Subsection (c) of section 404 of the National Housing Act, as amended (U. S. C., 1940 ed., title 12, sec. 1727 (c)), is amended to read as follows:

"(c) If an insured institution has paid a premium at a rate in excess of one-twelfth of 1 percent of the total amount of the accounts of its insured members and its creditor obligations for any period of time after June 30, 1946, it shall receive a credit upon its future premiums in an amount equal to

the excess premium so paid for the period beyond such date."

SEC. 5. Notwithstanding any other evidence of the intention of Congress, it is hereby declared to be the controlling intent of Congress, that if any provision of this act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

With the following committee amendments:

Page 1, line 6, strike out all of line 1 after the figure (1) and insert "Within."

Page 2, line 16, strike out all of the line after the period and all of lines 17, 18, 19, and 20 down to the period.

Page 3, line 1, strike out "shall" and insert "Treasury, in his discretion, may."

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the committee amendment as printed in the bill be amended by striking out the word "Treasury." It is very obvious an error was made on the part of the Printing Office.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk continued the reading of the committee amendments, as follows:

Page 3, line 14, insert the word "net" before "assets."

Page 3, line 19, insert the word "net" before "assets."

Page 4, line 2, strike out "retired," and insert "retired."

The committee amendments were agreed to.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all of section 5, beginning in line 21, page 4, through line 3, on page 5, and insert in lieu thereof:

"SEC. 5. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this act and the applicability of such provision to other persons or circumstances shall not be affected thereby."

Mr. WOLCOTT. Mr. Speaker, the purpose of this amendment is to correct a very obvious error in the printing of section 5.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REINCORPORATION OF EXPORT-IMPORT BANK OF WASHINGTON

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 220 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 993) to provide for the reincorporation of Export-Import Bank of Washington, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I shall later yield 30 minutes to the gentleman from Illinois [Mr. SABATH]. I yield myself such time as I may require.

Mr. Speaker, this bill has to do with the Export-Import Bank of Washington. This legislation is necessary in order that the bank may continue in active operation beyond June 30, 1948. It is my understanding that there was no objection by either side before the Committee on Banking and Currency. It passed the Committee on Rules unanimously.

I now yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, this bill was unanimously reported by the Committee on Banking and Currency. The legislation is necessary, due to legislation that was previously passed, namely, to reincorporate under the national law.

Mr. Speaker, I have no objection to the rule; in fact, I think the rule should be adopted and the bill passed.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Rhode Island.

Mr. FORAND. I just wanted to inquire whether there was any particular termination date, or is this to be a continuing proposition?

Mr. ALLEN of Illinois. June 30, 1953.

Mr. FORAND. I thank the gentleman.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill (S. 993) to provide for the reincorporation of the Export-Import Bank of Washington, and for other purposes, be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 (a) of the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666), is hereby amended to read as follows:

"SEC. 2. (a) There is hereby created a corporation with the name Export-Import Bank of Washington, which shall be an agency of the United States of America. The objects and purposes of the bank shall be to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof. In connection with and in furtherance of its objects and purposes, the bank is authorized and empowered to do a general banking business except that of circulation; to receive deposits; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and to guarantee notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness; to purchase, sell, and guarantee securities but not to purchase with its funds any stock in any other corporation except that it may acquire any such stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness to it; to accept bills and drafts drawn upon it; to issue letters of credit; to purchase and sell coin, bullion, and exchange; to borrow and to lend money; to perform any act herein authorized in participation with any other person, including any individual, partnership, corporation, or association; to adopt, alter, and use a corporate seal, which shall be judicially noticed; to sue and to be sued, to complain and to defend in any court of competent jurisdiction; and the enumeration of the foregoing powers shall not be deemed to exclude other powers necessary to the achievement of the objects and purposes of the bank. The bank shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Government. The bank is hereby authorized to use all of its assets and all moneys which have been or may hereafter be allocated to or borrowed by it in the exercise of its functions. Net earnings of the bank after reasonable provision for possible losses shall be used for payment of dividends on capital stock. Any such dividends shall be deposited into the Treasury as miscellaneous receipts."

SEC. 2. The Export-Import Bank Act of 1945, as amended, is hereby amended by striking out from section 6 thereof the words "Such obligations shall be redeemable at the option of the bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity and bear such rate of interest as may be determined by the Board of Directors of the bank with the approval of the Secretary of the Treasury" and substituting in lieu thereof the following: "Such obligations shall be redeemable at the option of the bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity as may be determined by the Board of Directors of the bank with the approval of the Secretary of the Treasury. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the bank."

SEC. 3. The Export-Import Bank Act of 1945, as amended, is hereby amended by striking out section 8 therefrom and substituting in lieu thereof a new section 8 as follows:

"SEC. 8. Export-Import Bank of Washington shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on June 30, 1953, but the provision of this section shall not be construed as preventing the bank from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as guarantor, endorser, or acceptor of obligations which mature subsequent to such date or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the

administration of its assets and the collection of any obligations held by the bank."

SEC. 4. The Export-Import Bank Act of 1945, as amended, is hereby amended by the addition of a section 12 as follows:

"SEC. 12. The Export-Import Bank of Washington created hereby shall by virtue of this act succeed to all of the rights and assume all of the liabilities of Export-Import Bank of Washington, a District of Columbia corporation, and any outstanding capital stock of the District of Columbia corporation shall be deemed to have been issued by and shall be capital stock of the corporation created by this act and all of the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), assets, contracts, obligations, and liabilities of the District of Columbia corporation are hereby transferred to, accepted, and assumed by the corporation created by this act without the necessity of any act or acts on the part of the corporation created by this act or of the District of Columbia corporation, their officers, employees, or agents or of any other department or agency of the United States to carry out the purposes hereof and it shall be unnecessary to take any further action to effect the dissolution or liquidation of Export-Import Bank of Washington, a District of Columbia corporation. The members of the Board of Directors of the District of Columbia corporation, appointed pursuant to the provisions of the Export-Import Bank Act of 1945, shall, during the unexpired portion of the terms for which they were appointed, continue in office as members of the Board of Directors of the corporation created by this act."

Mr. WOLCOTT (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, it will be recalled that last year we passed the Corporation Control Act. Under that act the life of the Export-Import Bank will expire on June 30, 1948, if it is not renewed or continued under this bill. Formerly, and before the Corporation Control Act was passed, there was no time limitation on the life of the Export-Import Bank, but, as I have said, under that act the life of the corporation would have expired on June 30, 1948. The Export-Import Bank of Washington was a District of Columbia corporation. Its life was limited only under the general District of Columbia Corporation Act. The Corporation Control Act provided that all Government corporations not created by charter of Congress would expire on June 30, 1948. This reincorporates the Export-Import Bank as a Government corporation.

It is necessary to change the charter slightly because there are many things in the District of Columbia Corporation Act which do not appear in the general act covering Government corporations. For example, we have to provide that the corporation may sue and be sued. That was an authority contained in the District of Columbia Corporation Act but which is not included in the general corporation act of the United States. We also provide that the bank may have the free use of the United States mails, and so forth. What we are doing is continuing the Export-Import Bank of Washington under a congressional charter until June 30, 1953.

Mr. SMITH of Ohio. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I do not know of anyone except myself who is going to oppose the extension of the Export-Import Bank Act; nevertheless, I intend to oppose it. The Export-Import Bank has now taken on foreign lending activities similar to the lending that is carried on by the Treasury. It is making loans to Poland, France, and other foreign countries with not one bit more security than the Treasury has for the loans it is making.

When Mr. Martin, Chairman of the Export-Import Bank, was before our committee, he mentioned that the bank was resisting pressure with respect to the making of loans from all sources. What he had in mind was the pressure being brought to bear upon him by the National Advisory Council. I called this to the attention of the committee at the time Mr. Martin made the statement. I am quite convinced that the National Advisory Council is telling the Export-Import Bank exactly what to do with respect to foreign loans. That is serious enough.

Members of Congress should fully realize how the Export-Import Bank obtains its capital; that it acquires it by confiscating private property. There is no other way by which it can secure its capital.

I have been asked whether I consider taxation as the confiscation of private property. Certainly I do when the tax burden has reached the point that obtains at the present time—where we are paying in taxes one dollar out of every four of our income. It is hard to conceive how anyone can possibly question that taxation in the United States has become confiscation. When one reflects upon the many revolutions and national crises that have been caused by excessive taxation we ought to realize that our present burden is something serious to think about. Shakespeare, in one of his plays, attributed Cardinal Wolsey's downfall to excessive taxation, which amounted to one-sixth of the national income. Ours is one-fourth.

It is the grossest fallacy to suppose, as perhaps most people do, that the capital which political lending agencies possess is an addition to existing capital. The funds of these agencies are merely a subtraction from existing private capital. When the proponents of political lending tell us about all the good things that are being done by such lending they fail to tell us about the good things that would have been done with the funds by the taxpayers if they had been allowed to keep them. Whoever believes that the taxpayers would not have made better use of these funds than are the political lending agencies simply admits he does not believe in free private enterprise.

The Export-Import Bank has grown like Topsy: just as have the other political lending agencies and bureaus under the New Deal.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. In 1939 it had a lending power of $100,000,000. That has been increased until now it has $3,500,000,000, and it seems quite certain that the Export-Import Bank officials will be back in the near future for another huge increase.

The Export-Import Bank officials presented to our committee a statement showing the financial condition of the bank. Its balance sheet has little or no meaning and cannot possibly have standing by itself. It is only when its financial condition is made a part of an over-all balance sheet covering all lending activities of the Federal Government that we can have a clear picture of its true condition.

A number of other political lending agencies and the Treasury itself are making huge Government, private, and semiprivate loans to many countries throughout the world, just as is the Export-Import Bank. This political agency claims to have a good record in the repayment of its loans. Maybe it has had such a record up to the present time and it may even continue to have in the future but this may not mean much. We all know that most, if not nearly all the so-called foreign loans made by the Treasury and certain other political agencies, have not been and never will be repaid. I asked the President of the Export-Import Bank whether some of its repayments might not be derived directly from the dollars which the Treasury and some of the other lending agencies shoveled out. Mr. Martin could give me no answer to this question. Of course he could not; because he has no way of knowing, nor can anyone else have. The loans made by the Export-Import Bank to France and those made by the Treasury to the same country ought to clearly illustrate the fallacy underlying its balance sheet. It is only after full and complete settlement of all loans made to France, by the Treasury, the International Monetary Fund and other lending agencies including the Export-Import Bank, that we will be able to know the true condition of the Export-Import Bank. Therefore the balance sheet of the Export-Import Bank does not and cannot possibly have any real meaning.

Sooner or later there will come an end to foreign lending. Whether that will be brought about by deliberate congressional action or whether we will just go on and on with our lending until the well runs completely dry and utter disaster overtakes us I do not know, but I am sure there will be an end to it some day.

Since I am perhaps the only Member of Congress who is opposed to the reenactment of this legislation I shall not ask for a roll-call vote. I wish, however, to have the record show my position in the matter. As stated, some day there must be an accounting for all of these political activities and I want the record to show that not quite all of the Members were

completely blind to the ultimate dangers to our Nation which are inherent in programs such as the Export-Import Bank.

Mr. SCHWABE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. SCHWABE of Oklahoma. Is it not a fact that the purposes and practices of this have changed entirely from the original design, anyway?

Mr. SMITH of Ohio. That is correct.

Mr. SCHWABE of Oklahoma. Would the gentleman comment on that, showing that originally it was for the purpose of financing some of our own exporters, small businessmen, and concerns? Now we are lending the world over.

Mr. SMITH of Ohio. It was principally set up to help our own exporters. That was its original function. As the gentleman has stated, this agency has taken on activities altogether different from those originally provided, as have so many other New Deal agencies.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BROWN of Georgia. All the money from this bank has to be spent on products grown in the United States or produced in the United States.

Mr. SMITH of Ohio. That does not alter my objection to the bill in the least. If the dollars which the Export-Import Bank lends are spent for goods produced in the United States and the Treasury furnishes the dollars to foreign countries for repaying the dollars which the Export-Import Bank loans, which assuredly must be the case in some instances, the balance sheet of the bank ought to take cognizance of this fact, which it fails to do.

Mr. SCHWABE of Oklahoma. It is inflationary.

Mr. SMITH of Ohio. That is another important point.

The SPEAKER. The time of the gentleman from Ohio has again expired.

Mr. SMITH of Ohio. Mr. Speaker, may I have two additional minutes?

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Of course, it is inflationary. A number of Members on the right side of the aisle have almost made it a habit of giggling and smiling when I have on so many occasions mentioned printing-press money and its dangers. Very well. That is perfectly satisfactory with me, but nevertheless, Government printing-press money is another factor which enters into this proposition. In other words, the funds of the Export-Import Bank are raised by public debt transactions, which is another way of saying they are to be raised by printing them. When we tell our constituents that we are against high prices, let us tell them also how we vote on these measures, because it is measures of this kind that have created the high prices. It is your flat money that is principally doing this.

Mr. SPENCE. Mr. Speaker, I ask for recognition on the bill.

The SPEAKER. The gentleman from Kentucky is recognized for 5 minutes.

Mr. SPENCE. Mr. Speaker, I am sure there will be no opposition to the passage of this bill on this side of the aisle. The Export-Import Bank, I believe, has served a very useful purpose. It will die on June 30, 1948, unless it is reincorporated under the Federal corporation law which we passed sometime ago.

I do not anticipate any great dangers to our financial system because we extend the life of this corporation which has served a very useful purpose. I think its affairs have been handled very ably. I hope there will be no opposition to the bill.

Mr. BUFFETT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I hesitate to take this time, and do so under some apprehension as the result of not having had a chance to prepare my remarks.

I was not informed until a few minutes ago that this bill was coming up today. But I do not want this occasion to go by without offering a few observations on this legislation.

I recognize that the vote on the reincorporation of this bank is something of a mechanical performance. It reminds me of a person on an airplane ride. After he gets in the air he cannot change his mind. We are in flight on a seemingly unlimited venture in the use of American public credit for foreign loans.

Two years ago when this matter came up and this House voted to enlarge the lending powers of the Export-Import Bank, I opposed it as vigorously as I knew how, but to no effect. This business of foreign loans reminds me of a story that came back from Arabia a few days ago. It seems that some Government officials were over there conferring with a group of Arabs. The Arabs said "We do not want to meddle into the affairs of America. We do not know the difference between the Export-Import Bank, the International Fund, the Bretton Woods Bank, lend-lease, or what have you. All we want to know from you people is, how many dollars do we get and when."

I think that is typical of sentiment throughout the world: How many dollars do we get and when? They are not interested whether it is through the Export-Import Bank, a direct loan from the Congress, the International Fund, the Foreign Economic Commission, or any other of the 40 or more agencies that are still sending American goods abroad. It is a situation that is extremely disturbing to those of us who believe the public credit should be used sparingly as George Washington advised some 170 years ago.

Mr. RAMEY. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. RAMEY. There is something about this that is not clear to me. Perhaps the gentleman from Nebraska or some other member of the committee can clarify it. When it came to power politics in the matter of aid to Turkey and Greece and we gave money to destroy nations the Congress voted on the bill. When we gave Mexico money we did it through this bank. What is the reason for the difference in treatment in the two cases? We have this Export-Import Bank, yet notwithstanding it we bring other bills on the floor to do the work of the bank. Why does not the bank do all of the work or why do we not do all of the work, one or the other? What is the reason? It is very confusing.

Mr. BUFFETT. The gentleman from Ohio asks a very difficult question. Perhaps the best answer is that if all these lending activities were centered in one group, not over 5, 10, or 15 different agencies, the American people would be disturbed about the total amount and there would be some disposition in Congress to call a halt on this dangerous inflationary activity. In that connection there was one item in the testimony during the hearings before our committee about which the entire Congress should be informed. That is the point brought out by Mr. Martin, chairman of the bank, when I was questioning him as to how far this country could go with this foreign-lending business. I said to Mr. Martin, "In the twenties private credit operated in the field of foreign loans and pushed that activity until there was a break-down of private credit in 1929 and the world had the greatest financial crash of all time." I went on to ask Mr. Martin other questions. I wanted to know what the signposts or the danger signals were that this Congress might be watching for to make sure we did not take ourselves into a crash in public credit after a pattern similar to the crash which took place in private credit. Mr. Martin's answer to that question was to this effect, "We are in the danger zone now."

There is a message to this Congress from a man who is one of our experts on foreign lending, perhaps the best expert. It is a message directed to us declaring, "We are in the danger zone now."

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman from Ohio [Mr. RAMEY] asked why we come in with these special bills, why we did not let the Export-Import Bank lend all the money. One answer is that it cannot lend the money fast enough. So you have to have these special bills asking for additional funds.

Mr. RAMEY. But the public is not informed.

Mr. HOFFMAN. No. You cannot expect the Export-Import Bank, or whatever they call it, to get it out fast enough. They are working overtime. They cannot get it out fast enough, so we have to have special bills.

Mr. BUFFETT. I thank the gentleman for his contribution.

As a boy I had one financial experience that impressed itself on my mind when

I was carrying papers to a small cigar store in my home neighborhood. The manager of that store had a sign on his cash register, a little jingle which read like this:

I loaned money to three friends. I lost the three friends, also the money.
I have decided to lose no more friends.

It took me a long time to understand what that sign meant. But now as I see foreign loans made all over the world by our Government, I am reminded of that message. Why? Because our foreign loans, just as the foreign loans that France made before World War II, are losing us friends instead of making friends.

Some say that they are a helpful instrument in our foreign policy.

Let us take as a specific example the case of France. In the last 2 years France has received from the Export-Import Bank a credit of $1,200,000,000. But if you pick up the papers today you will see that France is not cooperating with the Allied Governments in the management of Germany.

If this loaning business was a great instrumentality of good will you would think that France, having been loaned $1,200,000,000 through this bank, would cooperate in that difficult task in Europe. But despite the money, despite this gigantic assistance, today our occupational problems are tremendously intensified because France is not cooperating.

We found out something else very interesting during the course of these hearings. I asked Mr. Martin to supply the committee with the names of the people appearing for foreign loans who had previously been in the employ of the United States Government.

I learned that in connection with the loans to France, Italy, Poland, China, Greece, and the loan that went to Turkey, men who had recently been in the employ of the United States Government were down at the bank using their talents and their abilities to get the bank to make the loans to these governments. So by virtue of the fact they knew their way around, we might say, in government circles, they were able to get a pretty good price for their services in urging the Government of the United States to make substantial loans to these foreign countries.

So far as these Government loans are concerned, I am not one of those who is optimistic enough to believe these foreign loans are going to be paid back in the long run. Loans between governments have never been good risks. The taxpayers who are called upon to pay them have no part in the making of the loans. We loan the money to the politicians in power. When they go out of power their successors frequently say, "That loan was contracted by somebody else," and sooner or later, when times get tough, the day arrives when these loans are politically difficult to service. We had that experience between World Wars I and II in private credit. It is much more liable to happen to public credits.

There is another item that should be mentioned. Export-Import Bank loans are now being used to funnel vast quantities of goods out of this country, at the very time when the demand in this country is not being fulfilled.

This reincorporation will pass this House. I recognize that fact, but I think this Congress should be facing realistically the warning voiced by Mr. Martin, "We are in the danger zone now." The failure by Congress to put on the brakes on foreign lending will cruelly rob the humble people whose savings are in Government bonds, and who have placed their faith in the integrity of Government promises.

Smugness and indifference now by Congress will be paid for later by tears and blood, as the consequences of the present inflation begin to develop.

I regret my inability to bring about a change in attitude in this body, but if we continue down this primrose pathway of inflation it will not be because warnings were not sounded. In that endeavor some of us have made unstinted efforts.

Mr. ROSS. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, I said earlier in the day that I would discuss more fully the air-line accident that occurred at LaGuardia Field on Thursday evening which resulted in the loss of 42 lives. I want to say at the outset that I agree with the remark made by one of the gentlemen this morning, that air-line travel is still the safest form of transportation. I flew down from New York this morning.

LaGuardia Field is in my district. I arrived at the scene of the accident a short while after it had happened, and I was permitted to explore pretty thoroughly the area of the accident. I also went into the basement of the building where 38 bodies were laid out, and I tell you it was the most horrible sight I have ever witnessed. There were 38 charred bodies; limbs resembling charred timbers of a building that had been gutted with fire; twisted bodies; lives of men and women who 10 minutes earlier had been laughing and conversing gaily about their holiday vacation.

While there that evening I was informed of many heroic feats. I cannot let this moment pass without mentioning one in particular. The gentleman who performed this act I am proud to call a personal friend of mine. He is Mr. Edward McGrath, of 3431 Eighty-first, Jackson Heights. Ed arrived at the scene of the accident just a few minutes after it occurred. He grabbed an ax from one of the fire engines which was standing by, ran to the end of the plane, chopped a hole in it, went through the hole into the rear compartment, and with no regard for his own safety and with the terrific heat and flame all around him, rescued several persons by pulling them through the opening. He continued until finally he was overcome with smoke-poisoning and was sent to the hospital. That to me is one of the greatest feats of heroism ever performed, and I want to commend him.

Mr. Speaker, I charged in the House this morning, after an investigation which I made that evening and the following day, that the Civil Aeronautics Administration and the Civil Aeronautics Board should be investigated, that there was gross carelessness. I am going to give you some of the information that was given me.

We all are aware that there was an approaching storm at the time. Traffic was congested. The control tower has authority over which runway a plane is allowed to leave on. It has complete authority over whether or not a plane shall ascend into the air. Somebody in the control tower so interpreted a regulation which has been promulgated by the CAA or the CAB as to permit this plane to leave on the shortest runway at LaGuardia Field, a runway, and I am certain the investigation will verify this, which would accommodate that size plane loaded with 60,000 pounds only if there were sufficient headwind. According to the accounts I received there was a 19-mile headwind.

I went out to the hospital and talked with Mr. Baldwin, the pilot of the plane. The following day I went all over the scene of the accident. I talked with one of the vice presidents of United Air Lines and many other air-line employees. It seems there was at the time the pilot was instructed to use runway 18 a 19 m. p. h. headwind which would permit the plane to ascend if the favorable weather condition continued to prevail, but the runway was not long enough to permit the plane to ascend if that headwind was not there. I contend there should not be any regulation under which a man in the control tower can with a roll-of-the-dice decision gamble away the lives of citizens and the employees of the air lines.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. ROSS. I yield to the gentleman from New York.

Mr. ROONEY. Is it not possible that the accident could have been avoided if the runway instead of being 3,600 feet long was a 10,000-foot runway?

Mr. ROSS. I think it is so stated, I will say to the gentleman from New York.

Mr. ROONEY. There is not much question about it, the pilot would have had time after applying his brakes to stop that plane if it had been a 10,000-foot runway.

Mr. ROSS. It is my understanding that that is correct.

Mr. ROONEY. Only about a week ago the majority of this House cut a requested appropriation of $65,000,000 by 50 percent, to $32,500,000, for the Federal-aid airport program and voted against my amendment which called for the full amount. These funds would have provided 10,000-foot runways at airports such as LaGuardia Field, and we might not today be in grief over all the lives that were lost as a result of that accident.

Mr. ROSS. May I say to the gentleman from New York in that respect that there are many other runways at La-Guardia Field at the present time of sufficient length to make the plane airborne if the decision had been made to send the plane out on one of the longer runways.

Mr. Speaker, the American aviation industry is too important to the progress of America, the aviation industry is too important to our national defense, and it is certainly too important to the lives of our citizens and the employees of the air lines, to allow laxity in our safety regulations and to allow any regulation whereby an individual can gamble with the safety of human lives and the security of an industry.

Mr. SMITH of Ohio. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 4, line 11, after the words "June 30", strike out "1953" and insert "1949."

Mr. SMITH of Ohio. Mr. Speaker, this amendment hardly needs any explanation. The Corporation would continue operating until 1948 even if no legislation were passed at the present time. My amendment would extend it to June 1949. There is nothing about the Export-Import Bank that requires it to be extended longer than a year or two.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. The amendment you propose would have the effect of enabling a new administration or a different administration in the event one is elected in the fall of 1948 to take a good look at the bank in the spring of 1949, would it not?

Mr. SMITH of Ohio. That is correct. I think the people ought to have an opportunity to express themselves on that particular point.

So, Mr. Speaker, without further explanation I ask that this amendment be adopted. I do want to say that while the bill was reported out unanimously by the members who were present I was not present when it was reported out, and had I been present I would have voted against reporting it out. I earnestly ask that this amendment be adopted. There cannot be any serious objection to it.

As the gentleman from Nebraska [Mr. BUFFETT] has said, it would give another Administration an opportunity to look into the matter. I do not think we can be too careful at the present time in dealing with these lending agencies.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. This amendment would fit right in with what Mr. Martin said before our committee when he told us that we were in the danger zone, would it not?

Mr. SMITH of Ohio. Yes, that is certainly true.

Mr. BUFFETT. As a prominent member of the administration circle of executives, certainly he would not be inclined to overestimate that activity, would he?

Mr. SMITH of Ohio. I think you are correct about that. Another thing, this man is a member of the National Advisory Committee. He is in a position to know something about the over-all lending activities that have taken place. So let us at least be cautious about the matter.

Mr. WOLCOTT. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, of course, the whole object of this amendment is to stop the operation of the Export-Import Bank. My worthy colleague from Ohio has indicated that he is very strongly opposed to it, and he takes this method of killing the Export-Import Bank. The reason we found it necessary to bring this legislation here at this time is because the corporation would expire on June 30, 1948, under the Corporations Control Act which we passed last year. Up to the time that act was passed there was no limitation on the life of this corporation. There was no limitation whatever except that which is found in the Distric of Columbia Corporation Code which was probably 30 years. We have put a very definite limitation on the life of this corporation without interference with its normal and desirable operations. We have set 5 years. Why? Because many of the commitments of the Export-Import Bank for the movement of American goods to foreign governments are 2-, 3-, and 5-year commitments and to narrow the scope of their activities by cutting this date back and giving it a life of only 2 years would limit their activity in that field to 2-year commitments. At the present time we are moving locomotives and heavy equipment by the credits created by the Export-Import Bank. When we expanded the Export-Import Bank a year ago from $800,000,000 to $3,500,000,000 we had a purpose, and it was perhaps a selfish purpose. It was to enable us to sell American goods abroad. I do not think the gentleman could have delved very deeply into the economic conditions of this country or which face this country within the next few months, when he says we should not make available credit for the movement of heavy-industry goods. At this very moment we are approaching a situation where we find if it had not been for the credit we have established to move heavy goods abroad, we would have saturated the domestic market with heavy goods and there would have been perhaps hundreds of thousands of people out of employment in America.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SMITH of Ohio. I hope I do not understand the gentleman to be telling the House that the Export-Import Bank has made commitments 5 years ahead.

Mr. WOLCOTT. I say it may have made commitments 5 years ahead. Many of these loans are from 1 year to 3 or 4 years.

Mr. SMITH of Ohio. But as long as it has not committed itself beyond——

Mr. WOLCOTT. Well, this is a revolving fund. You would close it up on that date. The reason for continuing this beyond June 30, 1948, is to allow this fund to revolve for financing the exportation of American goods, and for the importation of things which we need from abroad, in order to enable us to manufacture many commodities in the United States which we re-export.

Mr. SMITH of Ohio. Will the gentleman yield further?

Mr. WOLCOTT. Yes, I yield.

Mr. SMITH of Ohio. Does the gentleman have any idea or hint that the Export-Import Bank is going in for a further increase in capital?

Mr. WOLCOTT. Well, we can take care of that matter when it does come up. We surely do not have to kill it off now against the possibility that this House may have an opportunity next year or 2 years or 5 years from now to say whether it shall give them more capital or less capital. You understand this Congress always has control over the capital structure of the Export-Import Bank. We can bring in legislation at any time we want to, to narrow or to expand its scope. They cannot do it without our authority.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BUFFETT. You mean that under the present operations of the Export-Import Bank that all payments out and all collections back have to be in by July of next year?

Mr. WOLCOTT. No. All they could do after June 30, 1948, would be to liquidate. We want it to continue as a going concern. I wish you would not have made a political thing out of the Export-Import Bank, because we prevented that last year when we expanded the capital of the Export-Import Bank. It is not necessary to view the operations of the Export-Import Bank in the light of some oncoming political election.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. At the hearing a year ago when we increased the capital stock from $750,000,000 to $3,500,000,000, the evidence disclosed that this corporation had made some $42,000,000 in the 11 years of its operation. I agree with the gentleman that we expect to get our share of the exports by extending the life of this agency.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. BUFFETT. Mr. Speaker, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, in appraising the amendment offered by the gentleman from Ohio, I think the committee should understand that those of us who are trying to improve this bill are under a considerable handicap. The hearings have not been printed—at least have not been bound—and the bill has been brought to the floor without prior notice.

The amendment, as I understand, provides that the bank may continue making loans, service loans, and collect on loans until July 1949 and as many years thereafter as may be necessary to complete the

collection of the loans made prior to July of 1949. Certainly that constructive amendment does not destroy the bank, nor does it prevent the bank from going ahead with their business and operating just as they have been operating with the approach of the June 30, 1948, termination date.

As far as the political aspects of this policy are concerned, it is part of the responsibility of Congress to set up Federal agencies so that when a new administration comes in, in the spring of 1949, it will have a chance to decide the pattern of Government lending and Government spending. By that time the people of this country may have decided they want an entirely different pattern than the present extravagance that is sending our resources all over the world.

The unsupported claim has been made that our heavy industry would have collapsed if it had not been for these foreign loans. In most industries that observation goes wide of the mark. For example, in the first quarter of this year, according to figures furnished me, about 1,700 freight cars and boxcars were shipped abroad. This occurs at the very time when the crops of the Nation will be lying on the ground because the railroads of this country cannot get boxcars to move them. Why can they not get boxcars? A leading reason is that 1,700 freight cars were shipped abroad in the first quarter, and many of them were financed in all probability by funds from the Export-Import Bank.

Many Congressmen are complaining about a shortage of durable goods in this country. They either should be willing to constrict these export activities in fields of shortage or stop complaining when their people cannot buy automobiles and other necessities.

During the first quarter of this year 134,000 cars were shipped abroad, although controls were still in effect. Since the 1st of April control on the shipment of cars abroad ceased. As a result, down in Brazil and over in China they are paying $4,000 and $5,000 for new Ford cars, while people in your district and mine cannot get new cars at all.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. SMITH of Ohio. It is important for the House to realize that some of these foreign loans are really political loans. That is true with respect to the loan made by the Export-Import Bank to France. It is purely a political loan. It has nothing to do with commerce at all.

Mr. BUFFETT. I thank the gentleman for his observation.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. HOFFMAN. Does the gentleman mean loans to buy an election? He said they were political loans.

Mr. SMITH of Ohio. I think that is something to be considered.

Mr. HOFFMAN. Then this buying of elections is not confined to Missouri or Kansas City apparently.

Mr. SMITH of Ohio. I wish to make an explanation there. It is an international political power proposition.

Mr. BUFFETT. As a practical matter, a large part of the demoralization of the governments of the world may have come about because of this spending policy of the United States Government through its lending agencies. In every land the ruling politicians are not figuring how to balance their budgets, how to be thrifty, how to stop spending. They are figuring ways and means of getting more dollars, more goods, and more resources out of Uncle Sam.

You, therefore, have this kind of situation: The men in every land who are conservative, who want to get back to a balanced budget, have as their opposition men who say, "Well, I can go to America. I can talk about communism in our country and I can get a loan from America."

Like the Arab, they all say, "We do not want to meddle in American affairs, we do not care which agency we get loans from, all we care about is how many dollars do we get and when?"

I urge adoption of the amendment.

The SPEAKER. The time of the gentleman from Nebraska has expired.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 3, noes 33.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HESS (at the request of Mr. COLE of New York), for 2 weeks, on account of illness in family.

To Mrs. DOUGLAS, for 1 week, on account of official business.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair wishes to announce that he will be unable to preside tomorrow, and has designated the majority leader the gentleman from Indiana [Mr. HALLECK] to act as Speaker pro tempore.

SPECIAL ORDER GRANTED

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LABOR BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. I desire to interrogate the gentleman from Indiana the majority leader [Mr. HALLECK]. I understand that the conference report on the so-called labor bill has not yet been filed. I am unable to find out definitely, and I am asking if the gentleman knows when it might be filed?

Mr. HALLECK. I understood that the report was being prepared today and will be filed. However, I could not undertake to say definitely that such is the situation.

Mr. RAYBURN. Well now, suppose the conference report is not filed until tomorrow and it cannot be printed until tomorrow night, I would think that would be pretty short notice to the Members who had not seen it, if it is available Wednesday morning for the first time, to call this conference report up on Wednesday.

Mr. HALLECK. Of course, I do not know that it will not be filed today. As I say, my understanding is that it would be ready today. It is also my understanding that copies of the bill as finally agreed upon are available to anyone who wants to study the legislation.

Mr. RAYBURN. I hope the gentleman has investigated that. Some Members have told me that they could not get a copy of the bill as agreed upon, and were told that it would be Wednesday morning before they could get them. Now, there were a few copies of the committee print available to the newspapermen, I think, on last Wednesday or Thursday, but they were exhausted in a few moments, and I wanted to ask the gentleman about that.

Mr. HALLECK. I might say to the gentleman from Texas that I have seen a number of such copies, and, in addition, I know that many of the newspapers have published the contents of the bill.

Mr. RAYBURN. That is correct.

Mr. HALLECK. That is, the text of the bill.

Mr. RAYBURN. It so happens that many of us have not seen any newspaper that carried that account, and I was wondering if the gentleman could not do something about having some additional committee prints made of the agreement made tonight so that they would be available to the Members tomorrow.

Mr. HALLECK. I shall certainly be glad to undertake to do that. Certainly there is no inclination on my part—and no inclination on the part of anyone, so far as I know—to refrain from giving to all the Members full opportunity to know what is in the bill. I shall be glad to cooperate in that direction, as suggested by the minority leader.

Mr. RAYBURN. Even though that is available tomorrow and the conference report is not available until Wednesday morning, will the gentleman still insist on bringing the bill up on Wednesday?

Mr. HALLECK. I may say to the gentleman from Texas that I have talked to a great many of the Members, including members of the committee, and they are of the opinion that the conference report should be disposed of as quickly as possible; so, under the circumstances, if it is ready, and there is fair opportunity for

the Members to be informed as to what the bill contains, I would be compelled, I think, to put the measure on the program for Wednesday, as indicated.

Mr. RAYBURN. I know the gentleman does not intend to be unfair, and he never does, but frankly I do not think that is enough time to give Members to look at a bill of this tremendous importance. If they get it Wednesday morning when they get to their offices at 9 or 10 o'clock, and then have it taken up at 12, that is pretty fast work.

Mr. HALLECK. First of all, I will not say that the report is not to be filed today. As I said before, my understanding is that the report is to be filed today. I know of no reason why copies of the bill as agreed upon should not be made immediately available, and certainly available tomorrow morning, for Members to see and to have the opportunity to read them and become informed about the bill.

Mr. RAYBURN. Will the gentleman undertake to see that that is done tonight?

Mr. HALLECK. Yes; I shall be glad to do that.

Mr. RAYBURN. I still think the bill ought to come up Thursday, as I told the gentleman.

REORGANIZATION PLAN NO. 2, OF MAY 1, 1947

Mr. HOFFMAN. Mr. Speaker, by direction of the Committee on Expenditures, I file a report on the concurrent resolution (H. Con. Res. 49) against adoption of Reorganization Plan No. 2, of May 1, 1947.

The SPEAKER. Referred to the Union Calendar and ordered to be printed.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Illinois [Mr. CHURCH] I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

VETERANS' ADMINISTRATION INSURANCE SERVICE

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following data may be of value to Members of Congress on reasons for the growing dissatisfaction with Veterans' Administration insurance service.

There are approximately 5,000,000 veterans still retaining national service life and veterans (converted) insurance from World War II.

There are approximately 400,000 veterans still retaining Government insurance from World War I.

There were approximately 13,000,000 servicemen in World War II.

There were approximately 5,000,000 Government insurance policies in force immediately after World War I.

This appalling drop in insurance retained by veterans of both wars and the fact that World War II insurance is falling off month by month justifies an inquiry into the reason why Government insurance for veterans, which is the most liberal and cheapest in existence, should be losing ground.

A very superficial investigation reveals the reason for this situation very clearly.

The average veteran who can afford it would prefer to pay more for a given amount of insurance with a commercial company because of the more efficient service he receives.

Substantiation of this statement is contained in the following facts:

Veterans' Administration has approximately 1,200,000 unapplied remittances floating around the country which they are unable to credit properly because they cannot locate records.

Thousands of applications for conversion of national service life—term—insurance are lying dormant for the same reason.

It is next to impossible for a veteran or a veteran's dependent to get an answer to an inquiry regarding insurance in anything even approaching a reasonable period of time.

Veterans who have paid premiums regularly suddenly receive lapse notices, frequently from offices with which they have had no contact.

Others who have been unable to keep their premiums do not receive lapse notices.

No policies covering any of the various types of insurance have been issued to veterans. Many have no record at all of their insurance.

Death and benefit claims frequently run over a year before settlement.

When these, and many other deficiencies, are brought to the attention of Veterans' Administration officials, from the Administrator down, the answers are always the same; namely, the unprecedented rate of discharge of military personnel; the shortage of personnel and the failure of the Congress to provide enough money to correct that situation; they have "not been given enough time to straighten things out."

Considering these answers one by one, it is believed that Veterans' Administration insurance now has far more people per policy in force than is required by any commercial company, and it is not likely that the Congress is going to provide for any more people.

It is almost 2 years since the end of the war. It is hoped that by "give us enough time" is not meant that sufficient veterans will drop their insurance to make the job easier.

Veterans' Administration official flatly state that, unless funds for more personnel are provided, policies will not be issued, lapse notices will not go out on time, and so forth.

Veterans' Administration officials state that they do not plan to issue any policies to holders of national service life—term—insurance even though additional personnel is forthcoming.

There is $30,000,000 to $60,000,000 surplus in Veterans' Administration insurance funds. Veterans' Administration is vague as to the exact amount, and I have suggested to the Administrator that a preaudit of Veterans' Administration insurance funds by the Comptroller General might be of value to all concerned. Whatever the surplus is, Veterans' Administration insurance officials state no dividend can be declared until some 10,000,000 tabulations are made, and that this operation again depends on getting more people. There are people employed in the Capitol who are having the same difficulty with their insurance.

Members of Congress are receiving an increasing number of complaints about the service being rendered to veterans and their dependents by Veterans' Administration. I believe the time has come to stop rendering lip service to the mythical fine job allegedly being done for the veteran by the Veterans' Administration insurance and face the cold fact that the service being rendered is inefficient and unsatisfactory.

I have considerable evidence to indicate that the principal reasons for this situation are not insufficient numbers of employees or insufficient time to get organized, but, rather, a stubborn adherence to obsolete and inadequate methods and procedures. I expect to have some specific recommendations to make in this connection in the near future.

As chairman of the Committee on Veterans' Affairs, I appointed a very fine subcommittee on insurance, headed by the gentleman from Tennessee [Mr. PHILLIPS], to work out insurance matters.

They should be given every opportunity to take out various sorts of veterans' insurance. They should also receive policies just as persons taking out commercial life insurance receive policies. Today the veterans receive nothing but a little slip of paper. The men who fought for us are entitled to policies that mean something; so that they can see what they are. Certainly their dependents should see those policies.

AUTOMOBILES FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I should like to state that a remarkably fine piece of work in registering motor vehicles has been done by Mr. Rudolph M. King, Massachusetts registrar of motor vehicles, and his office, insofar as assisting the disabled veterans, amputees, and paraplegics is concerned, to get the automobiles they have received under the law. They have gotten out a placard or a sticker which I have here, which goes on every automobile operated by an amputee. It tells the police that these veterans may park in restricted areas in order that they can drive their automobiles to their places of business and carry on gainful employment. These automobiles have opened up a new world of happiness and a new world of occupation and employment. Many of these men are becoming taxpayers as a result of the employment they have received.

The gentleman from New York has introduced a bill which takes in another group, the blind, to provide them with automobiles. It was reported out of the

committee unanimously. It is now pending before the Rules Committee. I noticed today, Mr. Speaker, that a great many bills came up under rules. I wish to state that our committee has sought repeatedly to have a rule on H. R. 246. It was the unfinished business, yet other rules have been taken up. The chairman has promised a hearing soon, and it must be soon, or I believe the necessary number of signatures will be obtained on the petition that was placed on the Speaker's desk by the gentleman from New York [Mr. KEARNEY].

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SUGAR

Mrs. ROGERS of Massachusetts. Mr. Speaker, I caused to be inserted in the RECORD on Thursday an article by Mr. Ickes, in which he said the housewives should march on Washington in order to secure the sugar that is flowing out of the windows and the doors and everything else of the various stores and warehouses. We have an enormous supply of sugar. There is no reason why it should not be given to the housewives. The canning season is approaching. Manufacturers will want it. The housewives will want it.

I am inserting as a part of my remarks an editorial from the Lowell Sun entitled "Calling the Turn":

CALLING THE TURN

The sugar shortage cleared itself up with surprising speed after the Department of Agriculture had been given warning that it could no longer hold back the flow of this vital commodity without public and congressional reprisals.

Once it was prodded into action, the Department hustled to make greater quantities of sugar available, releasing much of the vast quantities that were piling up in warehouses, stymied by Government restrictions.

In most cases of this kind, the public has begun to think that Federal agencies seem to take a diabolical joy in making the people take it on the chin as long as possible. As materials and commodities became increasingly available in the postwar era, the Federal officials who were permitting only a trickle to filter through to the public became increasingly anxious to hold back as long as they could.

Their hands were forced, finally, as has been the hand of the Department of Agriculture on sugar.

Another example of this Federal persistence is found in the continuation of credit curbs on automobile sales. Yesterday the National Automobile Dealers Association asked Congress to abolish these restrictions, arguing that within a short time new car production will reach prewar average output and that their chances of doing business on a normal basis, such as prevailed before the war, will be seriously impaired by Federal red tape.

The regulation on credit is enforced by the Federal Reserve Board, which, presumably, is interested in keeping its office force at an unnecessary maximum. Hence it is anxious to keep its finger in a business that is quickly reverting to prewar normal.

Congress should take immediate inventory of all these abuses. It is not only sugar and credits, it is building materials and many other items which are greatly in demand.

All such controls that were invoked during the war during national mobilization of supplies and resources should be eliminated without debate. There are no logical reasons to support their continuation; the law of supply and demand, which has always worked satisfactorily in American business, will take care of the situation handily.

But the law of supply and demand will never work out right while the Federal Government and its numerous needless bureaus insist upon running things in their untrained and unreasonable way.

It is a very strong editorial, Mr. Speaker, and I hope Congress will take action if the administration does not, to remove the controls itself.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. CHURCH] is recognized for 30 minutes.

(Mr. CHURCH asked and was given permission to revise and extend his remarks and insert certain short quotations and tables.)

JOHN H. FAHEY, FEDERAL HOME LOAN BANK COMMISSIONER

Mr. CHURCH. Mr. Speaker, I have asked for this time because of the relevancy of my subject in a way to the subject matter of the two bills the House has just passed. These two bills came up suddenly and were passed with little debate. They are H. R. 2798, providing for State conversion of Federal savings and loan associations, and H. R. 2799, dealing with the subject of the retirement of the capital stock of the Federal home-loan banks and Federal Savings and Loan Insurance Corporation.

Mr. Speaker, on a previous occasion I have paid my respects to Mr. John H. Fahey. In these remarks today I desire to do so again.

The outstanding example of a public office being held by a person wholly unfit for the position is that of the Federal Home Loan Bank Commissioner, Mr. John H. Fahey. His is a consistent record of disregard of the law, arbitrary abuse of power and the throttling of the thrift and home financing business which he is supposed to nurture.

It is time to call public attention to the way Mr. Fahey is abusing his powerful position because his term will very shortly expire. If he is appointed to another 6-year term, he will be 81 years old before that term expires. That in itself is sufficient to raise a real question as to his fitness for continued office-holding but compared with the remainder of his record it is really a minor matter.

Mr. Fahey started out in arbitrary disregard of the law from the day he was appointed. Section 17 of the Federal Home Loan Bank Act, under which Mr. Fahey was appointed to the Federal Home Loan Bank Board, states of the Board that "each member shall devote his entire time to the business of the Board." For 4 years after his appointment, that is until 1937, Mr. Fahey was president and publisher of the Worcester (Mass.) Post. Throughout his entire term of office he has been a trustee of the Twentieth Century Fund, Inc., and from time to time has held the offices of chairman of the executive committee and president. During most of his period of office he has been Administrator of the enormous Filene estate, a position which is of such magnitude as to obviously require a great deal of time. He has also been trustee of the multi-million-dollar building occupied by the chamber of commerce here in Washington. Clearly, Mr. Fahey has not been giving his entire time to the job for which the taxpayers pay him and furnish him a car and chauffeur. Furthermore, it is equally clear that he never intended to when he took the oath of office. The matter is even more serious because in early 1942 he helped bring about the abolition of the Federal Home Loan Bank Board and the substitution of himself as sole commissioner exercising all the powers previously held by a five-man board. That position involved heading up the Home Owners Loan Corporation which once held mortgages up into the billions of dollars; a Federal Home Loan Bank System of approximately $450,000,000; the Federal Savings and Loan Insurance Corporation with nearly $200,000,000 of resources insuring over $6,000,000,000 of the savings of millions of American people; and the Federal Savings and Loan System with nearly $5,000,000,000 in resources. A man holding this position and with a proper regard for his responsibilities, if not for the law, would certainly find it worthy of his full energies; but the outside business interests which Mr. Fahey has continued to hold in violation of the law show his attitude.

Records of the Federal Home Loan Bank System are replete with a continuous succession of trips to and from New York and Boston where his real interests lie. If you have any question as to whether he is devoting his entire time to his Government business, see how often you find him in Washington and how often in Boston where the Filene estate is centered. This is not just the current condition—it has been going on for years.

How this condition affects the Nation can well be brought out in one small illustration—small in that it is one of many, but vital in its effect on the veterans' housing program. Savings and loan associations, early, did a magnificent job in loans to veterans under the so-called GI home-loan program. The following figures tell the story, including the decreasing amount which they have been able to make. This falling off was inevitable unless these associations could secure the assistance from their Federal Home Loan Bank System which the type of job they were doing certainly entitled them to.

Veterans' Administration home loan performance of savings and loan associations

As of—	Number of loans made to date	Increase in number of loans during quarter	Dollar volume of loans made to date	Increase in dollar volume during quarter	Percent of dollar volume of VA guaranteed loans made by savings and loan associations to date
June 30, 1945	7,504	----------	$35,490,000	----------	66.9
September 30, 1945	17,000	9,496	76,777,000	$41,287,000	72.3
December 31, 1945	37,017	20,017	173,265,000	96,488,000	82.7
March 31, 1946	73,672	36,655	348,542,000	175,277,000	69.5
June 30, 1946	146,438	72,766	775,076,000	426,534,000	70.1
September 30, 1946	197,133	50,695	1,054,082,000	279,006,000	52.7
December 31, 1946	257,668	60,535	1,421,771,000	367,689,000	49.3

The fact that the savings and loan associations would need help was recognized even by other officials of the Federal home-loan bank as long as a year ago. A plan was proposed whereby they could temporarily sell some of their Veterans' Administration guaranteed loans to the Federal home-loan bank of which they are members and use the money to maintain the flow of credit for housing veterans. Eight or nine months ago the development of such a plan was announced by other officials of the Federal Home Loan Bank System at various savings and loan meetings. Savings and loan managers were, in effect, advised to make their lending plans accordingly on the basis that they would secure this sort of help for veterans' loans this year. The completed plans with all the necessary regulations have been on Mr. Fahey's desk for more than 3 months. He just has not found time to get around to them either to approve them or disapprove them or to authorize his subordinates to put them into effect. Thousands—indeed, hundreds of thousands—of veterans who find home-ownership credit tightening up in their communities can put the finger right on Mr. Fahey as a principal source of their difficulty. Preoccupation with the Filene estate, with the Twentieth Century Fund, and the indecision of a 75-year-old bureaucrat dramatically show their results here.

Continuously John Fahey has demonstrated his own lack of background in the thrift and home financing business and his antagonism toward these institutions which he is supposed to foster. The original Federal Home Loan Bank Act provided for a reasonably decentralized reserve credit system. Every action of Mr. Fahey has been to take away the independence of the banks, their responsiveness to the needs of their members and to the needs of the communities which those members serve; and instead, to concentrate every vestige of power and authority in the Commissioner.

The original Federal Home Loan Bank Act provided that the management of each of the then 12 banks should be in a board of 11 directors; 9 of whom were to be elected by the member financial institutions who owned stock in the bank system, and 2 of them to be appointed by the Washington Board. Early in his career as Chairman of the Federal Home Loan Bank Board, Mr. Fahey set about to change this and he succeeded so that the number of elected directors was cut down to eight and the number appointed was increased to four. This was done over the bitter opposition of the members of the bank system. Virtually without exception, the appointed directors have come from businesses foreign to that of the members of the bank system. They have no responsibility to the bank members, they are wholly responsible to Mr. Fahey. But beyond that, Mr. Fahey has consistently appointed the Chairman and almost as consistently the Vice Chairman of each Federal Home Loan Bank from among his own appointees so that the leadership in each bank rests with a Fahey man. The effects of this evident antagonism to the business which he constantly tries to control are apparent and they have become particularly apparent during the period from early 1942 when Mr. Fahey arranged to have his Board abolished and himself appointed as the all-powerful czar of the business.

Let us look at the record as to the number of Federal savings and loan associations during that period. Remember that in section 5 of the Home Owners Loan Act of 1933 Mr. Fahey was authorized to provide for the organization of Federal savings and loan associations in order to provide local thrift institutions and to provide for the financing of homes. And in section 6 specific provision was made for him to encourage local thrift and local home financing and to promote and develop these institutions.

In the 5-year period in which Mr. Fahey has been sole czar there has been a net gain of only seven such associations. This in spite of the fact that there are approximately 800 cities and towns in the United States with populations of 2,500 or above in which there are no savings and loan associations either federally or State chartered. It seems clear that Mr. Fahey is just not interested in following the congressional mandate, and he is answerable to the citizens of these 800 communities which Congress wanted to help by making it possible for them to have a local home-financing institution.

The same sort of picture runs through every part of the operation for which he is responsible. For example, on January 1, 1947, there were actually 108 fewer members of the Federal Home Loan Bank System than was the case on January 1, 1942, just before Mr. Fahey succeeded in gathering all the power into his own hands. The decrease was from 3,772 to 3,664. Incidentally only 61 percent of all associations in the United States are members of the reserve system set up—so the Congress thought—for their benefit and for the benefit of the communities which they serve. In view of the record, one can hardly blame the other 39 percent for not putting their heads into Mr. Fahey's noose.

Much the same picture runs through the number of saving and loan associations insured by the Federal Savings and Loan Insurance Corporation. In the same 5-year period beginning with 1942, there were only 126 net gains in the number of insured associations with an even 2,500 at the end of 1946. What a contrast this is with the Federal Deposit Insurance Corporation. The 2,500 insured savings and loan associations represent only 42 percent of all the savings and loan associations, whereas 93 percent of all the banks have deposit insurance. Remembering that all the Federal savings and loan associations must have their accounts insured, the real picture is found in connection with State-chartered associations which go in on a voluntary basis. Only 23 percent, by number, of such associations have sufficient confidence in Mr. Fahey to submit to his supervision. What a contrast with the 89 percent of the State-chartered banks which have their accounts insured by the Federal Deposit Insurance Corporation.

Why do 3,664 associations belong to the bank system while only 2,500 have their accounts insured? The reason is clear. Through the exercise of his supervisory powers, Mr. Fahey has almost life and death power over an insured association which is not the case if it only belongs to the reserve banking system. Associations are afraid to entrust their futures to Mr. Fahey. That their fears are justified is overwhelmingly shown by the case of the Long Beach Federal Savings and Loan Association which will be described a little later.

However, even where an association in the desire to better serve its community musters up the courage to apply for insurance, it runs immediately into Mr. Fahey's repressive policies. If it is small and really needs insurance of accounts, it cannot get it. If it is big and powerful, its chances are good. Of all the associations in the United States with assets under $500,000, only 9.5 percent have share insurance. Of those between $500,000 and $1,000,000 about one-third are insured and of those over $5,000,000 nearly two-thirds are insured. These figures, as well as the testimony of numerous institutions, reflect the virtual impossibility of a small association affording its members the protection which Congress provided. Clearly, Congress never intended any such discrimination.

Other facts bring out the way in which Mr. Fahey is slowly throttling the savings and loan business. The mutual savings banks, fortunately for them, have been able to stay out of his clutches. While they are eligible for membership in the Federal Home Loan Bank System only 25 out of the 541 such institutions have joined that System. In 1930 the total assets of mutual savings banks were

about the same as those of the savings and loan associations. Today, the mutual banks are more than 60 percent larger. When we compare these figures, we who are from States not having mutual savings banks should take heed as to the future source from which our families can secure local home financing from specialized financial institutions. Certainly if we have any regard for that future, it is time that Mr. Fahey be retired to look after his other interests and to permit our citizens to have the type of thrift and home financing which Congress intended when it enacted the Federal Home Loan Act, set up the Federal Savings and Loan Insurance Corporation, and established the Federal Savings and Loan System.

Mr. Fahey is not only not an active, constructive builder—he is a virulent destroyer. Woe be unto him who crosses his path. The report of the select Committee To Investigate Special Agencies created by this House, of which the gentleman from Virginia [Mr. SMITH] was the chairman brings out what happens to anyone whom Mr. Fahey can reach and who does not bend the knee. The hearings and findings of that committee are published in connection with Complaints of Federal Home Loan Bank of Los Angeles and Federal Savings and Loan Association of Long Beach against the Federal Home Loan Bank Administration. As this highly respected committee concluded, the action of Mr. Fahey "was not only a disservice to the Government but also a greater disservice to the people for the protection of whose rights and exercises our Government exists." With no previous notice or hearing, on March 29, 1946, Commissioner Fahey abolished the Federal Home Loan Bank of Los Angeles and arbitrarily transferred the stock in it owned by its members to a new bank known as the Federal Home Loan Bank of San Francisco which, in turn, was a merger with the former Federal Home Loan Bank of Portland. The stockholders of the Portland bank similarly had no notice or right of hearing in connection with this action.

Further, as brought out in the report of Mr. SMITH's committee, because the manager of the Long Beach Federal Savings and Loan Association of Long Beach, Calif., opposed Mr. Fahey in his arbitrary action with regard to the Federal Home Loan Bank of Los Angeles, the Commissioner, again without previous notice or hearing, took over the Long Beach Federal, a $26,000,000 savings and loan association solvent by his own admission and having reserves of $1,300,000. The complete lack of confidence which the public has in anything which Mr. Fahey touches is shown by the fact that since the date of the takeover, in spite of the fact that the association is insured by the Federal Savings and Loan Insurance Corporation, people have constantly withdrawn their money from it until it is now cut down to something under $15,000,000 of savings accounts and in less than a year is well on the way to a 50-percent loss in such accounts. It is estimated that in added expenses alone, Mr. Fahey's so-called conservator is costing the association $400 per business day.

The vindictive and high-handed way in which Mr. Fahey abuses his power as illustrated in the Los Angeles Bank and Long Beach Association cases are entirely too long to describe here, but the facts as brought out by the congressional investigating committee are a matter of public record, as are their corrective recommendations, which are as severe a rebuke as the majority party committee is ever likely to make of an appointee of an administration of their own party.

Of course the savings and loan associations did not stand idly by while Mr. Fahey and his satellites progressively cut them down. What happened to those who opposed, where he had the power to punish directly, is self-evident in the Los Angeles and Long Beach cases. Undoubtedly, those were excellent examples to put the fear of the Almighty into the hearts of those who might consider a difference of opinion with the high Commissioner but he could not reach the associations' courageous trade organization, the United States Savings and Loan League, quite so directly. In defense of the business which the league represents, it has had to constantly fight back, bring the facts to the Congress and take the story to the people. But as one Washington publication devoted to financial affairs pointed out, you cannot have a difference of opinion with Mr. Fahey without expecting retribution. A newspaper reporter critical of anything Mr. Fahey does will find immediately an attempt to convince his publisher that he should be fired.

There is a familiar New Deal tactic to use against any business group which has a difference of opinion with a man in Mr. Fahey's position. This is to organize a rival group, as witness the Lawyers' Guild, and many others. This was the tactic which Mr. Fahey followed. He sponsored the organization of the National Savings and Loan League and promptly transferred to it as its manager and assistant manager two of his employees, one of whom had been manager of the Federal Savings and Loan Insurance Corporation. Undoubtedly he has been disappointed in the results since, in contrast to the United States League's 3,600 members, Mr. Fahey's National League has fewer than 300 members who are not also members of the long-established business organization. Probably it was worth the try and maybe it would have been more successful had not the trend of national events in the past year shown that it might still be possible to keep your self-respect and stay in business without joining forces with the Commissioner's pet trade association.

Mr. Fahey is an atrocious administrator with a reckless disregard for how he spends other people's money. The operating expenses of the Federal Savings and Loan Insurance Corporation show that clearly. Since 1941 they have increased by nearly 70 percent. Why there should be such increases in the expense of a corporation which has had practically no loss cases to work out during that period, I defy anyone to answer. Fortunately, we have a beautiful comparison with another Government operation, namely, the Federal Deposit Insurance Corporation. The following table shows the story:

Year ending Dec. 31—	Operating expenses of the F. S. & L. I. C.	Percentage of operating expenses to premium income		Operating expenses per $1,000,000 of insured risk	
		F. S. & L. I. C.	FDIC	F. S. & L. I. C.	FDIC
1941	$301,846	9.1	7.1	$113.68	$137.16
1942	343,000	9.1	6.8	114.33	117.10
1943	392,370	9.5	5.9	112.11	101.59
1944	481,150	10.4	4.7	116.39	76.31
1945	436,188	7.8	4.1	87.69	57.77
1946	530,000	7.9	3.6	90.32	52.95

Incidentally, while the operating expense of Mr. Fahey's insurance corporation has increased by over 70 percent, that of the Federal Deposit Insurance Corporation has remained practically the same.

A similar set of comparisons can be found through every operation which Mr. Fahey touches. The Federal Home Loan Bank Administration, itself, operates on the basis of assessments levied on the 12—now 11—Federal home-loan banks. For 10 years following 1933 they were $300,000 per year. Currently they are $500,000 per year, another increase of nearly 60 percent in the past 5 years. Again a direct comparison can be made, since the assessments from the Federal Reserve banks for the support of the Board of Governors has increased only 38 percent in a similar period.

Mr. Fahey has given wide publicity to certain phases of what he seems to regard as the highly successful operation of the Home Owners Loan Corporation. However, the Home Owners Loan Corporation record is one which will not stand really careful investigation. First of all, ever since the year that the HOLC went into operation, Mr. Fahey and all other real-estate owners have been in a rising real-estate market. Employment has been high, so have people's incomes and the ability to pay their mortgages. Life-insurance companies, mutual-savings banks, commercial banks, and savings and loan associations owning real estate or mortgages during the same period have had records just as good or better than has the HOLC. As a matter of fact, during the past 15 years it would have been a little difficult to actually lose any money in an operation like the Home Owners Loan Corporation. Nevertheless, Mr. Fahey has managed to do just that. No other holder of real-estate mortgages has had Mr. Fahey's advantages in raising money with as low an interest rate; that rate being conditioned on the fact that the bonds of the HOLC are guaranteed by the United States Government as to both principal

and interest. It is that subsidized interest rate with its ability to use capital costing 50 percent or more under the cost to pri ate business which has kept Mr. Fahey's head above water in the HOLC. But Mr. Fahey has had his losses and in one State alone, by November 1943, the loss figure had exceeded $250,000,000. The State in question was New York, and as is brought out by an article in the New York Times, issue of March 8, 1944, those losses paid for by the taxpayers of the United States were directly related to Mr. Fahey's own dereliction. I quote from the article as follows:

The New York refinancing program was carried out under the direction of Vincent Dailey, long known as James M. Farley's righthand man in New York State Democratic Party activities, who was State manager of the HOLC during its lending period from August 15, 1933, to December 28, 1936, about 6 months after the last loan was made. Mr. Dailey kept up his interest in politics during that period, continuing to serve as State campaign manager for his party. In the fall of 1936 he received a 90-day leave from the HOLC to manage the New York campaigns of President Roosevelt and Governor Lehman for reelection. He admitted in 1935 that his HOLC employees, numbering about 1,200 full-time workers and about 2,000 part-time or fee employees, were taken from the ranks of the Democratic Party.

A similar political operation with a similar record occurred in Massachusetts where Mr. Fahey's State manager was a brother of Miss LeHand of Roosevelt administration fame.

The story in New Jersey is strikingly similar. Sometime the source of these losses, the recipients of the specific loans which caused them and all the sordid details will have to be brought to light, but that you can be sure will not be while Mr. Fahey remains as Commissioner.

Far from being a careful public-spirited administrator, Mr. Fahey's actual record has been one of vindictive retribution to those who had any difference of opinion with him, favoritism to subservient satellites and reckless expenditure of the funds furnished by the institution which he is supposed to represent and of the taxpayers generally. His office expenditures of $350,000 a year could be cut at least 50 percent without hurting the public interests at all. Legal service expenditures from his office, the Home Loan Bank System and the insurance corporation total more than $175,000 per year; even though it is the duty of the Attorney General to conduct such litigation as the Commissioner is now engaged in in connection with the Federal Home Loan Bank of Los Angeles and the Long Beach Federal Savings and Loan Association.

It has been the Commissioner's constant policy to foist off on the Federal Home Loan Bank System or the savings and loan business his particular favorites. Reading of the hearings conducted by the Smith committee shows clearly that the beginning of the problem was the attempt to force the former Governor of the Federal Home Loan Bank System, Mr. Tuohy, in as president of the Federal Home Loan Bank of Los Angeles. The former manager of the Federal Savings and Loan Insurance Corporation was set up as manager of the National Savings and Loan League and an even more glaring case is found in connection with Mr. Fahey's former chief examiner, who now heads up the Safety Federal Savings and Loan Association in Kansas City. Mr. Kreutz, now the head of the National Savings and Loan League, was the chief of Mr. Fahey's review committee when the Safety Federal developments started. It was his responsibility, among others, to determine whether or not an association could be converted to a Federal savings and loan association. He authorized this conversion 100 percent without a physical examination, in spite of the fact that the association had a withdrawal list of people who wanted their money—nearly $2,000,000. It owned over $4,000,000 of foreclosed real estate. Soon after conversion, a determined effort was made to get in Mr. Kreutz as manager of the Federal but that was too much to stomach, so a compromise was effected and Mr. Ballard—Mr. Fahey's chief examiner—became the managing officer, which position he still holds; but the significant thing is that in 3 years beginning in July 1940, after Mr. Ballard came in, the Federal Savings and Loan Insurance Corporation poured $1,400,000 into the Safety Federal to insure its safety and Mr. Ballard his job. This in spite of the fact that only a few years before the Safety had been certified by Mr. Kreutz as solvent, fit for conversion on a 100-percent basis and without some of the other qualifying provisions required of other converting associations whose basic condition was actually much better.

This is one of the more flagrant cases, but the record shows a constant flow of Mr. Fahey's employees into positions of responsibility in the savings and loan business.

If we are to continue to have a going, developing thrift and home-financing business in this country, able to keep the veterans' housing program really moving along on the financial side, it is imperative that Mr. Fahey be relieved of his responsibilities at once.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois may have three additional minutes in order that I may ask him a question or two.

Mr. CHURCH. Mr. Speaker, I do not desire additional time.

The SPEAKER. The gentleman from Illinois does not desire further time.

FEDERAL SAVINGS AND LOAN LEGISLATION

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, the gentleman from Illinois who preceded me made certain pertinent remarks regarding H. R. 2798 and 2799, but he failed to include H. R. 2800, which was passed by unanimous consent earlier today. This action rather amazed me. While I was not shocked that no one went on record in opposition to it, I was rather amazed in view of the fact that the American Bankers Association has gone on record as opposed to H. R. 2800.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. ROONEY. Is that the bill passed by unanimous consent by the majority party today which provides that Federal savings and loan associations may lend money on unsecured loans?

Mr. BUCHANAN. That is right.

Mr. ROONEY. The gentleman from Pennsylvania was not surprised during the past half hour that the name of Mr. Morton Bodfish, the $50,000-a-year lobbyist for the savings and loan people, was not mentioned at the foot of the script read by the gentleman from Illinois?

Mr. BUCHANAN. I was rather amazed at that.

I wish to call attention to an article appearing in the New York Times of May 23, containing a complete report of the opposition of the American Bankers Association to H. R. 2800.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include this article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The article referred to follows:)

BANKERS OPPOSE LOAN LEGISLATION—UNSECURED GRANTS BY SAVINGS INSTITUTIONS HELD CONTRARY TO PROPER OPERATIONS

The proposals contained in the bill, H. R. 2800, which would permit Federal savings and loan associations to make unsecured loans is opposed by the American Bankers Association, it was announced here yesterday. The ABA, it was explained, has filed a statement with the House Committee on Banking and Currency, asserting that the proposals constitute a departure from the natural and proper field of operations of the savings and loan groups.

"As we understand the purpose of H. R. 2800," the ABA's Committee on Federal Legislation, Savings Division, noted in the statement, "it is to permit any Federal savings and loan association to make property alteration, repair, or improvement loans, without security of any kind, whether by mortgage or otherwise, either (1) insured under title I of the National Housing Act, or (2) guaranteed or insured under the Servicemen's Readjustment Act, or (3) without such insurance or guarantee.

"Traditionally, these associations have been mortgage-lending institutions. These institutions have had no experience in making loans such as these where their soundness is entirely dependent on the character of the borrower."

Even the insurance under title I of the National Housing Act or the guarantee or insurance under the Servicemen's Readjustment Act is no substitute for the experience of a lender in avoiding losses in making this type of loan, the committee asserted. The reason for the favorable loss experience on FHA Title I loans, it stated, is that these insured loans in large measure have been made by experienced lenders who were competent to evaluate the risks involved.

It should be noted, the committee added, that the insurance provided both under Title I of the National Housing Act and under the Servicemen's Readjustment Act is not on the individual loan but rather on a certain percentage of the loss sustained on the aggregate of such loans. Further, the guarantee under the Servicemen's Readjustment Act covers not more than 50 percent of

the outstanding balance of the loan so that if larger losses are taken on a substantial number of individual loans, the insurance or guarantee may be insufficient.

"There appears to be only one area in which these unsecured property alteration, repair, or improvement loans might justifiably be made by these associations," the committee concluded. "That's where they already hold a mortgage on the property which is to be altered, repaired, or improved with the proceeds of the unsecured loan. In such circumstances an unsecured loan might be warranted to save the borrower or the association the additional expense of rewriting the mortgage, searching the title, recording papers, etc., which one or the other would have to bear.

"Also since the association will already have a mortgage loan on the property it should have some knowledge of the borrower's character and the prospects of repayment of the unsecured loan according to its terms."

COMMITTEE PRINT OF LABOR BILL AVAILABLE TO MEMBERS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, earlier in the afternoon, the minority leader the gentleman from Texas [Mr. RAYBURN] inquired as to when the conference report on the labor bill might be expected to come before the House for action. He suggested it would be helpful to the Members if a copy of the committee print of the bill as agreed on in conference could be made available tomorrow morning.

I take this time to report that I have checked with the clerk of the Committee on Education and Labor, who, in turn, has checked with the Printing Office, and the committee clerk has advised me that committee prints will be available to him in the morning and he has made arrangements for their circulation to each one of the Members the first thing in the morning. The bill as agreed upon in the conference, therefore, will be available tomorrow to all the Members for such study and investigation as they care to make of it.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. ROONEY. May I inquire of the gentleman from Indiana whether he can give us an indication as to when the conference report itself will be ready?

Mr. HALLECK. I cannot tell the gentleman about that.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 4 o'clock and 39 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 3, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

724. A letter from the Acting Secretary of the Interior, transmitting copies of legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix; to the Committee on Public Lands.

725. A letter from the Chairman, Federal Trade Commission, transmitting a report of the Federal Trade Commission entitled "Growth and Concentration in the Flour Industry" (H. Doc. No. 282); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

726. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $65,000,000 for the Department of Agriculture (H. Doc. No. 283); to the Committee on Appropriations and ordered to be printed.

727. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to an existing appropriation and a proposed rescission of $175,000,000 from accounts of the United States Maritime Commission (H. Doc. No. 285); to the Committee on Appropriations and ordered to be printed.

728. A communication from the President of the United States, transmitting proposed provisions pertaining to existing appropriations for the Treasury Department (H. Doc. No. 286); to the Committee on Appropriations and ordered to be printed.

729. A communication from the President of the United States, transmitting revised estimates of appropriation for the fiscal year 1948 involving an increase of $7,870,193.34 for the Senate and House of Representatives, legislative branch (H. Doc. No. 287); to the Committee on Appropriations and ordered to be printed.

730. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $350,000,000 for relief assistance to war-devastated countries (H. Doc. No. 734); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLACKNEY: Committee on Armed Services. H. R. 1380. A bill to amend the laws relating to the payment of 6 months' death gratuity to dependents of naval personnel; with an amendment (Rept. No. 497). Referred to the Committee on the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3583. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; without amendment (Rept. No. 498). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. House Concurrent Resolution 49. Concurrent resolution against adoption of Reorganization Plan No. 2 of May 1, 1947; without amendment (Rept. No. 499). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. H. R. 3138. A bill to provide for the periodic audit of the records of the accountable officers of the Senate and House of Representatives; without amendment (Rept. No. 500). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 1974. A bill to provide for the protection of forests against destructive insects and diseases, and for other purposes; without amendment (Rept. No. 501). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 2298. A bill to amend the Interstate Commerce Act, as amended, and for other purposes; with amendments (Rept. No. 502). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WELCH: Committee on Public Lands. H. R. 1148. A bill authorizing the issuance of a patent in fee to Spencer Burgess Doyle; with an amendment (Rept. No. 496). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 3679. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; to the Committee on Public Lands.

H. R. 3680. A bill to amend sections 207, 209, 213, 215, 216, 220, 222, and 225 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended; to the Committee on Public Lands.

By Mr. HALE:

H. R. 3681. A bill to amend the Internal Revenue Code with respect to alimony and separate maintenance payments; to the Committee on Ways and Means.

By Mr. LANDIS:

H. R. 3682. A bill to extend the period for providing assistance for certain war-incurred school enrollments; to the Committee on Education and Labor.

By Mr. MICHENER (by request):

H. R. 3683. A bill to validate payments heretofore made by disbursing officers of the United States Government covering the cost of shipment of household effects of civilian employees, and for other purposes; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 3684. A bill to provide for the addition of certain revested Oregon & California Railroad grant lands to the Silver Creek recreational demonstration project in the State of Oregon, and for other purposes; to the Committee on Public Lands.

By Mr. SCHWABE of Oklahoma:

H. R. 3685. A bill authorizing the Wyandotte Tribe of Oklahoma, through its business committee, to sell and convey, subject to the approval of the Secretary of the Interior, the Wyandotte Indian public burial ground in Kansas City, Kans.; to the Committee on Public Lands.

By Mr. WELCH:

H. R. 3686. A bill to permit the allocation of funds under the Federal Highway Act for the construction, reconstruction, or maintenance of highway approaches to certain toll bridges which are part of the strategic network of highways; to the Committee on Public Works.

By Mr. ELSTON:

H. R. 3687. A bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; to the Committee on Armed Services.

By Mr. KUNKEL:

H. R. 3688. A bill to amend the Sugar Control Extension Act of 1947 so as to provide for allocation of sugar for home canning purposes; to the Committee on Banking and Currency.

By Mr. REED of New York:

H. R. 3689. A bill to extend for 2 years the application of section 22 (b) (9) and (10) of

the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HOBBS:

H. R. 3690. A bill to amend the Federal Tort Claims Act; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 3691. A bill providing for the continuance of compensation or pension payments and a subsistence allowance for certain children of deceased veterans of World War I or II during education or training; to the Committee on Veterans' Affairs.

By Mr. LEA:

H. R. 3692. A bill to amend the Interstate Commerce Act, as amended, with respect to ownership or stock interest in freight forwarders; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Oklahoma:

H. J. Res. 211. Joint resolution consenting to an interstate oil compact to conserve oil and gas; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to pass, at the earliest possible moment, S. 126 or H. R. 1180, or any similar bill relating to the coinage of 50-cent pieces in commemoration of the Wisconsin centennial celebration; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to an appropriation for insect control in national forests; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to appropriate the funds authorized by the Agricultural Marketing Act of 1946 (Public Law 733, 79th Cong.), for agricultural marketing and research, at the earliest possible date; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the creation of an additional national cemetery in the Los Angeles area and the enlargement of existing national cemeteries in California; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to take appropriate measures to assist in the restoration and preservation of the city of St. Augustine, Fla., and other historic missions, forts, and landmarks of the State of Florida; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to pass legislation enabling the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu to issue sewer bonds; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Delaware, memorializing the President and the Congress of the United States relative to the proposed amendment to the Constitution of the United States relating to the terms of office of the President; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact Senate bill 637, amending the Civil Service Retirement Act of May 29, 1930; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to enact H. R. 881 and H. R. 1199, granting tax exemptions to those held prisoners by the Japanese; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BLOOM:

H. R. 3693. A bill for the relief of Mrs. Sarah Alfandary; to the Committee on the Judiciary.

By Mr. BUFFETT:

H. R. 3694. A bill for the relief of Eric Seddon; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

H. R. 3695. A bill authorizing the issuance of a patent in fee to Bessie Jordan White; to the Committee on Public Lands.

By Mr. CASE of South Dakota:

H. R. 3696. A bill authorizing the issuance of a patent in fee to Daniel Broken Leg; to the Committee on Public Lands.

By Mr. DOUGHTON:

H. R. 3697. A bill for the relief of Mrs. Zelma Inez Cheek; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 3698. A bill for the relief of the estate of Julius Zaffareni; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 3699. A bill for the relief of William S. Meany; to the Committee on the Judiciary.

PETITIONS, ETC.

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

591. By Mr. SMITH of Wisconsin: Petition of Brotherhood of Painters, Decorators, and Paperhangers of America, Union No. 108, of Racine, Wis., expressing opposition to the Hartley and Taft labor bills; to the Committee on Education and Labor.

592. By the SPEAKER: Petition of the Massachusetts Catholic Order of Foresters, petitioning consideration of their resolution with reference to opposition to communism; to the Committee on Foreign Affairs.

593. Also, petition of the members of the Clearwater Valley Light and Power Association, Inc., petitioning consideration of their resolution with reference to appropriation of funds to Rural Electrification Administration; to the Committee on Appropriations.

594. Also, petition of the board of managers of the Pennsylvania Society of Sons of the Revolution, petitioning consideration of their resolution with reference to opposition to communism; to the Committee on Foreign Affairs.

595. Also, petition of the members of South Miami Townsend Club, No. 1, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

TUESDAY, JUNE 3, 1947

(Legislative day of Monday, April 21, 1947)

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

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

We pray, O God, that Thou wilt fill this sacred minute with meaning, and make it an oasis for the refreshment of our souls, a window cleaning for our vision, and a recharging of the batteries of our spirits. Let us have less talking and more thinking, less work and more worship, less pressure and more prayer. For if we are too busy to pray, we are far busier than we have any right to be.

Speak to us, O Lord, and make us listen to Thy broadcasting station that never goes off the air.

Through Thy Holy Spirit, who is waiting to lead us into all truth. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Monday, June 2, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bill and joint resolution of the Senate, each with an amendment in which it requested the concurrence of the Senate:

S. 640. An act to authorize the Secretary of Commerce to sell certain property occupied by the Weather Bureau at East Lansing, Mich., and to obtain other quarters for the said Bureau in the State of Michigan; and

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 174. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 321), as amended by the act of May 31, 1938 (52 Stat. 588);

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 310. An act to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania;

H. R 468. An act to amend section 115 of the Internal Revenue Code in respect to distributions by personal holding companies;

H. R. 577. An act to preserve historic graveyards in abandoned military posts;

H. R. 673. An act to repeal certain provisions authorizing the establishing of priorities in transportation by merchant vessels;

H. R. 981. An act to amend section 2 of the act of January 29, 1942 (56 Stat. 21), relating to the refund of taxes illegally paid by Indian citizens;

H. R. 1054. An act to make permanent the judgeship provided for by the act entitled "An act to provide for the appointment of an additional district judge for the eastern and western districts of Missouri," approved December 24, 1942;

H. R. 1379. An act to establish the United States Naval Postgraduate School, and for other purposes;

H. R. 1556. An act to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation;