the President, for his approval, bills of the House of the following titles:

H. R. 3513. An act to transfer the Panama Railroad pension fund to the civil-service retirement and disability fund; and

H. R. 3767. An act to provide for the protection, preservation, and extension of the sockeye salmon fishery of the Fraser River system, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 39 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Tuesday, July 22, 1947, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

955. A letter from the Administrator, Office of Temporary Controls, Office of Price Administration, transmitting a report of the Office of Price Administration covering the 2-month period ended May 31, 1947 (H. Doc. No. 410); to the Committee on Banking and Currency and ordered to be printed.

956. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

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. ALLEN of Illinois: Committee on Rules. House Resolution 293. Resolution to authorize the Committee on Ways and Means to continue its investigation and study of internal-revenue laws; without amendment (Rept. No. 1014). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 298. Resolution authorizing the Committee on Agriculture to make studies and investigations into matters relating to agriculture; without amendment (Rept. No. 1015). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 318. Resolution providing for the consideration of H. R. 1341, a bill to authorize the Secretary of the Navy to construct a postgraduate school at Monterey, Calif.; without amendment (Rept. No. 1016). Referred to the House Calendar.

Mr. BRADLEY: Committee on Merchant Marine and Fisheries. House Joint Resolution 245. Joint resolution to authorize employment of aliens on American ships; without amendment (Rept. No. 1017). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 4042. A bill to control the export to foreign countries of gasoline and petroleum products from the United States; with an amendment (Rept. No. 1018). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. S. 1361. An act to amend the United States Housing Act of 1937 so as to permit loans, capital grants, or annual contributions for low-rent-housing and slum-clearance projects where construction costs exceed present cost limitations upon condition that local housing agencies pay the difference between cost limitations and the actual construction costs; with amendments (Rept. No. 1019). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4242. A bill to amend the income limitation governing the granting of pension to veterans and death-pension benefits to widows and children of veterans, and for other purposes; with amendments (Rept. No. 1021). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUCHINCLOSS:

H. R. 4301. A bill to amend the act of August 13, 1946, entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property"; to the Committee on Public Works.

By Mr. FERNÓS-ISERN:

H. R. 4302. A bill to compensate certain Puerto Rican citizens of the United States for services rendered the United States in World War I; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H. R. 4303. A bill to provide for a national program of retirement, survivors, and extended disability insurance; to the Committee on Ways and Means.

By Mr. LEWIS:

H. R. 4304. A bill providing for the extension of the time limitations under which patents were issued in the case of persons who served in the military or naval forces of the United States during World War II; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 4305. A bill to increase the pay of post-office employees in the unincorporated territory of Puerto Rico; to the Committee on Post Office and Civil Service.

H. R. 4306. A bill amending the Social Security Act in order to extend to Puerto Rico titles I, IV, and X; to the Committee on Ways and Means.

By Mr. MADDEN:

H. R. 4307. A bill to bring seamen within the provisions of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. ANDREWS of New York:

H. R. 4308. A bill to amend section 1 of the act of July 20, 1942 (56 Stat. 662), as amended, relating to the acceptance of decorations, orders, medals, and emblems by officers and enlisted men of the armed forces of the United States tendered them by governments of cobelligerent nations, neutral nations, or other American Republics; to the Committee on Armed Services.

By Mr. CUNNINGHAM:

H. R. 4309. A bill to amend title III of the Servicemen's Readjustment Act of 1944 (GI bill of rights), pertaining to loans for the purchase or construction of homes, farms, and business property, so as to provide more adequate and effective farm-loan benefits; to the Committee on Veterans' Affairs.

H. R. 4310. A bill to provide that moneys derived from rental or operation of certain temporary housing shall be available for certain expenses, and for other purposes; to the Committee on Banking and Currency.

By Mr. LEMKE:

H. J. Res. 248. Joint resolution reenacting section 75 (title 11, ch. 8, U. S. Code, 1940, as amended), the farmer-debtor provisions of the Bankruptcy Act of 1898, as amended; to the Committee on the Judiciary.

By Mr. TWYMAN:

H. J. Res. 249. Joint resolution to reduce the rate of interest on postal savings by 1 percent per annum; to the Committee on Post Office and Civil Service.

By Mr. KNUTSON:

H. Con. Res. 107. Concurrent resolution authorizing the Committee on Ways and Means to have printed for its use additional copies of the digest of testimony, index to hearings, and each part of the hearings held during the current session relative to tax revision, 1947–48; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AUGUST H. ANDRESEN

H. R. 4311. A bill for the relief of Gold Star Fur Ranch, Inc., of Owatonna, Minn.; to the Committee on the Judiciary.

By Mr. ANDREWS of New York:

H. R. 4312. A bill to authorize the promotion of James Y. Parker, Army serial No. O20712, as major, Army of the United States, as of March 1, 1942, under the act of February 16, 1942 (56 Stat. 94), and for other purposes; to the Committee on Armed Services.

By Mr. AUCHINCLOSS:

H. R. 4313. A bill to continue in full force and effect patent No. 1,605,697; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 4314. A bill for the relief of the guardian of Porfirio Velazquez; to the Committee on the Judiciary.

H. R. 4315. A bill for the relief of the estate of the late Anastacio Acosta; to the Committee on the Judiciary.

H. R. 4316. A bill for the relief of Gloria Esther Diaz; to the Committee on the Judiciary.

H. R. 4317. A bill for the relief of the estate of Rafael Rebollo; to the Committee on the Judiciary.

H. R. 4318. A bill for the relief of Lilly Velez; to the Committee on the Judiciary.

H. R. 4319. A bill for the relief of the estate of Avelino Rivera; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 4320. A bill for the relief of James R. Turner; to the Committee on the Judiciary.

By Mr. TEAGUE:

H. R. 4321. A bill for the relief of Dr. H. R. Allmon; 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:

761. By Mr. SMITH of Wisconsin: Petition of citizens of Racine, Wis., in the interest of H. R. 2910; to the Committee on the Judiciary.

762. By the SPEAKER: Petition of A. M. Keller and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

763. Also, petition of Mrs. Leona Nelson and others, 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, JULY 22, 1947

(Legislative day of Wednesday, July 16, 1947)

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

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Pres-

byterian Church, Washington, D. C., offered the following prayer:

He that dwelleth in the secret place of the most high shall abide under the shadow of the Almighty.

O Lord God, amid the burning of the noontide heat and the burden of the day, we stand in reverence under the shadow of Thy wing. It is well for us thus to refresh our souls at the beginning of the day, for other hours will be filled with pressing duties and nightfall will find us tired and exhausted. So let our first thought be of Thee, and let our first speech pronounce Thy holy name, and let our first act be to stand in the need of prayer. In gratitude we offer to Thee our consecrated service. Where any deed of ours can help to make this world a better place in which to live, where any word of ours can champion a worthy cause, where any vote of ours can foster the spirit of good will throughout the world, so may we do and speak and vote.

For the sake of the coming of the kingdom. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 21, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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 July 21, 1947, the President had approved and signed the following acts:

S. 880. An act for the relief of Rev. John C. Young; and

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following bills of the Senate, each with amendments in which it requested the concurrence of the Senate:

S. 338. An act to amend the Plant Quarantine Act approved August 20, 1912, as amended, by adding thereto a new section; and

S. 1185. An act to provide for the disposal of materials on the public lands of the United States.

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

S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment, and to insure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes;

S. 682. An act to regulate the interstate transportation of black bass and other game fish, and for other purposes; and

S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

The message further announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 1, 17, 18, 19, 43, 50, and 59 to the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes; insisted upon its amendment to the amendment of the Senate numbered 42 to the bill; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DIRKSEN, Mr. PLUMLEY, Mr. H. CARL ANDERSEN, Mr. HORAN, Mr. PHILLIPS of California, Mr. CANNON, Mr. SHEPPARD, and Mr. WHITTEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 22 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 27 and 34 to the bill and concurred therein, each with an amendment in which it requested the concurrence of the Senate.

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

H.R. 29. An act making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers;

H. R. 72. An act to increase the number of authorized aviation stations operated by the Coast Guard, and for other purposes;

H. R. 452. An act to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders;

H. R. 489. An act for the relief of the city of El Paso, Tex.;

H. R. 669. An act to provide a method of paying all unsettled claims for damages sustained as a result of the explosions at Port Chicago, Calif., on July 17, 1944, in the amounts found to be due by the Secretary of the Navy;

H. R. 739. An act to provide for the protection of veterans and career-service employees in connection with reductions in force in the Federal service;

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments;

H. R. 1049. An act to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota;

H. R. 1113. An act to emancipate United States Indians in certain cases;

H. R. 1238. An act to permit vessels of Canadian registry to transport certain merchandise between Hyder, Alaska, and points in the continental United States;

H. R. 1426. An act to extend veterans' preference benefits to widowed mothers of certain ex-servicemen;

H. R. 1544. An act to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II;

H. R. 1826. An act making it a petty offense to enter any national-forest land while it is closed to the public;

H. R. 2096. An act to amend section 11 of the act approved June 5, 1942 (56 Stat. 317), relating to Mammoth Cave National Park in the State of Kentucky, and for other purposes;

H. R. 2239. An act to amend section 13 (a) of the Surplus Property Act of 1944, as amended;

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 2622. An act to authorize loans for Indians, and for other purposes;

H. R. 2645. An act to provide that appointments of United States commissioners for the Isle Royale, Hawaii, Mammoth Cave, and Olympic National Parks shall be made by the United States district courts without the recommendation and approval of the Secretary of the Interior;

H. R. 2776. An act to extend the times for commencing and completing the construction of a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.;

H. R. 2793. An act authorizing an appropriation for the construction, extension, and improvement of a State tuberculosis sanatorium at Galen, Mont., to provide facilities for the treatment of tuberculous Indians in Montana;

H. R. 2867. An act to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest designated as a game sanctuary, and for other purposes;

H. R. 2964. An act providing for the conveyance to the San Antonio Medical Foundation of that portion of the San Antonio Arsenal determined to be surplus to the needs of the War Department;

H. R. 3043. An act to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes;

H. R. 3075. An act to amend the act of July 6, 1945, relating to the classification and compensation of employees of the postal service, so as to provide proper recompense in the form of compensatory time for overtime performed by supervisors;

H. R. 3152. An act to extend certain powers of the President under title III of the Second War Powers Act;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3243. An act for the relief of Roman Toporow;

H. R. 3315. An act to authorize conversions of certain naval vessels;

H. R. 3325. A bill to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Readjustment Act of 1944, and for other purposes;

H. R. 3326. An act to provide for the granting of certificates of competency to certain members of the Osage Indian Tribe in Oklahoma, and for other purposes;

H. R. 3332. An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 3334. An act granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River;

H. R. 3370. An act to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity;

H. R. 3416. An act to provide for the establishment of the Pensacola National Monument;

H. R. 3417. An act to provide for the conveyance to Escambia County, State of Florida, of a portion of Santa Rosa Island which is under the jurisdiction of the War Department;

H. R. 3503. An act to permit the issuance of unrestricted deeds for town-site lands held by Alaska natives, and for other purposes;

H. R. 3619. An act relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.;

H. R. 3632. An act to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the Unemployment Trust Fund;

H. R. 3703. An act to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service;

H. R. 3735. An act to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes;

H. R. 3738. An act to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945;

H. R. 3834. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes;

H. R. 3862. An act to authorize the Federal Works Administrator to grant and convey to Montgomery County, Pa., a certain parcel of land of the United States in Norristown Borough, Montgomery County, Pa., for the purpose of erecting an additional annex to the present courthouse;

H. R. 3870. An act to authorize certain expenditures from the appropriation of St. Elizabeths Hospital, and for other purposes;

H. R. 3874. An act to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes;

H. R. 3889. An act to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska;

H. R. 4010. An act to authorize the Treasury Department and the United States Government Printing Office to furnish, or to procure and furnish, administrative materials, supplies, and equipment to public international organizations on a reimbursable basis;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife, or other purposes;

H. R. 4059. An act to provide for the settlement of certain parts of Alaska by war veterans;

H. R. 4069. An act to terminate certain tax provisions before the end of World War II;

H. R. 4079. An act to amend the Taylor Grazing Act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976);

H. R. 4084. An act to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments;

H. R. 4110. An act to amend title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act);

H. R. 4124. An act to amend the peanut-marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended;

H. R. 4169. An act to amend section 401 of the Civil Aeronautics Act of 1938 so as to permit the granting of authority for temporary emergency service of air carriers;

H. R. 4229. An act to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States;

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor;

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; and

H. J. Res. 250. Joint resolution to provide for the appointment of Robert V. Fleming as a member of the Board of Regents of the Smithsonian Institution.

ORDER FOR CONSIDERATION OF THE CALENDAR

Mr. WHITE. Mr. President, I desire to make a brief statement for the information of Senators. It was my thought yesterday that we would call the calendar immediately following the disposition of the concurrent resolution with regard to Reorganization Plan No. 3. That is the present purpose. I now ask unanimous consent that at the conclusion of the consideration of the concurrent resolution having to do with Reorganization Plan No. 3 the Senate proceed to the call of the calendar of unobjected-to bills and that we start at the beginning of the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

MEETINGS OF COMMITTEES DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the Subcommittee on National Resources of the Committee on Public Lands be permitted to sit today during the session of the Senate.

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

Mr. DONNELL. Mr. President, I ask that that a certain subcommittee of the Committee of Labor and Public Welfare which has under consideration Senate bill 984 may meet during the session of the Senate today.

I also ask that that a certain subcommittee of the Committee on the Judiciary which has under consideration the nomination of Roy W. Harper to be United States district judge in Missouri may sit today during the session of the Senate.

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

THREATENED STRIKE ON THE SOUTHERN PACIFIC LINES

Mr. WILEY. Mr. President, apropos of the remarks made on the floor of the Senate yesterday by the Senator from California [Mr. KNOWLAND] with reference to a threatened strike on the Southern Pacific Lines, I ask unanimous consent to have printed in the RECORD two telegrams I have received regarding that matter.

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

NEW YORK, N. Y., *July 21, 1947.*

Hon. ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.:

Our Wisconsin members cranberry growers join us in requesting that you urge President Truman to take a firm stand and insist that the locomotive engineers abide by the provisions of the law and accept services of the emergency board appointed.

AMERICAN CRANBERRY EXCHANGE.

MILWAUKEE, WIS., *July 21, 1947.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Brotherhood of Locomotive Engineers have called a strike against the Southern Pacific Lines for tonight. President Truman has appointed an emergency committee to consider their grievances. Will you use your influence and insist that the brotherhood withhold strike action until the emergency committee has an opportunity to act. This very important to all lumber dealers as it will affect lumber shipments from West and veteran housing will be very much delayed as lumber stock in hands of dealers low. Need shipments come in regularly.

BOEHM MADISEN LUMBER CO.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 95)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to $17,900, fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF OFFICE OF PRICE ADMINISTRATION

A letter from the Administrator of the Office of Temporary Controls, transmitting, pursuant to law, the Twenty-second Report of the Office of Price Administration, for the 2-month period ended May 31, 1947 (with an accompanying report); to the Committee on Banking and Currency.

VETERANS' HOUSING—RESOLUTION OF CITY COUNCIL OF PORTLAND, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Council of the City of Portland, Oreg., on July 16, 1947, in opposition to Senate

bill 1459, introduced on June 17, 1947, by the Senator from Washington [Mr. CAIN].

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

Resolution 23369

Whereas the Federal temporary housing projects in this area are threatened with extinction by Senate bill 1459, introduced on June 17, 1947, by Senator HARRY CAIN, of Washington; and

Whereas said Federal housing units in this area are at least 50 percent occupied by veterans and their families; and

Whereas a great many of these units are multiple dwellings and therefore not subject to purchase and removal to new sites by veterans; and

Whereas many veterans occupying these housing units are of substandard income and occupy these dwelling units for that reason and are obviously not financially able to purchase said dwellings; and

Whereas such veterans now occupying these units would be without homes after sale and eviction; and

Whereas such units would be purchased by speculators and removed to other areas that would constitute fire hazards and slums, not being subject to public control; and

Whereas it was definitely understood and a part of the plan for these dwellings that they were to be temporary expedients only and were not to be used as permanent dwelling places: Now, therefore, be it

Resolved, That the Council of the City of Portland, Oreg., does hereby memorialize the Congress of the United States not to pass Senate bill 1459, or any other measure effecting the same or a similar purpose as Senate bill 1459; and be it further

Resolved, That the city auditor forthwith send a certified copy of this resolution to the President of the Senate, the Honorable ARTHUR H. VANDENBERG, the Speaker of the House, the Honorable JOSEPH W. MARTIN, JR., and the Members of the Oregon delegation, the Honorable GUY W. CORDON, the Honorable WAYNE MORSE, the Honorable HOMER ANGELL, the Honorable LOWELL STOCKMAN, the Honorable HARRIS ELLSWORTH, and the Honorable WALTER NORBLAD.

Adopted by the Council of the City of Portland, Oreg., this 16th day of July 1947.

WILL GIBSON,
Auditor of the City of Portland.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED OR PLACED ON CALENDAR

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 29. An act making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on Rules and Administration.

H. R. 72. An act to increase the number of authorized aviation stations operated by the Coast Guard, and for other purposes;

H. R. 1238. An act to permit vessels of Canadian registry to transport certain merchandise between Hyder, Alaska, and points in the continental United States;

H. R. 3043. An act to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes;

H. R. 3152. An act to extend certain powers of the President under title III of the Second War Powers Act;

H. R. 3619. An act relating to the sale of the Mission Point Lighthouse Reservation, Grand Traverse County, Mich.;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife, or other purposes; and

H. R. 4169. An act to amend section 401 of the Civil Aeronautics Act of 1938, so as to permit the granting of authority for temporary emergency service of air carriers; to the Committee on Interstate and Foreign Commerce.

H. R. 452. An act to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders;

H. R. 1826. An act making it a petty offense to enter any national-forest land while it is closed to the public;

H. R. 4110. An act to amend title I of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act); and

H. R. 4124. An act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

H. R. 489. An act for the relief of the city of El Paso, Tex.;

H. R. 669. An act to provide a method of paying all unsettled claims for damages sustained as a result of the explosions at Port Chicago, Calif., on July 17, 1944, in the amounts found to be due by the Secretary of the Navy;

H. R. 1049. An act to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota; and

H. R. 3243. An act for the relief of Roman Toporow; to the Committee on the Judiciary.

H. R. 739. An act to provide for the protection of veterans and career-service employees in connection with reductions in force in the Federal service;

H. R. 4084. An act to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; and

H. R. 4127. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Civil Service.

H. R. 774. An act to amend an act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, projectiles, and other condemned material in their respective Departments;

H. R. 1544. An act to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II;

H. R. 2964. An act providing for the conveyance to the San Antonio Medical Foundation of that portion of the San Antonio Arsenal determined to be surplus to the needs of the War Department;

H. R. 3315. An act to authorize conversions of certain naval vessels;

H. R. 3417. An act to provide for the conveyance to Escambia County, State of Florida, or a portion of Santa Rosa Island which is under the jurisdiction of the War Department; and

H. R. 3735. An act to authorize and direct the Secretary of War to donate and convey to Okaloosa County, State of Florida, all the right, title, and interest of the United States in and to a portion of Santa Rosa Island, Fla., and for other purposes; to the Committee on Armed Services.

H. R. 1113. An act to emancipate United States Indians in certain cases;

H. R. 1602. An act to stimulate exploration, development, and production from domestic mines by private enterprise, and for other purposes;

H. R. 2096. An act to amend section 11 of the act approved June 5, 1942 (56 Stat. 317), relating to Mammoth Cave National Park in the State of Kentucky, and for other purposes;

H. R. 2453. An act to provide for the establishment and operation of a research laboratory in the North Dakota lignite-consuming region for investigation of the mining, preparation, and utilization of lignite, for the development of new uses and markets, for improvement of health and safety in mining; and for a comprehensive study of the possibilities for increased utilization of the lignite resources of the region to aid in the solution of its economic problems and to make its natural and human resources of maximum usefulness in the reconversion period and time of peace;

H. R. 2622. An act to authorize loans for Indians, and for other purposes;

H. R. 2645. An act to provide that appointments of United States commissioners for the Isle Royale, Hawaii, Mammoth Cave, and Olympia National Parks shall be made by the United States district courts without the recommendation and approval of the Secretary of the Interior.

H. R. 2793. An act authorizing an appropriation for the construction, extension, and improvement of a State tuberculosis sanatorium at Galen, Mont., to provide facilities for the treatment of tuberculous Indians in Montana;

H. R. 2867. An act to permit, subject to certain conditions, mining locations under the mining laws of the United States within that portion of the Harney National Forest designated as a game sanctuary, and for other purposes;

H. R. 3175. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3325. An act to enable Osage Indians who served in World War II to obtain loans under the Servicemen's Readjustment Act of 1944, and for other purposes;

H. R. 3326. An act to provide for the granting of certificates of competency to certain members of the Osage Indian Tribe in Oklahoma, and for other purposes;

H. R. 3416. An act to provide for the establishment of the Pensacola National Monument;

H. R. 3503. An act to permit the issuance of unrestricted deed for town-site lands held by Alaska natives, and for other purposes;

H. R. 3703. An act to authorize transfer of surplus real property to the jurisdiction of the Department of the Interior for consolidation of Federal holdings within areas administered by the National Park Service;

H. R. 3834. An act to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes;

H. R. 3874. An act to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes;

H. R. 3973. An act relating to the compensation of commissioners for the Territory of Alaska; and

H. R. 4059. An act to provide for the settlement of certain parts of Alaska by war veterans; to the Committee on Public Lands.

H. R. 1426. An act to extend veterans-preference benefits to widowed mothers of certain ex-servicemen;

H. R. 3075. An act to amend the act of July 6, 1945, relating to the classification and compensation of employees of the postal service, so as to provide proper recompense in the form of compensatory time for overtime performed by supervisors;

H. R. 3334. An act granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River;

H. R. 3738. An act to amend Public Law 88, Seventy-ninth Congress, approved June 23, 1945; and

H. R. 3862. An act to authorize the Federal Works Administrator to grant and convey to Montgomery County, Pa., a certain parcel of land of the United States in Norristown Borough, Montgomery County, Pa., for the purpose of erecting an additional annex to the present courthouse; to the Committee on Public Works.

H. R. 2239. An act to amend section 13 (a) of the Surplus Property Act of 1944, as amended; to the Committee on Expenditures in the Executive Departments.

H. R. 2776. An act to extend the times for commencing and completing the construction of a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.;

H. R. 3332. An act creating the St. Lawrence Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

H. R. 4010. An act to authorize the Treasury Department and the United States Government Printing Office to furnish, or to procure and furnish, administrative materials, supplies, and equipment to public international organizations on a reimbursable basis;

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; and

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; to the Committee on Foreign Relations.

H. R. 3370. An act to direct the Secretary of Agriculture to support the price of milk at not less than 90 percent of parity; to the Committee on Banking and Currency.

H. R. 3632. An act to extend the time within which applications may be made to the Railroad Retirement Board for certain refunds from the Unemployment Trust Fund; and

H. R. 3870. An act to authorize certain expenditures from the appropriation of St. Elizabeths Hospital, and for other purposes; to the Committee on Labor and Public Welfare.

H. R. 3889. An act to amend Veterans Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases; and

H. R. 4069. An act to terminate certain tax provisions before the end of World War II; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committtees were submitted:

By Mr. CAIN:

From the Committee on Public Works:

S. 1480. A bill authorizing the conveyance to the State of Delaware of a portion of Pea Patch Island; without amendment (Rept. No. 667).

From the Committee on the District of Columbia:

S. 968. A bill to authorize the Public Utilities Commission of the District of Columbia to limit the number of taxicabs licensed and operated in the District of Columbia, and for other purposes; with amendments (Rept. No. 687);

H. R. 3045. A bill to authorize the Commissioners of the District of Columbia to prescribe the processes and procedures for recording instruments of writing in the Office of the Recorder of Deeds of the District of Columbia, and for other purposes; with amendments (Rept. No. 688); and

S. Res. 154. Resolution authorizing an investigation of housing in the District of Columbia; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

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

S. 1590. A bill to amend the District of Columbia rent control law so as to provide that schools and universities may recover possession of housing accommodations in certain cases; without amendment (Rept. No. 677);

H. R. 2471. A bill to provide for periodical reimbursement of the general fund of the District of Columbia for certain expenditures made for the compensation, uniforms, equipment, and other expenses of the United States Park Police force; without amendment;

H. R. 3852. A bill to amend the act entitled "An act for the retirement of public school teachers in the District of Columbia," approved August 7, 1946; without amendment; and

H. R. 3978. A bill to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads; without amendment.

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 3997. A bill to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; without amendment (Rept. No. 678); and

H. R. 4043. A bill to change the order of priority for payment out of the German special deposit account, and for other purposes; without amendment (Rept. No. 679).

By Mr. MALONE, from the Committee on Public Works:

S. 1418. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; without amendment (Rept. No. 680);

S. 1624. A bill granting the consent of Congress to Pennsylvania Power & Light Co. to construct, maintain, and operate a dam in the Susquehanna River; with an amendment (Rept. No. 681); and

H. R. 3146. A bill to amend section 3 of the Flood Control Act approved August 28, 1937, and for other purposes; without amendment (Rept. No. 682).

By Mr. COOPER:

From the Committee on Public Works:

S. 1305. A bill to amend section 24 of the Federal Power Act so as to provide that the States may apply for reservation of portions of power sites released for entry, location, or selection to the States for highway purposes; without amendment (Rept. No. 686);

From the Committee on the District of Columbia:

H. R. 2173. A bill to amend section 7 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended; with amendments; and

H. R. 2659. A bill to establish a program for the rehabilitation of alcoholics, promote temperance, and provide for the medical and scientific treatment of persons found to be alcoholics by the courts of the District of Columbia, and for other purposes; with amendments.

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

S. 609. A bill conferring jurisdiction upon the United States District Court for the Western District of Arkansas to hear, determine, and render judgment upon any claims arising out of the deaths of Norman Ray Pedron and Carl Franklin Morris; without amendment (Rept. No. 668);

S. 1356. A bill providing for the incorporation of the Franco-American War Veterans; without amendment (Rept. No. 669);

S. 1375. A bill to incorporate the Jewish War Veterans of the United States of America; with amendments (Rept. No. 676);

S. 1557. A bill to incorporate the Catholic War Veterans of the United States of America; with amendments (Rept. No. 670);

H. R. 434. A bill for the relief of Lewis H. Rich; without amendment (Rept. No. 671);

H. R. 3361. A bill for the relief of J. Rutledge Alford; without amendment (Rept. No. 672); and

H. R. 3495. A bill for the relief of Andrew C. Extrom and Harry C. Pearson; without amendment (Rept. No. 673).

By Mr. LANGER, from the Committee on Civil Service:

S. 1663. A bill to prohibit the payment of retirement annuities to former Members of Congress convicted of offenses involving the improper use of authority, influence, power, or privileges as Members of Congress; without amendment (Rept. No. 683).

By Mr. THYE, from the Committee on Civil Service:

S. 430. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of national farm-loan associations and production-credit associations; without amendment (Rept. No. 666).

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

H. R. 1544. A bill to provide appropriate lapel buttons for widows, parents, and next of kin of members of the armed forces who lost their lives in the armed services of the United States in World War II; without amendment (Rept. No. 674).

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

S. 1678. A bill to provide for the reincorporation of the Institute of Inter-American Affairs, and for other purposes; without amendment (Rept. No. 675);

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriaton therefor; with amendments (Rept. No. 684); and

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; with amendments (Rept. No. 685).

SURVEY OF FINANCIAL RECORDS AND PROCEDURES OF FEDERAL PUBLIC HOUSING AUTHORITY—REPORT OF A COMMITTEE

Mr. AIKEN. Mr. President, from the Committee on Expenditures in the Executive Departments, I ask unanimous consent to submit a report on a survey of the financial records and procedures of the Federal Public Housing Authority, and I submit a report (No. 665) thereon.

This report, of course, is based on a rather lengthy report of the Comptroller General and has been condensed for the benefit of the Members of the Senate. I ask unanimous consent that the report may be printed in the RECORD, as it is an excellent illustration of how a Government agency ought not to be run.

The PRESIDENT pro tempore. Without objection, the report will be received and printed in the RECORD.

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

In accordance with provisions of the Legislative Reorganization Act, the Committee on Expenditures in the Executive Departments makes a detailed review of each audit and financial report submitted by the Comptroller General. When occasion warrants this committee will make a special report to the Senate which will summarize the deficiencies pointed out by the audits and reports and describe the remedial actions to be taken.

This report is of that nature and is on the Federal Public Housing Authority. A report on the survey of financial records and procedures of the Authority was made by Price, Waterhouse & Co., a public accounting firm, of New York City, under contract to the General Accounting Office. The report, as submitted by the Comptroller General, covers the fiscal years 1945 and 1946.

The deficiencies disclosed by the report are so startling that they must be called to the attention of the Senate. In the long record of sins of omission and commission in the accounting field the following may be singled out as most important:

MAJOR ACCOUNTING DEFICIENCIES

1. "Development costs (i. e., cost of housing property) shown on the books of program 7 (war housing), have not been adjusted to reflect certain transfers of properties to and from other Government agencies, nor have they been adjusted, with minor exceptions, in respect of temporary housing sold or demolished, or removed for use in the veterans' housing program (9.2). Neither have certain transfers between programs and between regions been recorded. Significant amounts are involved in the property accounts, the expenditures in all programs having aggregated some $2,000,000,000, of which upward of $75,000,000 represented movable equipment."

2. "While the Accounting Handbook prescribes that losses sustained on abandonment or disposition of housing be charged off, the files indicate that in numerous instances such losses had not been so reflected on the books at June 30, 1946; also numerous balances are carried on the books in respect of preliminary and other costs relating to abandoned projects on which actual construction was not started or, if started, was never completed."

3. "Detailed records showing number of units and related dollar amounts have not been maintained in the Accounting Division with respect to movable equipment (stoves, refrigerators, household furniture and furnishings, etc.) purchased for use in housing projects."

4. "The temporary housing includes the so-called 'trailer program' costing some $25,000,000; originally the trailers were erected on cinder-block foundations and upon discontinuance of nearby war production or other war activities, many of such trailers were vacated by the tenants. Some of the temporary housing has since been removed to other locations for use in the Veterans' housing program (9.2), but for the most part the properties so removed were not written off (or reserved for) on the books of the war-housing program."

5. "Records of receivables, advances, payables (unliquidated obligations) and other personal accounts have not been properly maintained and in some cases it is impossible to determine readily from the books the amounts receivable from individual debtors and the amounts owing to individual creditors."

6. "Adequate accounting records have not been kept for housing properties (constructed by FPHA or transferred from other agencies), movable equipment, furniture, etc., or for inventories of fuel and supplies; neither have adequate records been kept as to construction and other costs incurred."

COMMENTS ON DEFICIENCES

The foregoing deficiencies result, in the aggregate, in a balance sheet totally without integrity. As the survey report properly states, it is impossible for any accountant to draw from the books of the Federal Public Housing Authority a statement reflecting the true financial condition of the Authority. This is a very serious matter, particularly when consideration is given to the fact that the Authority has invested some $2,000,000,000 of the taxpayers' money in the various programs which it has been administering and for which it is accountable. Moreover, this basic accounting defect not only prevents an accurate reflection of the financial affairs of the Authority, but it also distorts such important consolidated reports as are issued from time to time by the United States Treasury Department, notably, the "Annual Report of the Secretary of the Treasury on the State of the Finances."

The survey has disclosed, among other things, that even elementary inventory records have not been maintained and, while some effort appears to have been made insofar as recordation of physical properties is concerned, there has been no effort to maintain any monetary records of such properties. It is shown also that monetary values of losses and abandonments have neither been properly covered by reserves nor written off the books, the result being, of course, an inflation of assets, which is no less serious a defect than an understatement of assets.

The survey has disclosed equally serious deficiency in maintaining adequate accounting records of receivables and payables, and it is stated in the report that in some cases it is impossible to determine, from the books, amounts which are receivable from individual debtors and amounts which are payable to individual creditors. Nothing can be added to this charge, it being sufficient to point out that without a record of payables it would be conceivable for charges to be presented against the Authority for an indefinite time in the future, and it is presumed that the Authority would be helpless to verify the accuracy of such claims.

In support of the charges the following excerpts have been taken from the letter of the Director, Corporation Audits Division, in transmitting the report of Price, Waterhouse & Co. to the Comptroller General:

"The accounting of the Authority was found to be inadequate, inaccurate, and otherwise deficient.

"The situation in which the Authority finds itself is one where the accounting requirements of a great and important undertaking of the Government either were not fully comprehended by the undertaking's managers or were ignored, neglected, or regarded as having a relatively unimportant claim to attention, until the situation became very grave.

"It (the FPHA) is under the general supervision of the National Housing Agency, of course; but this agency appears to be more interested in broad policies of housing and in budgetary matters than in the internal management of the Authority."

RESPONSIBILITY

Poor accounting systems are established by poor executives. Inaccurate and incomplete records are maintained by subordinates when top management is inept.

Both the system and its maintenance were so poor that Price, Waterhouse & Co. could not make an audit, as required by law, but could only make a report. Conditions have been so bad that a period of 2 years must elapse beginning with the first year covered by the accounting firm until the books will be in shape to be audited.

It is submitted that, in any enterprise, top management must:

1. Formulate and follow fiscal policies which will preserve the financial soundness of the enterprise.

2. See that a proper and adequate accounting system is established.

3. Supervise the maintenance of accounts sufficiently to insure accuracy and completeness.

FUTURE ACTION OF THE COMMITTEE

The men responsible for this deplorable situation must be called to account for their stewardship. They must not be allowed to hide behind a divided responsibility and go on to perpetuate their ineptitude on other employers.

Your committee intends to hold hearings, at which time individuals responsible for this mismanagement of public funds and property will be called to account. If the charges made in the report are substantiated by evidence presented at the hearings, the committee intends to exert all its power to see that proper disciplinary measures are taken against those who were responsible and who are still on the Federal pay roll, and it intends to expose those who have left Federal employment.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bill and joint resolution:

On July 21, 1947:

S. J. Res. 123. Joint resolution to terminate certain emergency and war powers; and

On July 22, 1947:

S. 1508. An act to amend the act entitled "An act to express the intent of the Congress with reference to the regulations of the business of insurance," approved March 9, 1945 (59 Stat. 33).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore 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 COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

David K. E. Bruce, of Virginia, to be Assistant Secretary of Commerce; and

W. A. Ayres, of Kansas, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1947.

By Mr. MILLIKIN, from the Committee on Finance:

Hugh H. Earle, of Salem, Oreg., to be collector of internal revenue for the district of Oregon, in place of James W. Maloney, resigned.

By Mr. LANGER, from the Committee on Civil Service:

Sundry postmasters.

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

Warren R. Austin, of Vermont, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Herschel V. Johnson, of North Carolina, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Mrs. Anna Eleanor Roosevelt, of New York, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

John Foster Dulles, of New York, to be a representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Charles Fahy, of New Mexico, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York. N. Y., beginning September 16, 1947;

Willard L. Thorp, of Connecticut, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Francis B. Sayre, of the District of Columbia, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Adlai E. Stevenson, of Illinois, to be an alternate representative of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Virginia C. Gildersleeve, of New York, to be an alternate representatives of the United States to the second session of the General Assembly of the United Nations, to be held in New York, N. Y., beginning September 16, 1947;

Henry S. Villard, of New York, for appointment as a Foreign Service officer of class 1, a consul general, and a secretary in the diplomatic service of the United States;

Morris N. Hughes, of Illinois, now a Foreign Service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States;

Milton K. Wells, of Oklahoma, now a Foreign Service officer of class 4 and a secretary in the diplomatic service, to be also a consul of the United States; and

Charles E. Bohlen, of Massachusetts, a Foreign Service officer of class 1, to be counselor of the Department of State.

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

John Carter Vincent, of Georgia, a Foreign Service officer of the class of Career Minister, to be Envoy Extraordinary and Minister Plenipotentiary to Switzerland.

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. HOLLAND:

S. 1692. A bill for the relief of Ludmila Buresova, alias Buresh; Kristina Buresova, alias Buresh; and Edward Buresh, alias Eduard Bures; to the Committee on the Judiciary.

By Mr. WILEY (by request):

S. 1693. A bill for the relief of Henry Hill (with accompanying papers); to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1694. A bill to amend the act entitled "An act to provide for the acquisition by the United States of certain real property in the District of Columbia," approved August 7, 1946; to the Committee on Armed Services.

By Mr. O'CONOR:

S. 1695. A bill to amend subsection (d) of section 500 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Banking and Currency.

By Mr. BUTLER (by request):

S. 1696. A bill to amend the act of August 13, 1940 (54 Stat. 784), so as to extend the jurisdiction of the United States District Court, Territory of Hawaii, over Canton and Enderbury Islands; to the Committee on Public Lands.

By Mr. EASTLAND:

S. 1697. A bill for the relief of Henrik Mannerfrid; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 1698. A bill to define the exterior boundary of the Unitah and Ouray Indian Reservation in the State of Utah, and for other purposes; to the Committee on Public Lands.

By Mr. BALDWIN:

S. 1699. A bill for the relief of Danyel Sages; to the Committee on the Judiciary.

By Mr. MORSE:

S. 1700. A bill for the relief of Szoszana Sierdzka; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1701. A bill relating to reemployment rights of persons who were released from Government employment to engage in private employment in support of the war effort; to the Committee on Civil Service.

(Mr. KNOWLAND introduced Senate Joint Resolution 152, to provide for the cancellation of the indebtedness of the Republic of Finland, which was referred to the Committee on Finance, and appears under a separate heading.)

CANCELLATION OF INDEBTEDNESS OF REPUBLIC OF FINLAND

Mr. KNOWLAND. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution to provide for the cancellation of the indebtedness of the Republic of Finland. I merely wish to point out to Members of the Senate that there were two Finnish loans made; one, in 1919, for $3,289,276.98; and one, on June 1, 1920, for $4,992,649.19; making a total loan slightly in excess of $8,281,000.

The Finnish Government has paid, in interest, $6,478,000, and, in principal, $1,375,000; making a total in payments of principal and interest of more than $7,854,000. However, Finland still owes approximately $8,259,000.

Finland is the one country to whom this Nation made post World War I loans which, over the years, has desperately endeavored to maintain its position by paying principal and interest. It seems to me, in the light of the terrific obligation that Finland is now facing, this would be a friendly gesture by the United States to a great people and would encourage them in working out their economic problems.

There being no objection, the joint resolution (S. J. Res. 152) to provide for the cancellation of the indebtedness of the Republic of Finland, was received, read twice by its title, and referred to the Committee on Finance.

Mr. KNOWLAND subsequently said: Mr. President, I should like to ask unanimous consent to have printed immediately following the earlier remarks I made a copy of the joint resolution which I introduced today concerning the subject, also a letter which I received from the Treasury Department, together with the table showing the payments which Finland has made.

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

Senate Joint Resolution 152

Joint resolution to provide for the cancellation of the indebtedness of the Republic of Finland

Be it enacted, etc., That the indebtedness of the Republic of Finland to the United States of America under the agreement between that Republic and the United States of America dated May 1, 1923, is hereby canceled.

SEC. 2. The President is authorized to notify the Republic of Finland of the cancellation of such indebtedness, and to return to the Republic of Finland any bonds or other obligations evidencing such indebtedness.

TREASURY DEPARTMENT,
FISCAL SERVICE,
Washington, July 22, 1947.

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

MY DEAR SENATOR KNOWLAND: Reference is made to a telephone conversation of July 21, 1947, with Mr. Wilson of your office, requesting information concerning the World War I loan to Finland. Information will be given in the sequence in which requested.

1. The date and the amount of the original loan to Finland.

The indebtedness of Finland arose from obligations received by the American Relief Administration for relief supplies furnished under an act of Congress approved February 25, 1919. The principal amounts of such obligations were $3,289,276.98, dated June 30, 1919, and $4,992,649.19 dated June 1, 1920, totaling $8,281,926.17.

2. Total amount of loan paid, showing amount of principal and interest. Dates and amount of installments which have thus far been paid.

Finland has paid a total of $7,854,361.71 on account of its indebtedness, of which $1,375,500.41 has been principal and $6,478,861.30 interest. (See statement enclosed.)

3. What is the balance due and under what terms is such balance payable?

The present amount of indebtedness of Finland, referred to above, is $8,259,270.28, of which $7,624,499.59 represents principal and $634,770.69 interest accrued and postponed under the moratorium agreement of May 23, 1932, and the postponement agreements of May 1, 1941, and October 14, 1943.

Under the funding agreement entered into under date of May 1, 1923, the principal of the debt was to be paid in annual installments due December 15 each year over a 62-year period ending in 1984. Interest was made payable semiannually on unpaid balances on December 15 and June 15 of each year. The rate was 3 percent per annum from December 15, 1922, to December 15, 1932, and 3½ percent thereafter. This agreement was modified by the postponement agreements described in the enclosed extract from the memorandum covering the World War indebtedness of foreign governments to the United States (1917–21).

4. Has Finland ever been late in making payments?

The Government of Finland has not been late in making payments due on its debt.

Very truly yours,

JOSEPH GREENBERG,
Assistant Commissioner of Accounts.

To cover the installment ($235,445.06) due December 16, 1944, Finland tendered to the Treasury funds frozen in this country by foreign funds control. Consideration of this tender resulted in some delay, the installment finally being accepted by the Treasury on February 15, 1945.

Statement showing payments made by Finland on account of its indebtedness to the United States (as of June 13, 1947)

Date	Principal	Interest		Moratorium agreement payments	Total
		Prior to funding	On funded debt		
Mar. 8, 1923		$300,000.00			$300,000.00
May 1, 1923		9,315.27			9,315.27
June 15, 1923			$135,000.00		135,000.00
Dec. 15, 1923	$45,000		135,000.00		180,000.00
June 15, 1924			134,325.00		134,325.00
Dec. 15, 1924	45,000		134,325.00		179,325.00
June 15, 1925			133,650.00		133,650.00
Dec. 15, 1925	47,000		133,650.00		180,650.00
June 15, 1926			132,945.00		132,945.00
Dec. 15, 1926	49,000		132,945.00		181,945.00
June 15, 1927			132,210.00		132,210.00
Dec. 15, 1927	50,000		132,210.00		182,210.00
June 15, 1928			131,460.00		131,460.00
Dec. 15, 1928	52,000		131,460.00		183,460.00
June 15, 1929			130,680.00		130,680.00
Dec. 15, 1929	53,000		130,680.00		183,680.00
June 15, 1930			129,885.00		129,885.00
Dec. 15, 1930	55,000		129,885.00		184,885.00
June 15, 1931			129,060.00		129,060.00
Dec. 15, 1932	58,000		128,235.00		186,235.00
June 15, 1933			148,592.50		148,592.50
Dec. 15, 1933	62,000		148,592.50	$19,030.50	229,623.00
June 15, 1934			147,507.50	19,030.50	166,538.00
Dec. 15, 1934	62,000		147,507.50	19,030.50	228,538.00
June 15, 1935			146,422.50	19,030.50	165,453.00
Dec 15, 1935	65,000		146,422.50	19,030.50	230,453.00
June 15, 1936			145,285.00	19,030.50	164,315.50
Dec. 15, 1936	67,000		145,285.00	19,030.50	231,315.50
June 15, 1937			144,112.50	19,030.50	163,143.00
Dec. 15, 1937	69,000		144,112.50	19,030.50	232,143.00
June 15, 1938			142,905.00	19,030.50	161,935.50
Dec. 15, 1938	71,000		142,905.00	19,030.50	232,935.50
June 15, 1939			141,662.50	19,030.50	160,693.00
Dec. 15, 1939	74,000		141,662.50	19,030.50	234,693.00
June 15, 1940			140,367.50	19,030.50	159,398.00
June 15, 1943			136,220.00	32,725.56	168,945.56
Dec. 15, 1943	84,000		136,220.00	13,695.06	233,915.06
June 15, 1944			134,750.00	13,695.06	148,445.06
Dec. 15, 1944	87,000		134,750.00	13,695.06	235,445.06
June 15, 1945			133,227.50	34,827.24	168,054.74
Dec. 15, 1945	90,000		133,227.50	34,827.24	258,054.74
June 15, 1946			131,652.50	34,827.24	166,479.74
Dec. 15, 1946	93,000		131,652.50	34,827.24	259,479.74
June 13, 1947			130,025.00	34,827.24	164,852.24
Total	1,278,000	309,315.27	5,752,672.50	514,373.94	7,854,361.71

NOTE.—Of the moratorium agreement payments $97,500.41 represents principal and $416,873.53 represents interest.

PROTECTION AGAINST IMPORTATION OF GARBAGE—AMENDMENTS

Mr. KNOWLAND submitted amendments intended to be proposed by him to the bill (H. R. 597) to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of, the United States of garbage derived from products originating outside of the continental United States, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CAPPER. Mr. President, I wish to call attention to an amendment submitted by me on March 27 to the bill (H. R. 597) to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of, the United States of garbage derived from products originating outside of the continental United States, and for other purposes. It was suggested by Maurice Collins, Acting Administrator of Federal Agency, on behalf of the Public Health Service.

Subsequent to the passage of H. R. 597 by the House of Representatives, the Acting Administrator wrote me to the effect the bill might create some confusion between the administration of its provisions and the administration of the Public Health Service Act, as the latter act gives the Public Health Service authority in the field of garbage disposal as it affects the spread of disease into this country and among the States.

The officials of the Public Health Service and the Department of Agriculture have conferred on this matter and I understand they are in complete agreement as to the administration of H. R. 597 were it to be amended as I have proposed.

In further reference to this amendment, Mr. Collins wrote me under date of March 19 as follows:

> The slight amendment would be adequate, I believe, to preserve the existing authority of the Public Health Service, the agency of the Government given primary responsibility under the quarantine laws to protect the public health and prevent the spread of communicable diseases into this country and among the States. This change would also assure cooperation between the Department of Agriculture and the Public Health Service in the control of diseases conveyed by garbage, a matter of concern to both agencies.

INCORPORATION OF JEWISH WAR VETERANS—AMENDMENT

Mr. DONNELL submitted an amendment intended to be proposed by him to the bill (S. 1375) to incorporate the Jewish War Veterans of the United States of America, which was referred to the Committee on the Judiciary and ordered to be printed.

ATTENDANCE OF MARINE BAND AT AMERICAN LEGION CONVENTION, NEW YORK

Mr. IVES submitted amendments intended to be proposed by him to the bill (S. 1633) to authorize the attendance of the Marine Band at the national convention of the American Legion to be held in New York, N. Y., August 28 to 31, 1947; which were ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS OF WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL

Mr. IVES. Mr. President, in accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4002), making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, the following amendment, namely:

On page 8, line 7, before the period, add the following proviso: *"Provided further,* That the existing rivers and harbors project at Fire Island Inlet, New York, as authorized by the act approved August 26, 1937, is hereby modified in accordance with reports of the division engineer dated May 16, 1947, subject to final approval by the Board of Engineers for Rivers and Harbors and the Chief of Engineers."

Mr. IVES also submitted an amendment intended to be proposed by him to House bill 4002, the War Department Civil Functions Appropriations bill, 1948, which was referred to the Committee on Appropriations and ordered to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. GURNEY. Mr. President, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, the following amendments, namely:

Page 5, line 22, after the word "aircraft", strike out the following: *"Provided further,* That no appropriation under the Corps of Engineers for the fiscal year 1948 shall be available for any expenses incident to operating any power-driven boat or vessel on other than Government business" and insert in lieu thereof the following: *"Provided further,* That hereafter no appropriation under the Corps of Engineers shall be available for any expenses incident to operating any power-driven boat or vessel on other than Government business, and that Government business shall be construed to include transportation, lodging, and subsistence on inspection trips of Federal, State, or local officials, having a public interest in authorized or proposed improvements for river and harbor and flood control, and any expenses incurred therefor shall be chargeable to river and harbor and flood control appropriations heretofore or hereafter made."

Page 8, line 25, after the word "law", insert the following: *"Provided further,* That funds appropriated herein may be used for necessary bank protection on the Missouri River in the vicinity of Aten, Nebr."

Page 8, in the paragraph "Flood control, general", after the sum of money, insert the following: ", of which, in view of the threat to human life, $200,000, shall be made available for the preparation of detailed plans, for the Dyberry and Prompton Reservoirs in

the Lackawaxen River Basin, Pa., recommended for construction in the report of the Chief of Engineers, United States Army, in House Document No. 113, of the Eightieth Congress, and the preparation of such plans is hereby authorized."

Page 9, after line 22, insert the following:

"Garrison (N. Dak.) Reservoir: For acquisition of the lands and rights therein within the taking line of Garrison Reservoir which lands lie within the area now established as the Fort Berthold Indian Reservoir, N. Dak., including all elements of value above or below the surface thereof and including all improvements, severance damages and reestablishment and relocation costs the sum of $5,105,625, which said sum is included in the total allocated under this act for the said Garrison Reservoir and which shall be deposited in the Treasury of the United States to the credit of the Three Affiliated Tribes of Fort Berthold Reservation, to be subject to withdrawal and disbursement as herein provided. This $5,105,625 is made available subject to the following conditions subsequent and in the event the said conditions are not complied with then this amount shall lapse and be thereby null and void. Said conditions subsequent are:

"That a contract between the United States and the said Three Affiliated Tribes shall be negotiated and approved by a majority of the adult members of said tribes and enacted into law by the Congress, providing for the conveyance of said lands and interests and the use and distribution of said fund and that disbursements from said fund shall be made forthwith in accordance with said approved contract and act of Congress.

"That said contract shall be submitted to the Congress on or before the 1st day of June 1948: *Provided, however,* That, notwithstanding said contract or the provisions of this act, the said Three Affiliated Tribes may bring suit in the Court of Claims as provided in section 24 of the act of August 13, 1946, on account of additional damages, if any, alleged to have been sustained by said tribes by reason of the taking of the said lands and rights in the said Fort Berthold Indian Reservation on account of any treaty obligation of the Government, any intangible cost of reestablishment or relocation or any other basis of claim cognizable under said act of August 13, 1946, and for which the said tribes are not compensated by the said $5,105,625."

Mr. GURNEY also submitted four amendments intended to be proposed by him to House bill 4002, the War Department Civil Functions Appropriation bill, 1948, which were referred to the Committee on Appropriations, and ordered to be printed.

(For text of amendments referred to, see the foregoing notice.)

PRINTING OF REVIEW OF REPORTS ON SKIPANON RIVER CHANNEL, OREGON (S. DOC. NO. 93)

Mr. REVERCOMB. Mr. President, I present a letter from the Secretary of War, transmitting a report dated May 5, 1947, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration on a review of reports on the Skipanon River Channel, with a view to providing a suitable harbor for small boats at Warrenton, Oreg., requested by a resolution of the Committee on Commerce of the United States Senate, adopted October 2, 1945, and I ask unanimous consent that it may be referred to the Committee on Public Works, and printed as a Senate document, with an illustration.

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

PRINTING OF A REVIEW OF REPORT ON SMITH RIVER, OREG. (S. DOC. NO. 94)

Mr. REVERCOMB. Mr. President, I present a letter from the Secretary of War, transmitting a report dated May 2, 1947, from the Chief of Engineers, United States Army, together with accompanying papers and an illustration, on a review of report on Smith River, Oreg., requested by a resolution of the Committee on Commerce of the United States Senate, adopted October 16, 1944, and I ask unanimous consent that it may be referred to the Committee on Public Works, and printed as a Senate document, with an illustration.

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

WONDERFUL WISCONSIN'S 1948 CENTENNIAL—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement by him on the subject of the forthcoming one hundredth anniversary of the admission of Wisconsin into the Union, which appears in the Appendix.]

ENFORCEMENT OF LOYALTY BY LAW—ARTICLE BY LOWELL MELLETT

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Congress May Do the Unforgivable in Seeking to Enforce Loyalty by Law," by Lowell Mellett, published in the Washington Evening Star of July 22, 1947, which appears in the Appendix.]

HERNANDO DE SOTO—PAPER BY HERBERT LAMSON

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a paper on the subject Hernando de Soto, presented by Herbert Lamson before the Jacksonville Historical Society, Jacksonville, Fla., on February 12, 1947, which appears in the Appendix.]

FLOOD CONTROL—EDITORIAL FROM THE WASHINGTON POST

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial entitled "Flood Control," published in the Washington Post of July 15, 1947, which appears in the Appendix.]

COLUMNAR COLLUSION—EDITORIAL FROM THE WASHINGTON POST

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial entitled "Columnar Collusion," published in the Washington Post of July 15, 1947, which appears in the Appendix.]

CONSTRUCTION OF DAMS ON THE SNAKE RIVER—LETTER AND STATEMENT

[Mr. MORSE asked and obtained leave to have printed in the RECORD a letter from the Oregon State Grange and statements by the Washington, Oregon, and Idaho State Granges at a public hearing on July 9, 1947, before the Army engineers with reference to the construction of Mountain Sheep, Hell's Canyon, and other dams on the Snake River, which appear in the Appendix.]

CONSERVATION AND DEVELOPMENT OF BASIC RESOURCES—STATEMENT OF C. GIRARD DAVIDSON

[Mr. MORSE asked and obtained leave to have printed in the RECORD a statement made on July 18, 1947, by C. Girard Davidson, Assistant Secretary of the Interior, before the Valley Authority Conference, which appears in the Appendix.]

DISPOSITION OF SURPLUS AIRPORTS AND AIRPORT FACILITIES

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 364) to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes, which was on page 7, line 21, to strike out "(c)" and insert "(e)."

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

The motion was agreed to.

DISPOSAL OF MATERIALS ON PUBLIC LANDS

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1185) to provide for the disposal of materials on the public lands of the United States, which were, on page 1, line 5, after "including", to insert "but not limited to"; on the same page, line 5, after "gravel", to insert "yucca, manzanita, mesquite, cactus, common clay,"; on page 2, line 2, after "Secretary", to insert "*Provided, however,* That, to the extent not otherwise authorized by law, the Secretary is authorized in his discretion to permit any Federal, State, or Territorial agency, unit or subdivision, including municipalities, or any person, or any association or corporation not organized for profit, to take and remove, without charge, materials and resources subject to this act, for use other than for commercial or industrial purposes or resale"; and on the same page, line 20, strike out "at least 30 days" and insert "four consecutive weeks."

Mr. CORDON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REORGANIZATION PLAN NO. 3 OF 1947

The Senate resumed the consideration of the resolution (H. Con. Res. 51) that the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th of May 1947.

Mr. TAFT. 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	Connally	Hawkes
Baldwin	Cooper	Hayden
Ball	Cordon	Hickenlooper
Barkley	Donnell	Hill
Brewster	Downey	Hoey
Bricker	Dworshak	Holland
Bridges	Eastland	Ives
Brooks	Ecton	Jenner
Buck	Ellender	Johnson, Colo.
Bushfield	Ferguson	Johnston, S. C.
Butler	Flanders	Kem
Byrd	Fulbright	Kilgore
Cain	George	Knowland
Capehart	Green	Langer
Capper	Gurney	Lodge
Chavez	Hatch	Lucas

McCarran	Myers	Taylor
McCarthy	O'Conor	Thomas, Okla.
McClellan	O'Daniel	Thomas, Utah
McFarland	O'Mahoney	Thye
McGrath	Overton	Tydings
McKellar	Pepper	Umstead
McMahon	Reed	Vandenberg
Magnuson	Revercomb	Watkins
Malone	Robertson, Va.	Wherry
Martin	Russell	White
Maybank	Saltonstall	Wiley
Millikin	Smith	Williams
Moore	Sparkman	Wilson
Morse	Stewart	Young
Murray	Taft	

Mr. WHERRY. I announce that the Senator from Wyoming [Mr. ROBERTSON] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from New York [Mr. WAGNER] is necessarily absent.

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

Mr. TAFT. Mr. President, I ask that the time for the consideration of Reorganization Plan No. 3 be limited to 4 hours, and that the time be equally divided between the Senator from Vermont [Mr. FLANDERS], favoring the plan, and the Senator from Delaware [Mr. BUCK], opposing it.

Mr. BARKLEY. Mr. President, I have no objection to that arrangement.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. WHERRY submitted the following 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. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 82, 83, 97, 98, 103, 117, 118, 119, 120, 123, 126, 127, 155, 160, 173, 174, and 175.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 4, 5, 8, 10, 11, 12, 15, 21, 22, 23, 24, 25, 26, 27, 28, 32, 33, 35, 36, 37, 38, 40, 42, 43, 46, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 66, 67, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 89, 99, 102, 106, 107, 110, 111, 112, 115, 116, 121, 122, 131, 132, 133, 134, 136, 139, 142, 147, 150, 154, 156, 157, 158, 159, 161, 163, 165, 170, and 172, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: ": *Provided further*, That not to exceed $50,000 of this appropriation may be used for the Division of Power under the Office of the Secretary"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,900,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,596,400"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Construction: The funds appropriated for the fiscal year 1947 (Interior Department Appropriation Act, 1947), are hereby continued available during the fiscal year 1948 to meet obligations incurred in contract or contracts duly executed and in force on or before June 30, 1947; for administrative expenses connected therewith; including purchase of five, and hire of passenger motor vehicles; for temporary services as authorized by section 15 of the Act of August 2, 1946 (Public Law 600), but at rates not exceeding $35 per diem for individuals; printing and binding; for the purchase or acquisition of necessary lands for rights-of-way and necessary engineering and supervision of the construction under said contracts; and for the construction of necessary interconnecting facilities incident to and connected with the construction of the Denison-Norfork transmission line."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,175,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$11,139,700"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,000,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$450,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$180,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,012,500"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,130,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,800,000"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,600,000"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$18,345,750"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$1,400,000"; and the Senate agree to the same.

Amendment numbered 87: That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Davis Dam project, Arizona-Nevada, $9,700,000;"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Central Valley project, California: Joint facilities, $690,000; irrigation facilities, $5,622,028; power facilities, Shasta power plant, $427,800, Keswick Dam, $100,740, Keswick power plant, $218,040; transmission lines, Shasta to Delta, via Oroville and Sacramento, two hundred and thirty kilovolt, $256,680, Shasta Dam to Shasta substation, two hundred and thirty kilovolt, $1,500,000, Keswick tap line, two hundred and thirty kilovolt, $160,000, Contra Costa Canal extension, sixty-nine kilovolt, $118,000; substation, Contra Costa, $48,000; in all, $9,141,288"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$9,500,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$2,500,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum named in line four of said amendment insert "$17,500,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$49,841,288"; and the Senate agree to the same.

Amendment numbered 94: That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,500,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "as provided in the Act of December 22, 1944 (Public Law 534), Seventy-eighth Congress, and the Act of August 14, 1946 (Public Law 732), Seventy-ninth Congress"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,000,000"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$435,000"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,300,000"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$500,000"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "the payment, directly or indirectly, for the drilling of water wells for the purpose of supplying water for domestic use"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$10,091,340"; and the Senate agree to the same.

Amendment numbered 128: That the House recede from its disagreement to the amendment of the Senate numbered 128, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$400,000"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$93,500"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,060,000"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$7,500"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$75,000"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$600,000"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$41,500"; and the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,060,000"; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$38,500"; and the Senate agree to the same.

Amendment numbered 145: That the House recede from its disagreement to the amendment of the Senate numbered 145, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$29,000"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 148: That the House recede from its disagreement to the amendment of the Senate numbered 148, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$680,000"; and the Senate agree to the same.

Amendment numbered 149: That the House recede from its disagreement to the amendment of the Senate numbered 149, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$580,000"; and the Senate agree to the same.

Amendment numbered 153: That the House recede from its disagreement to the amendment of the Senate numbered 153, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 162: That the House recede from its disagreement to the amendment of the Senate numbered 162, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$225,000"; and the Senate agree to the same.

Amendment numbered 164: That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$258,450"; and the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$200,000"; and the Senate agree to the same.

Amendment numbered 167: That the House recede from its disagreement to the amendment of the Senate numbered 167, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,492,810"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,492,810"; and the Senate agree to the same.

Amendment numbered 169: That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,082,700"; and the Senate agree to the same.

Amendment numbered 178: That the House recede from its disagreement to the amendment of the Senate numbered 178, and agree to the same with an amendment as follows: In line 1 of said amendment strike out the figure "9" and insert in lieu thereof the following: "10"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 7, 16, 17, 18, 34, 39, 41, 68, 78, 85, 101, 104, 105, 114, 124, 130, 151, 152, 171, 176, 177, and 179.

KENNETH S. WHERRY,
CHAN GURNEY,
JOSEPH H. BALL,
GUY CORDON,
CARL HAYDEN,
ELMER THOMAS,
JOSEPH C. O'MAHONEY,
Managers on the Part of the Senate.

ROBERT F. JONES,
BEN F. JENSEN,
IVOR D. FENTON,
LOWELL STOCKMAN,
FRANCIS CASE,
MICHAEL J. KIRWAN,
JOHN J. ROONEY,
ALBERT GORE,
W. F. NORRELL,
Managers on the Part of the House.

Mr. WHERRY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection?

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

Mr. WHERRY. I move the adoption of the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the report.

Mr. McCARRAN. Mr. President, what report is this?

Mr. WHERRY. The conference report on the Department of the Interior appropriation bill.

Mr. McCARRAN. Mr. President, I should like to discuss a matter connected with the report for a brief time. There appears to be no printed report. Am I correct in that?

Mr. WHERRY. The report has been printed.

Mr. McCARRAN. Then apparently the printed report has just come to the floor of the Senate.

Mr. WHERRY. Yes.

Mr. McCARRAN. For the sake of convenience, I shall refer to page 9613 of the CONGRESSIONAL RECORD, on which the amendments, Nos. 97 and 98, are dealt with. I read:

Nos. 97 and 98 relating to operation and maintenance, Boulder Canyon project: Strikes out the proposal of the Senate to provide funds for the payment of tuition

for pupils who are dependents of employees of the United States living in the area, and appropriates $1,500,000 for operation and maintenance of the project, as proposed by the House, instead of $1,533,300, as proposed by the Senate.

Mr. President, I am at a loss to know why the conferees on the part of the Senate surrendered on this item. It cannot be dealt with on any other basis than as the Senate provided. The record has made the situation so plain and so convincing that it seems to me the conferees on the part of the Senate would have been authorized in remaining in session for any length of time in order to sustain it. If the amendments as now brought to the Senate from the conference committee prevail, then about 400 children in the Boulder Canyon area, or rather in Boulder City school districts, will be deprived of tuition.

I read from a letter received by me on the letterhead of the Boulder City schools, over the signature of Elbert B. Edwards, superintendent of schools of that district, as follows:

It has again come to our attention that the Subcommittee on Appropriations in the House has deleted all provisions for the operation of the schools and for the school building project in Boulder City.

We realize that you are thoroughly conversant with our problem, and that you have pledged your efforts in our behalf, but we wish to give you a few points which might be used effectively in your efforts to have these provisions reincorporated in the appropriation bill.

The letter was received by me, let me say, before the hearings which were conducted by the able Senator from Nebraska [Mr. WHERRY] who now has charge of the conference report on the floor. I continue to read from the letter of the superintendent of schools:

Herewith is a brief summary of the financial picture for the Boulder City School District for 1947-1948 school year:

1947-1948 estimated receipts for Boulder City Union School District from regular State, county, and local sources, $149,740.

Balance carried forward from previous year, $14,860.

Total resources for operation of schools for 1947-1948, $164,600.

Estimated expenditures for 1947-1948 school year $190,800.

Now listen to this, Mr. President:

Deficit for the school year (normally made up by the Federal Government as reimbursement for instruction in the schools operated by the Boulder City Union School District of each pupil who is a dependent of any employee of the United States living in or in the immediate vicinity of Boulder City, in the sum of $45 per semester per pupil in average daily attendance at said schools), $26,200.

Estimated average daily attendance for 1947-1948, 760 pupils.

Estimated instructional cost per pupil, $251.

Estimated average daily attendance of students dependents of employees of Federal Government, 300.

Estimated cost of providing instruction for dependents of Federal Government, $75,300.

Then he continues:

It is necessary that provision for the continued assistance of the Federal Government to the Boulder City schools be provided for the following reasons:

And this seems to me to be unanswerable:

1. The Boulder City School District has been reimbursed by the Federal Government for instruction given to students who were dependents of employees of the United States since 1939. The educational program and the economy of the schools and of the district have been made possible only on the basis of this assistance.

2. The educational program and the general economy of the district are geared to this assistance of the Federal Government, and any deletion of provision for this assistance from the Interior Department Appropriation Act will result in a sacrifice of the educational standards maintained in the district.

3. The schools of the district will suffer from the loss of this assistance specifically by a reduction in the amount of money available for salaries, for administration, for educational supplies and equipment, and operation. This will seriously and adversely affect the educational program provided for the school children in Boulder City.

4. The resources of the district subject to taxation are limited to personal property and improvements by virtue of Government ownership of the real estate and basic industries. It is, therefore, impossible for the district to carry its proportionate share of the tax burden for the support of its educational program when it does not have the authority to make assessments against its beneficiaries, as is the practice in other American communities.

Let me say here, Mr. President, that all the land in that community belongs to the United States Government and to no one else. No one living in the community can own a single foot of the land. It is entirely Government land. The leases which are made by the Reclamation Bureau for those who build houses and occupy space there provide for an amount of money sufficient to meet the school expenditures, so that if the appropriation were made as the Senate provided, not $1 would come out of the Treasury of the United States. It is provided for, first of all, in the money which is charged for the use of the public land in Boulder City by those who are employed on the Boulder project, and by no one else.

Secondly, with respect to the industries, the businesses that are conducted in Boulder City by what I choose to call the service community of Boulder City—those who serve the employees on the Boulder Dam—their personal property, their stock in trade, if you please, if it be a store, or other personal property, is assessed. Into that assessment goes a part of the cost of maintaining the schools. This is not a question of the Government maintaining the schools. The Government is not maintaining the schools. The maintenance for the schools comes out of the cost of the leases on land occupied by those who work on the dam. The maintenance of the schools is also tied into the power rate for the acquisition of power from Boulder Dam.

The superintendent of schools continues:

The money paid to the Boulder City Union School District is considered part of the cost of operation and maintenance of the project, and is recovered back by the United States out of the power rates and charges paid by the Boulder Dam power contractors.

That is entirely true; and it must have been the result of a misconception of the law, a misconception of the procedure, and a misconception of the entire condition, that the House conferees insisted on changing this item and the Senate conferees concurred in the change.

The superintendent of schools further says:

These power contractors have in the past announced themselves in favor of the charges made against the power rates for the purpose of providing instruction for the children of employees of the Bureau of Reclamation.

That is true. The question has been considered on a number of occasions by the Appropriations Committee of the Senate, and representatives of the power allottees have stated that they were entirely content that the power rate should carry a consideration in it for the maintenance of schools for the instruction of the children of their employees at Boulder City.

Continuing, Superintendent Edwards says:

If it is inevitable that the Boulder City schools must rely exclusively on State, county, and local resources we think it only fair and right that they be given ample notice, and be given an opportunity to make the necessary adjustments.

I am at a loss to understand why the able Senator from Nebraska [Mr. WHERRY], the Senator in charge of the bill, after he held hearings so generously and had developed the record which I am about to read, should for a moment consent that this item be omitted from the bill, and that approximately 400 children in Boulder City, the children of the employees of the Federal Government, should be deprived of a proper school system in that locality.

I read from page 1341 of the hearings before the subcommittee of the Committee on Appropriations of the United States Senate on House bill 3123. Mr. Ely was testifying. Mr. Ely is the representative of Bureau of Power and Light of the City of Los Angeles, and a representative of the other agencies which are allottees. He said:

All of the land in Boulder City is owned by the United States. All buildings are either owned by the United States or have been built by lessees on Government land. The Boulder City school district is consequently unable to levy taxes upon real estate to support the local schools. Moreover, the greater part of the school population comprises children of employees of Government personnel. Their parents live in Government-owned homes. School facilities are essential if the Government is to be able to attract and keep family men for employment at Boulder City.

Inasmuch as there is no real property subject to tax, it is wholly impracticable to pass the burden for maintaining these facilities on to the local school district.

The power contractors recognize the propriety of including in the power rates the cost of such schooling, for children of Reclamation Bureau personnel. There is not a burden to the Federal taxpayer involved.

On page 1343 of the record made before the subcommittee of which the able Senator from Nebraska was chairman, we find the following, from the testimony of Mr. Warne:

Senator KNOWLAND. As I understand the situation, within this particular school district, they are receiving from the State of Nevada the school allotment which the districts get in other areas of the State.

The only difference is that there is no local tax base for the school district to supplement what they received from the State.

EXPENSES OF BOULDER CITY SCHOOL DISTRICT IN 1947–48

Mr. WARNE. That is right. In the school year of 1947–48, the expenses of the Boulder City School District will be about $190,000. The payment that we anticipate to make, provided the language is restored and the funds are indicated as being available, will be $30,000. There are about 800 pupils attending this school, and 330 of them are dependents of Federal employees, subject to the payments by the Bureau of Reclamation under this provision of the appropriation bill.

The basic authority for this type of payment does not exist in any enactments heretofore outside of the appropriation bills.

That, as I understand it, was the reason that this particular item was omitted in the House. There are several bills pending before the Congress at the present time that would take care of this matter of authorizing these payments.

Mr. President, when that item is reached, if the Senator proposes to have the report read item by item, I shall certainly object to the Senate approving it.

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

Mr. McCARRAN. I yield.

Mr. WHERRY. I suggest to the distinguished Senator that this is in the conference report.

Mr. McCARRAN. I understand, and it must be voted up or down as a whole. I realize that; but I will not sit idly by and allow it to be approved on the floor of the Senate, when it will deprive 400 children of Federal employees at Boulder City, on desert land, of the opportunity of going to school.

Mr. President, I hope we may be able to send the bill back to conference so that a reasonable degree of justice may be rendered to those children. The Senate cannot afford to do such an injustice, even if only 400 children are involved. As a matter of fact, not a single dollar of this money comes out of the Treasury of the United States. The Senator from Nebraska will agree to that. It is paid in part by the allottees who take the power, and who consent that the charge be made a part of the power rate. They are willing to pay that power rate in order to sustain the schools. It is paid in part by those who lease Government land for the purpose of maintaining their homes in that particular city in order that they may serve the United States Government as employees.

I hope, Mr. President, that I may be afforded the privilege of a yea-and-nay vote on this item, if the Senator is now moving the adoption of the conference report as a whole, without reading it. Otherwise I do not propose to give up and let the matter go unnoticed. I cannot do that, in justice to myself; I cannot do it, in justice to the children of the employees of the Federal Government. If it is necessary to hold the bill here, I shall hold it.

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

The PRESIDENT pro tempore. Does the Senator yield the floor?

Mr. McCARRAN. I do not know whether I have the floor.

Mr. WHERRY. As a parliamentary situation, Mr. President, do I not have the floor?

The PRESIDENT pro tempore. The Senator from Nevada has had the floor for the purpose of this discussion.

Mr. McCARRAN. Does the Senator from Oklahoma wish me to yield?

Mr. MOORE. I simply want to ask a question which is entirely apart from this matter.

Mr. McCARRAN. I yield.

Mr. MOORE. Mr. President, I should like to ask the Senator from Nebraska regarding item No. 19, which, as I understand, appropriates no new money, but carries over the unexpended balance. Is that correct?

Mr. WHERRY. That is correct.

Mr. MOORE. I should like to ask the Senator if the conference committee had in mind the provision of law contained in the Reorganization Act of 1946, section (c), which is as follows:

No general appropriation bill or amendment thereto shall be received or considered in either House if it contains a provision reappropriating unexpended balances of appropriations, except that this provision shall not apply to appropriations in continuation of appropriations for public works on which work has commenced.

Mr. WHERRY. The public works item which the Senator has just mentioned is one exception.

Mr. MOORE. The conference had that in mind?

Mr. WHERRY. Oh, yes.

Mr. MOORE. That was considered. I ask the Senator if he is familiar, or if the conference was familiar, with the ruling of the Comptroller General under date of May 27, 1947, rendered to the chairman of the Appropriations Committee, in which it was held that any unexpended balances reappropriated for Southwest Power Administration in the 1948 Appropriation Act may be used only for discharging contracts on which work had actually physically been commenced prior to June 30, 1947?

Mr. WHERRY. I am familiar with that ruling. The Senate amendment provides for another purpose, namely administrative costs in connection with the construction of those projects.

Mr. MOORE. But as to the work, it has to be physically commenced before this appropriation can be applied?

Mr. WHERRY. If there is an unexpended balance of the 1947 appropriation it can be used for the purpose set out in Senate amendment as adopted by the conferees.

Mr. McCARRAN. Mr. President, I wish to read from page 1340 of the record of hearings conducted before the subcommittee, of which the able Senator from Nebraska was chairman. In passing, Mr. President, I desire to pay my sincere personal compliments to the manner in which the hearings were conducted by the Senator from Nebraska. I have attended hearings before this subcommittee ever since I have been in the Senate, and I want to say, with all due respect to all those who preceded him as chairman, that his conduct of the hearings and proceedings was most commendable, most patient, and most understanding of the problems in every respect.

The Senator from California [Mr. KNOWLAND] interrogated Mr. Ely who, I have stated, was the representative of the Department of Water and Power of the City of Los Angeles. The following occurred:

Senator KNOWLAND. Next we will hear from Mr. Ely.

The Senator from California [Mr. KNOWLAND] was acting as chairman.

Mr. Ely said:

Mr. Chairman, my appearance here is relative to the provisions for the Boulder school district in connection with the Interior Department appropriation bill for the fiscal year 1948.

The item at page 40, line 9, of H. R. 3123, captioned "Advances to Colorado River Dam fund," providing funds for operation and maintenance of Boulder Dam and incidental works, omits the following language which has been carried in past appropriation bills, and which appeared in the budget for the fiscal year 1948.

Then Mr. Ely quotes, as follows:

"And payment to the Boulder City school district as reimbursement for instruction during the 1947–48 school year in the schools operated by said district of each pupil who is a dependent of any employees of the United States, living in or in the immediate vicinity of Boulder City, in the sum of $45 per semester per pupil in average daily attendance at said schools, payable after the term of instruction in any semester has been completed, and under regulations to be prescribed by the Secretary."

I am in receipt of a teletype from Mr. S. B. Morris, general manager of the Department of Water and Power of the City of Los Angeles, as follows:

"Please appear before the Senate committee considering Interior Department appropriation bill and on our behalf urge most strongly that there be restored to the bill language authorizing payment from the Colorado River Dam fund of tuition to Boulder City school district. Emphasize the intolerable conditions which would result from the action taken by the House abruptly withdrawing from the district this necessary support."

The Interior Department Appropriation Act for the fiscal year 1945 contained the following provision:

"Boulder Canyon project * * * *Provided*, That on or before June 1, 1946, the Secretary shall report to the Congress on expenditures incurred and revenues received in construction, operation, and maintenance of Boulder City, together with his recommendations for allocation and adjustment of such expenditures and revenues between the construction, operation, and maintenance of the Boulder Canyon project and other Federal activities; and that such expenditures from the Colorado River Dam fund prior to such allocation and adjustment, under this or other appropriation acts heretofore or hereafter enacted, shall be without prejudice to the rights, if any, of power contractors to have adjustments, with respect to such expenditures, made to accord with the substantive provisions of the Boulder Canyon Project Adjustment Act."

Then Mr. Ely, continuing, said:

Under the terms of that legislation, it is assumed that any tuition paid under the

1948 appropriation act or other acts for the children of personnel of Federal bureaus other than the Reclamation Bureau, would be subject to retroactive adjustments, so that the power rates would not be burdened therewith.

With that understanding, the department of water and power and the other power users feel that the particular situation at Boulder City, and the lack of any established and adequate tax base for the support of the local schools, justify the continuance of the support for the schools out of the Colorado River Dam fund. The situation, as Mr. Morris says in his teletype, would be intolerable if this support were withdrawn.

Mr. President, that is exactly why I have the floor today, namely, to prevent an intolerable condition which was brought to the attention of the Senator from Nebraska, but as to which the Senate conferees surrendered entirely, either not knowing what they were doing, or else tired out, perhaps, by the argument made by the House conferees. I am not certain which is the case. In any event, the result is exactly the same; it is an intolerable and deplorable condition which will be visited on a community in my State.

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

Mr. McCARRAN. I yield.

Mr. WHERRY. The distinguished Senator from Nevada well knows that the Senate subcommittee and the Senate full committee in connection with this particular item voted to restore the amount requested for the operation of this school. There is no argument that the members of the subcommittee or the members of the full committee can present to offset the argument the distinguished Senator is now making, and he can continue to make it all afternoon, so far as that is concerned. But I respectfully call to the attention of the Senator the fact that the House raised the question that there is no legislation authorizing the payment of this money. The Senator will agree, I think, that there is no legislation authorizing the payment of these funds.

Mr. McCARRAN. I do not agree to that.

Mr. WHERRY. The Senator well remembers that recently—I think it was in the session before this one or perhaps in the Seventy-eighth Congress—a bill was passed to do the very thing the distinguished Senator is asking for, namely, the payment of tuition in these particular or unusual cases. But that legislation was vetoed.

Mr. McCARRAN. The Senator is in error.

Mr. WHERRY. I do not think I am.

Mr. McCARRAN. The legislation which was passed at that time was entirely different. It included many other items. With respect to this particular item, the President said at that time that he had no objection to it, and the President included this item in his budget request for the 1947–48 fiscal year.

When I said that I do not agree that there is no legislation, I meant to say that the Boulder Canyon Project Act, when enacted, contained provisions that it might be maintained and supervised by the Department of the Interior, and the act established Boulder City as the place from which it would be superintended.

Mr. WHERRY. The Senator can make that interpretation, of course.

Mr. McCARRAN. How can it be contended there would not be a service population and families of those who would be employed on non-Government projects, and that the children who would be there should not be educated?

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

Mr. McCARRAN. I yield.

Mr. WHERRY. I agree that the Senator can read that interpretation into that act, but that does not alter the case that there was a legislative enactment which went to the President—President Truman—and he vetoed it. That measure authorized the very thing against which the House of Representatives is contending in this connection.

I should like to say to the distinguished Senator that all the Senate Members of the Senate conference committee did their level best to uphold the position of the Senator from Nevada. We did our level best to do it. However, the House was adamant, not only as to this item, but also as to the Coulee City item. I think there is some difference between the two, as the evidence shows. I agree with the Senator on that point.

I have kept the Senator advised as to the situation. This item involves $33,000 for tuition. The item for Coulee City was $26,000, as I recall.

The conferees on the part of the House took the position that there was no legislation authorizing it—I am stating what they said—and that the item had no place in an appropriation bill. We pointed out that it had been done since 1940; but that did not make any difference to the conferees on the part of the House. They said, "We are going to stop this thing, and we feel that the Senate should go along with us."

We argued over this item, as we argued over many other items in the Interior Department appropriation bill, and the conferees met time and time again.

I appeal to the Senator from Nevada to inquire of his own colleagues whether the Senate conferees continued to hold out, hoping that we could get the conferees on the part of the House to agree to the amendment the Senate wrote into the bill, based on the very evidence the distinguished Senator is presenting, and on which the Senate subcommittee and the Senate full committee agreed.

I asked unanimous consent for the consideration of the conference report because I knew there were many controversial items in the Interior Department appropriation bill. The Senator knows that we held 23 days of hearings, that the record runs over 3,300 pages, that in the Senate subcommittee and in the full committee there was no dispute, and that the Senate committee adopted the very amendment propounded by the Senator from Nevada; and then conferees were appointed, and the conferees for both Houses met.

I say to the distinguished Senator that I have been told by those connected with the Appropriations Committee that we held more conferences than the average conference committee holds, and we did everything in our power to retain the Senate amendment. I appeal to the Senator from Nevada that time is running out on these appropriation bills.

So far as I am concerned, I should be glad to have the Senate take a record vote for the Senator from Nevada, if he would like to have a yea-and-nay vote taken on the question of adopting the conference report. But if the matter is to be delayed much longer, I shall have to ask that the unanimous-consent request be set aside, and that the Senate proceed with the regular order, because I feel that we should not encroach further upon the time available for debate on Reorganization Plan No. 3.

So I appeal to my friend from Nevada, who knows that I did everything in my power to have the amendment the Senate adopted approved by the House conferees. I tell the Senator now that I am not in disagreement with his argument; but if there is any wonderment about our receding, I appeal to the Senator that it is a wonderment that we got together on as many items as we did.

Now the time is here either to approve or disapprove the conference report. On behalf of all the conferees, because the report was unanimously agreed to, I appeal to the Senator's sense of fair play and his good judgment to let us proceed and have a vote on the conference report.

Mr. McCARRAN. Mr. President, let me say to the Senator from Nebraska that this matter is a very personal one with me. I have been a member of the committee ever since I have been a Member of the Senate, and I have made the population of Boulder City my particular pet, because they had no one to sponsor their requests, and their children have to be looked out for in the way of education. I do not want 400 children, the children of men who are employed by the Federal Government, to be without education during the coming year, which is exactly what will result if the conference report is agreed to as submitted. I do not want that item to be left out of the bill; and yet I am mindful of the appeal which has been made by my good friend the Senator from Nebraska.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield.

Mr. O'MAHONEY. I should like to say to the Senator from Nevada that as one member of the Senate committee on the Interior Department appropriation bill, I was very deeply impressed by the argument he made in the committee for this item. As I remember the facts, the power rates which are charged there are sufficiently high to carry the expense of this item which he is seeking to obtain. Am I correct about that?

Mr. McCARRAN. That is correct.

Mr. O'MAHONEY. In other words, when the charges were fixed upon the power they were fixed for the purpose of making it possible to carry out this program?

Mr. McCARRAN. The Senator is correct.

Mr. O'MAHONEY. Moreover, the families of the children for whose education the Senator is so solicitous are living in homes to which they cannot obtain title.

Mr. McCARRAN. The Senator is correct.

Mr. O'MAHONEY. Therefore, taxation cannot be levied to sustain their education, or to raise any fund for education.

Mr. McCARRAN. Let me say at that point that the rental charged for the use of the houses and for the use of space within Boulder City also covers an item that goes into education.

Mr. O'MAHONEY. Mr. President, I desire to say to the Senator from Nevada and to the Senator from Nebraska that I feel that this item might have received a greater amount of discussion in the conference than it did receive, although I know the Senator from Nebraska held out to the very end in favor of the amendment.

I am now desirous of making a suggestion to the Senator from Nebraska and to the Senator from Nevada. There is a supplemental appropriation bill now pending in the Committee on Appropriations. I suggest to the Senator from Nevada that he offer as an amendment to the supplemental bill the amendment which he offered to the Interior Department appropriation bill. I shall be very glad to support such an amendment in connection with the supplemental bill, and I am sure the Senator from Nebraska would be willing to support it.

Mr. WHERRY. If the Senator will yield, the full committee will meet to consider the supplemental appropriation bill at 10 a. m. tomorrow, and inasmuch as I personally have supported the amendment prior to this time I have no objection to doing what the Senator from Wyoming suggests. The Senator from Wyoming well knows that the House was adamant in its attitude on the two provisions, one relating to the Mason City tuition and the one we are discussing. I shall be very glad indeed to join with the Senator from Nevada in supporting the amendment. I cannot guarantee that it will be agreed to, but I shall be glad to support it. I did support it in connection with the bill we are now considering. As I said before, I do not care to argue against my very good friend from Nevada, because we have already supported the amendment. I think the solution offered by the Senator from Wyoming is a way out, and I shall be glad to join the Senator from Nevada.

Mr. President, I agreed that at 1 o'clock or thereabouts, if consideration of the pending report were not concluded, I would ask for the regular order. I appeal to the Senator from Nevada once again to accept the suggestion of the junior Senator from Wyoming and permit us to act on the report. I shall deeply appreciate it if he can see his way clear to do that.

Mr. McCARRAN. Mr. President, I am mindful of the situation that exists in the Senate and the desire to conclude the session. I shall adopt the suggestion which has been made. I think perhaps it is the better course, because to send the entire conference report back to the conferees—and that is all we could do if we did not agree to it—might not be fruitful of beneficial results.

Therefore, Mr. President, I shall accept the suggestion of the Senator from Nebraska and the Senator from Wyoming, and I shall appeal to the full committee having the supplemental appropriation bill before it to insert this item by way of an amendment.

I am grateful to the Senators for their courtesy in connection with the matter.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. WHERRY. Mr. President, I ask that the Chair lay before the Senate the action of the House of Representatives on certain Senate amendments.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3123, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 21, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 17, 34, 41, 68, 85, 101, 105, 114, 124, 130, 151, and 152 to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 6 to said bill and concur therein with an amendment as follows: In line 15, at the end of the matter inserted by said amendment, strike out "$324,730" and insert "$275,000."

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment, strike out "$6,000,000" and insert "$4,935,500."

That the House recede from its disagreement to the amendment of the Senate numbered 18 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment insert: ": *Provided further*, That interest heretofore collected by Bonneville Power Administration from sales of electric energy generated at Grand Coulee Dam on the unamortized balance of investment allocated to power in Grand Coulee Dam shall be covered into the reclamation fund forthwith: *Provided further*, That said interest shall not be allocated during the fiscal year 1948."

That the House recede from its disagreement to the amendment of the Senate numbered 39 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert: "except for the Alamo Band of the Puertocito Indians in the State of New Mexico and for the Rapid City Band of Sioux Indians in the State of South Dakota."

That the House recede from its disagreement to the amendment of the Senate numbered 78 to said bill and concur therein with an amendment as follows: At the end of the matter inserted by said amendment strike out "$430,000" and insert: "$215,000":

That the House recede from its disagreement to the amendment of the Senate numbered 104 to said bill and concur therein with an amendment as follows: In line 12 of the said amendment, after the words "Reclamation in the", strike out the remainder of the line and all of line 13, and insert in lieu thereof the following: "Interior Department Appropriation Act, 1947";

That the House recede from its disagreement to the amendment of the Senate numbered 171 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"The War and Navy Departments, the Civil Aeronautics Administration, and the War Assets Administration are authorized to transfer to the Fish and Wildlife Service aircraft for replacement purposes only (but not necessarily of the same size or type or at the same locations), and such other equipment, materials, and supplies (with an appraised value of not to exceed $500,000), surplus to the needs of such agencies, as may be required by said Service, such transfers to be without charge therefor; and in addition the Navy Department, the Coast Guard, and the Maritime Commission are authorized to transfer without charge therefor vessels for replacement purposes only (but not necessarily of the same size or type or at the same locations) marine engines, parts and accessories surplus to the needs of such agencies: *Provided*, That the authorization in this paragraph shall not be construed to deny to veterans the priority accorded to them in obtaining surplus property under Public Law 375, approved May 3, 1946."

That the House recede from its disagreement to the amendment of the Senate numbered 176 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert:

"SEC. 8. Notwithstanding the provisions of Reorganization Plan No. 3 of 1946, no part of any appropriation contained in this Act shall be used, transferred or allocated for the expenses or salaries of any regional, field or other office or committee to perform any function of the Bureau of Land Management, or for the transfer or removal of any functions or duties of the said Bureau out of the District of Columbia, unless specific approval therefor has been given by the Congress prior to the establishment of such office or committee or prior to such transfer or removal."

That the House recede from its disagreement to the amendment of the Senate numbered 177 to said bill and concur therein with an amendment as follows: In line 1 of the matter inserted by said amendment, strike out "8" and insert "9."

That the House recede from its disagreement to the amendment of the Senate numbered 179 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"SEC. 11. Not to exceed a total of $1,000,000 of the appropriations contained in this Act shall be available for expenditure for the compensation of employees engaged in personnel work: *Provided*, That for purposes of this section employees will be considered as engaged in personnel work if they spend half time or more on personnel administration consisting of recruitment and appointments, placement, position classification, training, and employee relations."

Mr. WHERRY. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 6, 16, 18, 39, 78, 104, 171, 177, and 179.

Mr. KNOWLAND. Mr. President, before the Senate takes final action on the bill, I wish to commend the able Senator from Nebraska [Mr. WHERRY], who was chairman of the subcommittee and has been serving on the conference committee, for having performed a very diffi-

cult task in working out a bill which as nearly as possible meet desires of the Senate. Of course, there must be give and take in conference committees.

I wish to say at this point, prior to final action, that in the State of California we are deeply grateful for the action taken in regard to the great Central Valley project. That has been a multiple-purpose project, for flood control, for irrigation, and for the development of power resources.

One of the problems which the Senator from Nebraska had to handle was the matter of the transmission lines, which have always been a part of the Central Valley project. Some years ago we started to build a transmission line down the east side of the Sacramento Valley from Shasta Dam to the Delta region, where a substantial amount of the power will be used to pump irrigation water so that it can go into the San Joaquin Valley, where it is desperately needed.

There has always been a desire on the part of the people of California, as represented by their own votes, by the action of their State legislature, and by the action of their Governors, past and present, as well as an overwhelming desire on the part of the Members of the House of Representatives and both United States Senators from California, to have this project completed at the earliest possible data. It includes not only the building of the east side transmission line but the west side transmission line, as well.

The able Senator from Nebraska was not able to get as much in the way of funds as the Senate provided, which was $2,160,000, to build the line down the west side to a point opposite the Shasta substation. Under the conference report this feature of the project gets only $1,500,000. This will at least permit the beginning of the construction of the west side line. The amount provided by the Senate provided for construction down to a point opposite the Shasta substation.

I thank the able Senator from Nebraska for his efforts.

Mr. President, I ask that in connection with my remarks there be printed in the RECORD a letter regarding the initial cost of this transmission line from Mr. H. P. McPhail to the Commissioner of the Bureau of Reclamation.

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

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., July 16, 1947.

To: Commissioner.
From: Director, Branch of Power Utilization.
Subject: Break-down of costs on Shasta transmission line.

In accordance with your request, the following is the break-down of the estimated cost of a double-circuit, 230,000-volt transmission line from the Shasta power plant to the Shasta substation of the Pacific Gas & Electric Co. as contemplated in the $2,160,000 item included in the Senate committee report on the Interior appropriation bill for fiscal year 1948, reading as follows:

"West side line, Shasta to Delta, 230-kilovolt, to a point opposite and connecting with Shasta substation."

Break-down of estimated cost

Surveys and designs (covering necessary field surveys and office designs)	$65,000
Right-of-way (involving necessary width for double-circuit line through lands partially cultivated and partially requiring clearing of timber and underbrush)	50,000
Steel towers (involving one major river crossing and an average number of towers of about 6 per mile)	325,000
Conductors and fittings (including necessary clamps, armor rods, and splices; conductors will probably be 795,000 circular mill aluminum cable steel reinforced or copper equivalent)	495,000
Overhead ground wires required for lightning protection	200,000
Insulators and hardware	125,000
Metering equipment for measuring output of each line at Shasta substation	50,000
Labor for erection of transmission line and installation of equipment, including transportation	$650,000
Temporary connections at Shasta substation for controlling delivery of power and protection of apparatus	200,000
Total	2,160,000

The length of each circuit involved in the above estimate is approximately 32 miles.

H. P. MCPHAIL.

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

The motion was agreed to.

Mr. WHERRY. Mr. President, I now move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 176 with amendments, as follows:

In line 6 of the matter inserted by said amendment, after the word "Management", insert "now being performed in the District of Columbia", and in line 7 of the matter inserted by said amendment, after the word "Bureau", insert "including tract books heretofore held and administered in the District of Columbia."

I ask the distinguished Senator from Wyoming if he will explain the two amendments.

Mr. O'MAHONEY. Mr. President, the purpose of the first amendment, which was originally attached to the bill in the House of Representatives, was to prevent the Department of the Interior from transferring from the District of Columbia functions of the Department of the Interior heretofore performed in the District. There was a proposal to set up certain regional offices and to establish committees affecting the activities of two or more bureaus, which the House of Representatives felt was going beyond the objectives which had the approval of the House.

The Senate struck that amendment out. The substitute amendment which was presented to the House yesterday by the House conferees was a little broader than was intended either by the House conferees or the Senate conferees, and the amendments which are now before the Senate are designed to effectuate the purpose of both the Senate and the House conferees, which is that within the Bureau of Land Management no functions which have not alreday been performed outside the District of Columbia shall now be transferred beyond the District, and particularly that the administration of the tract books, which have been traditionally administered in the Department of the Interior here, shall continue to be handled here.

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

The motion was agreed to.

Mr. WHERRY. Mr. President, at this place in the RECORD, for the information of Members of the Senate, I ask unanimous consent to insert a table prepared by the Senate Appropriations Committee, which shows the budget estimate for 1948, the amount allowed by the House, the amount allowed by the Senate, and the bill as agreed upon by the conferees.

The PRESIDENT pro tempore. Is there objection?

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

Interior Department appropriation bill, 1948

Activity	Budget estimate, 1948	Allowed by House	Allowed by Senate	Bill as agreed to in conference
Secretary's office	$6,286,500	$3,424,000	$4,313,076	$4,063,346
Commission of Fine Arts	12,000	12,000	12,000	12,000
Bonneville Power Administration	20,278,000	6,907,800	[1] 16,222,400	[2] 8,596,400
Southwestern Power Administration	3,925,000	1,371,000	125,000	[3] 125,000
Bureau of Land Management	5,007,800	3,619,500	4,078,440	4,035,440
Bureau of Indian Affairs	45,224,520	33,122,133	37,579,100	36,748,230
Bureau of Reclamation	145,952,200	67,892,600	[4] 104,730,532	[5] 93,367,038
Geological Survey	18,104,900	9,113,230	10,256,340	10,091,340
Bureau of Mines	16,834,000	10,533,873	12,426,850	12,035,800
National Park Service	14,555,500	10,304,655	10,168,455	10,018,055
Fish and Wildlife Service	10,338,300	6,110,320	6,615,760	6,492,810
Territories	[6] 9,616,700	[6] 9,002,400	[6] 9,002,400	[6] 9,002,400
Total	296,135,420	161,413,513	215,530,353	194,587,859

[1] Together with contract authorization of $6,000,000.
[2] Together with contract authorization of $4,935,500.
[3] On construction, 1947 funds continued available.
[4] Together with contract authorization of $4,930,000.
[5] Together with contract authorization of $215,000.
[6] Together with contract authorization of $15,000,000 for "The Alaska Railroad."

Mr. O'MAHONEY. Mr. President, if the Senator from Nebraska will yield, I should like to add another word with respect to the table. The budget estimates as submitted by the President amounted to $296,135,420. The bill, as it passed the House, carried provisions amounting to $161,413,513. The bill in that form would have materially curtailed the functioning of the Department of the Interior; it would have hampered the work of the Geological Survey; it would have hampered the work of the Bureau of Mines; and it would have seriously hampered the work of the Bureau of Reclamation. It would have cut down the program followed for many years in the expansion of the multiple-purpose projects in the West.

The amount allowed by the Senate was considerably in excess, of course, of that allowed by the House. In conference, the Senate conferees were compelled to agree to certain curtailments, but the bill as agreed to in conference amounts to $194,587,859, as compared with $161,413,513 allowed by the House.

There were, however, several provisions, particularly those contained in the report, which make it clear that it is not the intention of the Congress, as the conference report is approved, to curtail the work of the Bureau of Mines, now engaged in developing the mineral resources of the West, and, for that matter, of the entire country.

I feel that there has been a substantial gain in the preservation of the public interest in the bill as it has been presented by the conference committee. I join with the Senator from California in expressing my gratification for the diligent, and I may say the combative, manner in which the Senator from Nebraska sustained the amendments of the Senate.

Mr. WHERRY. Mr. President, I thank the distinguished Senator for his words of commendation, and also the Senator from California. I may add that after 23 days of hearings, and after the days and nights of conferences, I thank the Members not only of the Senate but of the House for coming together on a highly controversial bill. It shows what can be done if the effort is made.

I desire also to speak a word of tribute for those who, perhaps, seldom receive it. I think a debt of gratitude is owed to the clerks of the Appropriations Committee, as well as other clerks and research workers, who served in connection with this bill, for their untiring efforts, night after night, as late as 11 and 12 o'clock, all day Saturday, and, if I may say so, even on some Sundays. They prepared statistics and tables and reports. Multiple reports were at our fingers' tips at a moment's notice. I, for one, would like to express my gratitude to those who served us so well, and who are so seldom mentioned in public in connection with the efforts they put forth.

REORGANIZATION PLAN NO. 3 OF 1947

The Senate resumed the consideration of the resolution (H. Con. Res. 51) that the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th of May 1947.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Is Reorganization Plan No. 3 of 1947 now before the Senate, and does the 4-hour time limit begin to run from this time?

The PRESIDENT pro tempore. The Senator is correct. The pending business is House Concurrent Resolution 51, reading as follows:

Resolved, etc., That the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th day of May 1947.

The 4 hours' allotment of time, to be divided equally, starts at 1:15.

Mr. TAFT. Mr. President, I ask unanimous consent that the Senator from Washington [Mr. CAIN] control the time for the resolution, instead of the Senator from Delaware [Mr. BUCK].

The PRESIDENT pro tempore. Without objection, the order is made. The time from now on will have to be granted either by the Senator from Washington or the Senator from Vermont.

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

Mr. FLANDERS. I yield to the Senator from New Mexico.

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

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from New Mexico for that purpose?

Mr. FLANDERS. I yield for that purpose.

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

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

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. FLANDERS obtained the floor.

Mr. DWORSHAK. Mr. President, will the Senator yield to me to submit a conference report?

Mr. FLANDERS. I yield for that purpose.

Mr. DWORSHAK. Mr. President, I submit a conference report on the District of Columbia appropriations bill.

The PRESIDENT pro tempore. The division of time under the pending agreement will be suspended for the moment while the Senate considers the conference report submitted by the Senator from Idaho [Mr. DWORSHAK], which will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7, 12, 15, 18, 21, 25, 26, 28, 29, 30, 31, 32, 33, 35, 36, and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 6, 8, 10, 13, 14, 16, 19, and 23; and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$388,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "183,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$128,377"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$87,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That no part of these funds shall be expended for the care of children the income of whose parents, parent, or guardian exceeds $2,600 per annum"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$7,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 22, 27, and 34.

HENRY C. DWORSHAK,
JOSEPH H. BALL,
MILTON R. YOUNG,
HARRY P. CAIN,
JOSEPH C. O'MAHONEY,
PAT MCCARRAN,
THEODORE FRANCIS GREEN,
Managers on the Part of the Senate.

WALT HORAN,
KARL STEFAN,
RALPH E. CHURCH,
LOWELL STOCKMAN,
GEORGE ANDREWS,
JOHN E. FOGARTY,
Managers on the Part of the House.

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

There being no objection, the report was considered and agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4106, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
July 22, 1947.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 22 to the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 27 to said bill and concur therein with an amendment as follows: In lieu of the matter stricken out by said amendment insert:

"SEC. 2. Vouchers in payment of obligations incurred by the Health Department and Public Welfare pursuant to the appropriations contained in this act shall be certified as lawfully payable in the department, board, or office responsible for the incurring of the obligations; thereafter the vouchers shall be audited before payment by or under the jurisdiction only of the Auditor for the District of Columbia and the vouchers as approved may be paid by checks issued by the Disbursing officer without countersignature."

That the House recede from its disagreement to the amendment of the Senate numbered 34 to said bill and concur therein with an amendment as follows: In line 1 of the matter inserted by said amendment strike out "8" and insert "2."

Mr. DWORSHAK. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 27 and 34.

The motion was agreed to.

REORGANIZATION PLAN NO. 3 OF 1947

The Senate resumed the consideration of the resolution (H. Con. Res. 51) that the Congress does not favor the Reorganization Plan No. 3 of May 27, 1947, transmitted to Congress by the President on the 27th of May 1947.

Mr. FLANDERS. Mr. President, I am submitting on behalf of the Committee on Banking and Currency, its report recommending that House Concurrent Resolution 51 be disapproved. This is the resolution disapproving Reorganization Plan No. 3 of 1947 which would establish a Housing and Home Finance Agency. In effect, the committee's unfavorable report with respect to this resolution represents approval by the committee of the President's plan.

Reorganization Plan No. 3 would bring together into a single establishment all of the housing agencies, and the principal housing functions of the Federal Government. These functions would be administered through three constituent operating agencies, the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration. The Housing and Home Finance Agency would be headed by an Administrator responsible for the general supervision and coordination of the functions and activities of these three constituent operating agencies. The plan does not disturb the basic permanent pattern established hitherto by the Congress involving the three major operating units in the housing field, but it does provide for the general supervision and coordination of the activities and functions of these units in a single agency.

It may be noted that the report of the committee is based not only upon the hearings and investigations made with respect to this plan but also upon the basis of the exhaustive investigations and studies made over the past 3½ years by various committees of the Senate, starting with the Postwar Housing Committee, of which the senior Senator from Ohio [Mr. TAFT] was chairman. It is worth noting that the Joint Committee on Reduction of Nonessential Federal Expenditures, in emphasizing the need, as a matter of economy and efficiency, for reorganization and coordination of the multiplicity of Government units engaged in identical fields of Government activity, has cited housing as a prime example where need for reorganization and coordination is obvious.

Essentially, the basic problem involved is the matter of reconciling, on the one hand, the need for over-all coordination of the Government's activities in housing and for a central line of responsibility and accountability for carrying out the housing policies established by the Congress, and on the other hand for preserving the individual identity and the full operating responsibility of the various agencies in which the Government has vested the various Federal functions and activties relating to housing. It is my considered opinion that Reorganization Plan No. 3, more than any other plan that has been presented to the Congress for consideration thus far, strikes the necessary happy medium in this connection and effectively meets both needs.

An organization and coordination of the housing functions and activities of the Federal Government along the lines provided in the plan are clearly necessary both as a matter of sound Government administration generally, and also from the point of view of the special needs of housing which represents one of our most pressing domestic problems today.

There have been many loose charges with respect to this plan. These are answered effectively, I believe, in the report to the committee. I wish to say now, however, that they were carefully examined and that they were found to be without real foundation and based in large part upon erroneous interpretations of the provisions of the plan.

Mr. President, I wish to say that personally I arrived in this august body on January 3 with the long-time thought in mind that housing was one of the activities of the Federal Government that needed coordination. During the decade or so previous to the opening session of the present Congress so many times and in such exasperating ways did I encounter lack of coordination that it was inconceivable to me, and still remains inconceivable, that this body should want to go back, as we may if Reorganization Plan No. 3 is not adopted, to the period of lack of cooperation and lack of coordination.

If there were time and if it were more germane to the subject under discussion, I could tell of the exasperating experiences in obtaining war housing for the town in Vermont where I was formerly in business. It was silly; it was exasperating; it was unbelievable. Coordination is badly needed.

The present arrangement under which the various housing agencies are operating will continue until the Congress ends the war powers. It may—and presumably will—do so early in the next session of the Congress. Should that action be taken, immediately the entire housing situation would fall into the disorganization which has been so characteristic of it for many years. Mr. President, I feel very strongly that that danger should be obviated, and that we should not be faced with the possibility, nor should the various governmental bodies concerned with housing live in constant fear that that may take place.

I wish to say a word or two as to the improvement in the present housing organization contemplated in Reorganization Plan No. 3. There are two important improvements—perhaps three. One of the most important is the change in the functions of the Administrator, who is placed at the head of the whole group of activities.

Under the Reorganization Act of 1942 he was an Administrator who had under him the direction and supervision of all the activities related to housing which were contemplated in the plan. That has not been found the proper way to do it, and a great deal of difficulty has arisen therefrom. So under Reorganization Plan No. 3, with the activities quite similarly grouped, the present assignment given to the Housing and Home Finance Administrator is the responsibility for general supervision and coordination of the functions of the three constituent agencies. Each of them retains its authority and its administrative field. However, the Administrator himself is given the useful and necessary task of general supervision and coordination.

The second element in plan No. 3 which is of interest is the creation of a National

Housing Council which is to be advisory to the Administrator. This Council would be composed of the Housing and Home Finance Administrator as chairman, the Federal Housing Commissioner, the Public Housing Commissioner, the Chairman of the Home Loan Bank Board, the Administrator of Veterans' Affairs or his designee, the chairman of the Board of Directors of the Reconstruction Finance Corporation or his designee, and the Secretary of Agriculture or his designee.

Another important change is in making the Home Loan Bank Board a three-member board to take the place of the Commissioner of the Home Loan Bank Administration. All these changes have been drawn from experience in administration and will work for the better administration of this very important area activity in our Federal administration.

Mr. President, there are at least two groups, possibly more, either in being or contemplated, which now are concerned, or in the future will be concerned, with the general question of the Federal administration so far as it relates to housing. One of them is the group appointed under the resolution offered by the Senator from Massachusetts [Mr. LODGE]. I do not remember its name, but the resolution provided for the establishment of a Commission on the Organization of the Executive Branch of the Government. It is a very distinguished body. I see on it the names of a number of Senators for whom I have high respect. I see the names of some private citizens who have the respect of all of us. I have no doubt whatever that from the deliberations of that board on the executive branch study there will evolve fruitful conclusions which we shall want to put into law.

Mr. President, it would be most unfortunate if, while an investigation of this sort were going on, we suffered a temporary disorganization of the housing group by failing to maintain and improve the establishment in the manner contemplated in plan No. 3. It would be a most embarrassing, a most inefficient, and a thoroughly undesirable way to occupy ourselves, or to require the housing bodies to occupy themselves, during the interim between this time and the time when the board makes a report on the subject under discussion. The less we do in the way of reorganizing, disorganizing, and upsetting the housing establishment, the better we shall serve our country.

A somewhat similar situation exists with regard to a resolution proposing a study of the entire housing situation, which has been submitted by the Senator from Wisconsin [Mr. MCCARTHY] and with which I am in thorough sympathy. That resolution also calls for a study of the Government's activities relating to housing. But it would be most unfortunate if radical suggestions for improvement were made and eventually accepted, if we, in the meantime, should allow the present relationship between the housing bodies to fall into chaos instead of improving them and tightening them as the President's Plan No. 3 contemplates.

Mr. President, for those reasons I feel convinced that this body will make a mistake if it concurs in the resolution sent over by the House, House Concurrent Resolution 51, and I ask the Senate to vote not to concur therein.

I yield the floor to the Senator from Louisiana [Mr. ELLENDER].

Mr. TAFT. For how many minutes?

Mr. FLANDERS. I should like to ask the Senator from Louisiana how much time he desires.

Mr. ELLENDER. I think I shall take 20 minutes.

The PRESIDING OFFICER (Mr. THYE in the chair). The Senator from Louisiana is recognized for 20 minutes.

Mr. ELLENDER. Mr. President, I do not know that I can add much more for the information of the Senate regarding the plan than what has been given by the distinguished Senator from Vermont, except to go a little more into detail regarding the confused condition in the housing field that existed prior to February 1942, when Executive Order 9070 was put into effect.

It will be recalled that prior to that time a number of resolutions were introduced in this body suggesting that a thorough study be made of the housing agencies in general, with the view of consolidating them. They were then scattered over the lot, as it were, in various branches of our Government. At that time, as I recall, there were from 17 to 20 agencies which dealt in one way or another with housing, and each of those agencies was headed by some kind of an administrator who was adequately staffed. Some of them were administered through a board. There was little effort made by any of these agencies to cooperate with each other. Under title I of the First War Powers Act, which was passed in 1941, the President issued Executive Order No. 9070 and consolidated all of these housing agencies into the National Housing Agency, which is headed by an Administrator. Since that time all of the various housing functions have been administered by the Administrator of the National Housing Agency. Under his supervision and direction there has been a decided improvement in the housing field. There has existed a more unified spirit to do a good job with the tools at hand, and much duplication has been eliminated. With less duplication of effort there has been quite a saving to the Government.

In 1942 there were, as I have just indicated, 18 separate agencies concerned with housing. They are outlined on a chart which I have here. I shall not take the time to discuss the functions of all of them. According to this chart, with respect to the functions which were not related to World War II, defense and war activities, there were the following divisions:

First, the Federal Loan Agency, under which, in turn, there were four subdivisions: (a) The Federal Housing Administration, which had charge, under title I, of home modernization and improvement loan insurance, and, under title II, of home and rental housing mortgage loan insurance programs;

(b) The Federal Home Loan Bank Board, which supervised (1) the Home Loan Bank System and (2) the system of the Federal Savings and Loan Association;

(c) The Federal Savings and Loan Insurance Corporation, which insures shareholders' accounts in savings and loan associations; and

(d) The Home Owners' Loan Corporation program, which I am certain is familiar to all of you.

Second, the Federal Works Agency, which, in turn, had several constituent agencies: (a) The United States Housing Authority, with its low-cost rental housing program; and

(b) The United States Housing Corporation, which was in process of liquidating its World War I housing program.

On top of that, we had another main subdivision:

Third, the Farm Security Administration, which had under its jurisdiction the subsistence homesteads and suburban resettlements. Under that program we had, for example, the Greenbelt project, which is just outside of Washington, and which has been in the news on many occasions in recent months. The comments as to its operations were most favorable. Similar projects for families of low and moderate incomes, for nonfarm families have been developed in various parts of the country. That program was created back in the early days of the New Deal, and many of the houses were built under the so-called Tugwell plan. This program also included projects owned by homestead associations on which the Government held mortgages.

Then there was a "fourth" main division, namely, the Central Housing Committee, which was an interdepartmental committee set up by Presidential order to coordinate by voluntary cooperation work of governmental agencies in the field of housing.

Then there were the defense and war housing programs, which were divided among the following agencies: First. The Federal Loan Agency, which included, in turn:

(a) The FHA with its title VI program of mortgage insurance on defense and war housing; (b) The Defense Homes Corporation, which was established as a subsidiary of the RFC, to provide needed war housing by public financing.

Second. The Federal Works Agency, to which were assigned the Lanham Act and various temporary defense housing programs, which in turn were assigned for administration to the United States Housing Authority, the Public Buildings Administration, the Division of Defense Housing, and the Mutual Ownership Defense Housing Division, within the Agency itself, and to the War Department, the Navy Department, and the Farm Security Administration, outside of the Agency.

Third. The War Department, which had defense housing assignments in addition to the Federal Works Agency.

Fourth. The Navy Department, which also had defense housing assignments in addition to Federal Works Agency assignments.

Fifth. The Farm Security Administration, which had defense housing assignments in addition to Federal Works Agency assignments.

Sixth. Coordinator of Defense Housing, which office was established as a result of the scattering of defense and war housing functions, to make findings of need with respect to defense and war housing and to coordinate defense housing.

All the various agencies which I have just been discussing were scattered all over Washington. When the President issued his order in 1942, three constituent agencies were created to deal with all the housing functions heretofore administered by all of the agencies just named. They were: One, Federal Home Loan Bank Administration, which was under the supervision of a commissioner. All of the functions of the Federal Home Loan Bank Board, the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, and the United States Housing Corporation were transferred to that Commissioner; two, Federal Housing Administration. It is presently headed by a commissioner who has charge of all the functions of Federal Housing Administration; three, Federal Public Housing Authority, also under the direction of a commissioner. The third constituent agency, headed by a commissioner, performs all the functions and duties imposed on the United States Housing Authority, the Defense Homes Corporation, the nonfarm public housing of Farm Security Administration, and the Defense Public Housing, except that located on Army and Navy reservations.

So that by the executive order heretofore described, the President created the National Housing Agency and designated an administrator who had charge of all housing agencies. The Administrator, in turn, had under his authority, three constituent agencies, which, as I have said, were known as the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority, each headed by a commissioner. Today that is the arrangement under which housing as a whole is being administered and it can readily be seen that by having all of the housing agencies responsible to one head, much time is saved, much effort is preserved and a better chance of coordinating all housing activities is made possible.

The National Housing Administrator has direction and supervision of all these various agencies, as I have indicated. In other words, he is some kind of over-all boss.

It will be recalled that last year the President sent to Congress a reorganization plan which, in effect, made the National Housing Agency a permanent agency. Under that plan, which was voted down by the Senate, the Administrator was clothed with full power of direction and control of the entire set-up which now is under the National Housing Agency. Not only was he empowered to control and supervise, but he could tell the administrators of those various agencies what to do.

The plan was strenuously objected to by many Members of the Congress. The plan was also opposed, although not openly, by some of the heads of the constituent agencies named above. The plan placed too much power in one person. The plan had the effect of giving complete control to an Administrator over all the housing agencies now created by law.

The reorganization plan now before us is much milder. It simply gives to the Administrator general supervision and coordination of the various housing agencies now under the control of the National Housing Agency. The commissioners of each of the constituent agencies will have the same power that they had prior to the issuance of the Executive order which the President issued in 1942. In the case of the Federal home loan bank, a board of three is created. I feel that unless this plan is adopted the whole housing function of the Government will revert to the confusion which existed prior to 1942.

It must be remembered that the National Housing Agency goes out of existence 6 months after the President, or the Congress by resolution, declares the war over. The President could send us another plan if this one is defeated. Under the Reorganization Act he has until April 1, 1948, to send another plan, but why not pass the one under consideration. Surely he cannot improve on the plan unless he removes the power of supervision and coordination from the Administrator, both of which are so essential to any proposed plan.

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

Mr. ELLENDER. I yield.

Mr. HILL. There is no Member of the Senate who has devoted more time or effort to the matter of housing than has the Senator from Louisiana. He has been most diligent in this matter, particularly in doing all he could to encourage the construction of more housing and more homes.

Can the Senator from Louisiana tell us how many different agencies, bureaus, or departments were handling some phase of housing or some matter related to housing before 1942?

Mr. ELLENDER. Eighteen.

Mr. HILL. Eighteen different ones?

Mr. ELLENDER. Yes.

Mr. HILL. They were scattered all over Washington, were they?

Mr. ELLENDER. Yes; and each was headed by a separate administration, and there was little effort on the part of the various heads of those agencies to coordinate or cooperate with each other. It seems that all of them were vying with each other for power and to retain their own little organization to itself, without in any manner attempting to cooperate one with another. That is what gave rise, as I indicated a while ago, to the creation of the National Housing Agency, which placed all housing activities of the Government under one administrator, with full power to supervise and coordinate all housing functions.

Mr. HILL. What we would have now would be this one administrator; is that correct?

Mr. ELLENDER. Yes.

Mr. HILL. He would be clothed with the power and authority to coordinate and bring together, insofar as possible, the operations and functions of the different agencies which have jurisdiction over housing; is that correct?

Mr. ELLENDER. That is exactly correct.

As I indicated a while ago, let us bear in mind that the administrator, under Reorganization Plan No. 3, would not have as much power as the Administrator of the National Housing Authority now has.

As I indicated a while ago, the Administrator of the National Housing Agency, the agency which now has charge of all housing, has the direction and the control of all these various agencies. In other words, he is the big boss, and he can tell the administrators under him what to do. But Reorganization Plan No. 3, as I have said, merely gives him the authority to supervise generally the work of all the various agencies, and to coordinate their efforts. Each of the constituent agencies retains such power as it now has under the law. That is about the sum and substance of what Reorganization Plan No. 3 does.

Mr. HILL. In other words, subject to this over-all authority to bring about coordination, the heads of the different housing agencies still retain their power and these units are what we might call autonomous.

Mr. ELLENDER. Exactly; and they get their authority from the laws under which they were created. They are referred to as constituent agencies, but all their authority is spelled out in the law creating them, as I have just indicated. The only authority that the Administrator of the new set-up, created and known as the Housing and Home Finance Agency, will have over the commissioners and the directors of the constituent agencies is general supervision and power to coordinate their work. That is about the sum and substance of his power.

Mr. HILL. As the Senator knows, there is no charge hurled against the Government more than that there are so many different agencies, scattered all over Washington, handling one subject. If there is any one thing which should be done it is the very thing the Senator is trying to do here today, to coordinate these agencies, bring them together, and, insofar as possible, coordinate their activities into one effort. Is that not true?

Mr. ELLENDER. That is exactly what the plan seeks to do. Let me repeat to Senators that the reason why this is necessary is that either Congress or the President may declare the war ended, and within 6 months thereafter the agencies which existed prior to 1942 would be revived and would have control over all the housing functions of our Government. In other words, we would have a reversion to the chaos which existed prior to 1942.

As I have just indicated, the power to issue Executive Order 9070 was given to the President by virtue of title I of the First War Powers Act that was passed in 1941. This authority would expire 6 months after it was declared, either by the Congress or the President, that the war was at an end.

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

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

Mr. FULBRIGHT. Does what the Senator just said mean that the reorganization plan is making permanent some agency which otherwise would lapse; that is, some temporary agency?

Mr. ELLENDER. Yes; the National Housing Agency would go out of existence. The plan seeks to create a substitute therefor, and consolidate the functions of many of the agencies which are now operating under Executive Order 9070, and thereby extinguish many of them, as it were.

The Senator will recall that under date of June 30, Congress by Public Law 183 abolished the Federal Loan Agency. In view of such abolition, the Federal Housing Administration, with its permanent home and rental housing insurance programs, and its temporary veterans' home and rental housing loan insurance program would become an independent agency. Likewise the Federal Home Loan Bank Board, together with the Home Owners' Loan Corporation, and the Federal Savings and Loan Insurance Corporation, would become independent. The Defense Corporation, which is now in process of liquidation, would be transferred from the FPHA to the RFC.

Mr. FULBRIGHT. Is not the Home Owners' Loan Corporation in liquidation also?

Mr. ELLENDER. It is still in liquidation. It would become an independent agency and there is no need for permitting such to happen. Its liquidation is now in the hands of competent people who have been handling the matter since 1942, and it would be extreme folly to have it revert as an independent agency. All such matters are now being handled under one head and I ask, why scatter them all over the lot, as was the case prior to 1942? That is some of the things that would happen if the reorganization plan were not agreed to.

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Louisiana to the fact that his time has expired.

Mr. ELLENDER. May I have 10 minutes more?

Mr. FLANDERS. The Senator from Louisiana may have 10 minutes more.

The PRESIDING OFFICER. The Senator is yielded 10 more minutes.

Mr. ELLENDER. Mr. President, I shall not take the time of the Senate to go into details as to what the situation would be when Executive Order 9070 expires, but I ask consent to place in the RECORD, following my remarks, a short statement and two charts, which indicates how all these agencies would revert back to their former status if the reorganization plan were not agreed to.

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

(See exhibit 1.)

Mr. ELLENDER. Mr. President, I also ask that a brief description of the agencies and functions being consolidated into Housing and Home Finance Agency by Reorganization Plan No. 3 of 1947 be incorporated following my remarks.

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

(See exhibit 2.)

Mr. ELLENDER. Mr. President, I wish I had the time to go into details about this matter, but I have not.

I ask also that there be incorporated in the RECORD a letter addressed to me, signed by the president of the National Savings and Loan League, which, by the way, is in favor of the pending plan, and which was violently opposed to the Reorganization Plan No. 1 of 1946, which pertained to housing. The reason assigned by them then was that the Administrator under the 1946 plan was given entirely too much power. I again say that the Congress at that time shared that view, and voted down plan No. 2.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

(See exhibit 3.)

Mr. ELLENDER. Mr. President, I should like to say a few words in regard to the savings to the Government which will accrue by virtue of this consolidation.

I should like to say that the lack of savings argued by some constitutes one of the more common arguments that have been advanced against Reorganization Plan No. 3. The allegation is made that the Plan would not effect savings and economies, and would thereby fail to meet the requirements of the Reorganization Act of 1945.

The report of the Committee on Banking and Currency shows that there is no basis whatsoever for this allegation. As aptly pointed out by the committee report, elaboration is hardly necessary to prove that without coordination of the housing functions and activities of the Government as provided in the reorganization plan, each agency would undertake its own independent general statistical studies, technical research, and similar matters. Each would duplicate these and other activities which are common to the programs of all of them, and which, as contemplated by the plan, could be done for all of them on a mutually satisfactory and much more economical basis, by a single central unit. This seems so obvious that there would seem to be little point in taking up time in discussing the matter.

But several factors have been used by certain groups opposing the plan in their attempts to confuse the issue, which I think ought to be specifically discussed and clarified.

One such contention that has been made is that the Reorganization Act requires that each reorganization plan involve a 25 percent reduction in administrative costs—the implication being that in connection with each plan there must be a positive demonstration of such a reduction. The simple fact is that there is no such requirement in the law, and this was specifically pointed out by the Committee on the Judiciary last year. The committee pointed out that the provisions in this regard was rewritten during the consideration of the Reorganization Act by the Congress so as to be applicable, not to any particular reorganization plan, but as an over-all expectation with respect to the aggregate of reorganizations proposed by the President under the act.

I make this point not because I think it constitutes a positive basis for the support of the plan, but because it indicates typically how the arguments that have been made against the plan are without foundation.

The opponents of the plan have further tried to create confusion on this issue of economy by trying to take advantage of the fact that many of the savings under the plan are not immediately obvious because of the existing consolidation of housing functions and agencies under Executive order. If we presently had, today, 18 housing agencies scattered throughout the executive establishment, we could readily take a loot at the reorganization plan and get a fairly good picture as to the savings it would bring about. I do not think that under those circumstances 25 percent is at all an extravagant figure as to what might be involved in savings. But this situation no longer exists. It was eliminated by the temporary reorganization made necessary by the war and carried out under the war powers.

Does anyone seriously suppose that a major agency of government, which has been in continuous operation since 1942, could be unwound and scattered over a variety of different departments and establishments without serious disruption of the work, loss of efficiency, and totally unnecessary increased expense? Or does anyone seriously suppose that such a process of multiplication and subdivision could possibly fail to lead to duplication and overlapping of staffs, programs, and activities?

It is just as much a matter of economy and efficiency to prevent the dissipation of savings already accomplished as to effect new savings.

Some of the trade groups opposing the plan have gone even further in their attempts to confuse the picture on the issue of economy. They have attempted to find foundation for their argument that the plan fails to support economy, by pointing out, as certain witnesses did at the hearings on the plan, that the total administrative budget proposed for the National Housing Agency for the fiscal year 1948 somewhat exceeds that for 1947.

Careful examination of this argument shows it to be little better than frivolous. Let me show why:

The testimony of the opposition in this connection was that the 1948 budget submitted proposed an increase of $3,700,000 over the budget figures for 1947. Actually, if we take the figures laid before the House Appropriations Committee, we find that this supposed increase of more than $3,700,000 was in fact a proposed increase of only about $1,205,000.

But this is not the only interesting result of analyzing the figures a bit. What does this increase consist of? We find first of all that it is a net figure, the end result of certain increases and also certain decreases. What has decreased? The decrease is in the amounts provided, first, for over-all supervision and admin-

istration and, second, for the execution of the public housing program. These activities—the very ones which the opponents of the plan claim to fear—have been reduced by nearly $5,000,000. By contrast, the increases are in the budget items which provide for aids to private enterprise in the production and financing of housing. These items have been increased by about $6,000,000. It is therefore this increase of $6,000,000 for private housing aids, in contrast with the $5,000,000 decrease for over-all supervision and public housing activity, which is responsible for the $1,200,000 proposed increase in the budget.

Where does this leave the opponents? On the one hand, they come before the Banking and Currency Committee and oppose the plan on the ground that it is a mere scheme or subterfuge to promote public housing. Then, without batting an eye, they attack it on the ground that the budget for 1948 represents an increase, rather than a saving, and cite figures which, on analysis, prove to be reductions for public housing and increased amounts for assistance to private enterprise. Finally—and this, Senators, caps the climax—these same spokesmen then take their hats and brief cases and go down the hall to the Appropriations Committee, and there they ask that the reductions in the FHA budget which the House had recommended, be restored by the Senate, on the ground that the services are essential and valuable to private enterprise and should be continued without curtailment. Surely, this is arguing all sides of all questions.

Those who have served in this Chamber long enough to remember the good old days will think of another kind of economy which will be promoted under the plan. Before 1942, there was a housing agency to be found under almost every bush and shrub in Washington, as I have previously stated, and those of us who were unfortunate enough to have a question from a constituent or some other matter to be investigated were shunted about from office to office like a man trying to lodge a complaint in one of these big department stores. If we were fortunate enough to obtain answers, more often than not, we would come up not with one answer but with as many answers as there were agencies. It has been a very different story since the agencies have come under a single roof—and we ought to keep it that way.

In conclusion, I would summarize by saying that Reorganization Plan No. 3 consolidates agencies and functions according to major purpose. That was a purpose of the Reorganization Act. By so doing, it prevents a wasteful, inefficient scattering of related programs among many different agencies, and prevents overlapping, duplication, confusion, and lost motion which would inevitably result. It thus promotes economy and efficiency; and that, too, was a purpose of the Reorganization Act. It would consolidate existing agencies under a single head, and prevent the imposition on the Chief Executive of an unwarranted and burdensome administrative load. That was a further purpose of the Reorganization Act. In short, the plan seems to me moderate; based on experience; consistent with the conclusions of the Senate committees which have given the matter the most thorough study and consideration; and wholly in keeping with the intent and purpose of the legislation under which it is recommended. It should be approved and I ask each of you to vote nay when your name is called.

EXHIBIT 1

IV. SITUATION IF EXECUTIVE ORDER 9070 IS TERMINATED WITHOUT NEW REORGANIZATION

1. In view of the abolition of the Federal Loan Agency on June 30, 1947, by Public Law 132, Eightieth Congress (this is the act which extended the RFC), the Federal Housing Administration, with its permanent home and rental housing insurance programs, and its temporary veterans' home and rental housing loan insurance program, would become an independent agency.

2. Likewise, the Federal Home Loan Bank Board, together with the Home Owners' Loan Corporation and the Federal Savings, and Loan Insurance Corporation, would become independent.

3. The Defense Homes Corporation—which is now in the process of final liquidation—would nevertheless be transferred from FPHA to RFC.

4. The United States Housing Authority, and its low-rent housing program, would be returned to the Federal Works Agency.

5. The United States Housing Corporation, which is in the final stages of dissolution, would be transferred back to the Federal Works Agency.

6. The management, and eventual removal or disposition, of defense and war housing, now consolidated under FPHA, would be scattered among the Federal Works Agency (and subsidiary units), the War Department, the Navy Department, and the Farm Security Administration.

7. The Lanham Act title V temporary reuse program for veterans would be transferred from FPHA to the Federal Works Agency.

8. The subsistence homestead projects and mortgages, and the Greenbelt towns, would go back to the Farm Security Administration.

9. The two coordinating agencies—the Central Housing Committee and the Coordinator of Defense Housing—would apparently not be revived. As already indicated, the Federal Loan Agency has been abolished, so that its coordinating functions would likewise remain abolished.

EXHIBIT 2

BRIEF DESCRIPTION OF AGENCIES AND FUNCTIONS BEING CONSOLIDATED INTO HOUSING AND HOME FINANCE AGENCY BY REORGANIZATION PLAN NO. 3 OF 1947

HOME LOAN BANK BOARD

1. Federal Home Loan Bank System

The bank system consists of 11 regional home-loan banks, chartered by the Federal Home Loan Bank Board and operating under FHLBA supervision. Its function is to provide a reservoir of credit for the home-financing operations of bank members.

Membership in the system is open to federally and State-chartered savings and loan associations, insurance companies and savings banks. The great bulk of the actual membership consists of savings and loan associations (they comprised all but 37 of the 3,698 bank members as of early 1947). These member savings and loan associations have aggregate assets of $9,000,000,000, representing 90 percent of the assets of the entire savings and loan industry of the country. Member institutions have been making about one-third of the annual total of the nonfarm home-mortgage loans of the country.

The home-loan bank credit is made available to member institutions in the form of advances, for terms up to 10 years, on the security of home mortgages. (The banks do not engage in mortgage discount or purchase operations.) Short-term unsecured advances are made under certain conditions.

The banks obtain their funds for advances to member institutions from three basic sources:

1. Capital subscription: As of early 1947, their outstanding capital amounted to $209,000,000, of which $123,000,000 was provided by Treasury subscription and $86,000,000 by the member institutions;

2. Borrowings: These borrowings are through the issuance, to the general financing community (primarily banks and dealers), of consolidated debentures, notes, and bonds representing joint obligations of all the 11 banks;

3. Deposits of member institutions:

2. Federal Savings and Loan Associations

These associations represent a national system of thrift and home-financing institutions operating under Federal charter, regulation, and supervision. This system was established in 1933 to serve two basic purposes:

1. To provide sound thrift and home-mortgage lending facilities in communities lacking adequate savings and home-loan financing resources;

2. To develop under Federal charter a system of home-financing institutions operating under the best standards and practices evolved upon the basis of experience to date.

Accordingly, the system consists both of (1) newly created institutions, and (2) institutions which have been converted at their request from State to Federal charter.

The basic lending operations of these associations consists of first-mortgage loans upon homes and combination home and business properties. Most of these loans are made under the direct reduction plan of amortization.

Funds are derived from two main sources: (1) Share investments of association members—this is the primary source; and (2) borrowings from the home-loan banks. Each association is required to be a member of the Home Loan Bank System; to have its accounts insured by the Federal Savings and Loan Insurance Corporation; and to be examined periodically by the Federal Home Loan Bank Administration.

As of early 1947, there were 1,471 federally chartered associations, with aggregate assets of nearly $5,000,000,000.

3. Federal Savings and Loan Insurance Corporation

FSLIC insures accounts (up to $5,000) of shareholders of federally and State chartered savings and loan associations. The insurance provided is that in the event of default by an insured institution, the insured account holder has the option of either (1) a new insured account in another insured institution not in default, or (2) 10 percent of the amount insured in cash and the remainder in non-interest-bearing FSLIC debentures maturing within 3 years. (These debentures do not carry any Government guarantee. Government financial backing of FSLIC consists of a subscription by HOLC to the entire capital stock of FSLIC in the amount of $100,000,000.)

The insured institutions pay an annual premium charge of one-eighth of 1 percent of their shareholders' and creditor liabilities.

Approximately 2,500 federally and State chartered savings and loan associations participate in this program, involving 5,000,000 shareholders with $6,500,000,000 of share accounts under the insurance protection.

4. Home Owners' Loan Corporation

HOLC, from 1933 to 1936, refinanced the mortgages of more than 1,000,000 home owners. Since then its chief function has been

liquidation of its assets, including collection of the loans made in connection with these refinancing operations, and the sale of the houses that it has been forced to acquire by foreclosure (vendee accounts).

As of April 30, 1947, the HOLC had 364,000 mortgage loan and vendee accounts outstanding in the amount of $582,000,000 representing an 83-percent liquidation of its original total investment of $3,500,000,000 in loans and properties. As of that date also, the impairment of its capital stood at $65,000,000, as compared with a $134,000,000 deficit as of June 30, 1944. It is estimated that on the basis of the continuation of present economic conditions and the normal liquidation operations of HOLC, the impairment of its capital will be completely removed by fiscal year 1951. On this basis, HOLC should be able to return its entire original capital to the Treasury, instead of suffering the huge losses anticipated at the time it was established.

5. United States Housing Corporation

As a minor phase of Home Loan Bank Administration activities, Executive Order 9070, in establishing the National Housing Agency, placed in FHLBA the responsibility of supervising the final liquidation of the United States Housing Corporation which was created in 1918 for the purpose of housing workers in congested war-industry areas during World War I. At the time of the Executive order, the Corporation still held an interest in 445 houses (out of approximately 6,000 residential properties completed under its program). The liquidation job given FHLBA has involved primarily the task of clearing up litigation surrounding the remaining properties of the Corporation in order that they may be sold. This liquidation involves a minor expense covered by special authorization from the Congress.

FEDERAL HOUSING ADMINISTRATION

1. Title I—Home modernization and improvement program

Under its title I program, FHA insures loans made by financing institutions for home modernization and repair. Such loans may be secured or unsecured, may be up to $2,500 in amount, and up to 3 years in maturity. In practice, these loans have been generally character loans in small amounts averaging less than $450 each, with relatively short maturities, averaging approximately 30 months, and carrying a maximum financing charge to the borrower of 9.6 percent per annum (including the insurance premium charge). The great bulk of the loans have been for heating, painting, roofing, additions and alterations, and insulation, mostly on single-family dwellings.

The insurance protection is not with respect to individual loans, but with respect to the aggregate of the loans made under the contract between the financial institution and FHA and calls for FHA payment in cash of losses in an amount up to 10 percent of the aggregate amount of the loans made under the contract. Experience has shown that the participating institutions receive virtually a 100-percent guarantee against loans where reasonable credit judgment is exercised.

Commercial banks and finance companies have been the two primary types of institutions participating in this program.

Title I insurance operations, originally limited to loans made before April 1, 1936, are, as a result of various extensions, presently limited to loans made on or before June 30, 1949. Under this program, FHA may have outstanding at any time a total liability which, when added to the aggregate amount of all claims paid less income, does not exceed $165,000,000.

As of early 1947, more than 6,000,000 loans, aggregating approximately two and one-half billion dollars in amount, have been insured under this title, of which $355,000,000 was estimated to be outstanding.

2. Title II—Home and rental housing mortgage loan insurance

The title II program is FHA's permanent program of insurance on first-mortgage loans made for (1) home construction, purchase or refinancing, and (2) construction of rental projects. The insurance is with respect to individual loans, and essentially consists of payment of loss on unpaid principal, made in the form of FHA negotiable debentures guaranteed by the Government. (Payment of losses on interest and foreclosure costs is contingent upon adequate recovery on the loans or property by FHA.)

In the case of new construction for owner occupancy not exceeding $6,000 in valuation, FHA, under this program, insures 90-percent 25-year mortgages at an interest rate not exceeding 4½ percent (exclusive of FHA's one-half-of-1-percent insurance-premium charge). On new homes for owner occupancy, where the valuation is between $6,000 and $10,000, FHA insures mortgages for 90 percent of the first $6,000 and 80 percent of the balance, with maturities not exceeding 20 years, and with a maximum 4½-percent interest rate (exclusive of the insurance premium). On other new homes, or on existing homes, FHA insures 80-percent 20-year mortgages. The maximum interest rate of 4½ percent and the one-half-of-1-percent insurance premium is applicable to this insurance also.

With respect to multiple-family rental projects, FHA insures individual loans up to $5,000,000 in amount and 80 percent of the estimated value of the property when the proposed improvements are completed. The maximum interest rate is 4 percent by regulation, plus a one-half-of-1-percent mortgage-insurance premium. There is no maximum maturity period prescribed by law, and in practice the term on most mortgages has been in the vicinity of 26 to 28 years.

There are no time limitations with respect to this program. Under this program, FHA may have outstanding at any time insurance on $4,000,000,000 in aggregate principal amount of home and rental housing mortgage loans, which limit the President is authorized to increase to $5,000,000,000.

Under this program, FHA has insured as of the end of 1946 over $5,000,000,000 in home mortgages, and $160,000,000 in rental project loans, of which $2,500,000,000 and $52,000,000, respectively, were outstanding as of the end of 1946. The home loans covered 630,000 new dwelling units, and 620,000 existing units; the rental housing loans, 43,000 units.

As indicated, premium charges are made, and the program is on a self-sustaining basis.

On the basis of prewar figures, FHA's insurance activities have come to cover about 30 percent of the annual total of new homes constructed, and over 20 percent of total home-mortgage financing. The bulk of the homes insured have been single-family, and many of the homes financed are in new subdivisions planned and developed from the beginning with the cooperation of FHA. About one-half of the financing on home mortgages under this program has been by commercial banks, with the remaining one-half divided among mortgage companies, insurance companies, savings and loan associations, and savings banks, in that order. Mortgage companies sell practically all the loans they finance. Insurance companies, in contrast, hold approximately one-third of the insured mortgages outstanding, as compared with 12 percent financed by them.

Two-thirds in amount of the insurance mortgages on rental projects are held by insurance companies, the other active institutions being commercial and savings banks.

3. Title VI—War and veterans' home and rental housing mortgage loan insurance

FHA's title VI program was originally undertaken as an emergency program in 1941 to provide needed housing for defense and war workers, and as such would have expired in 1946. Through the operations of this title, FHA was enabled to insure mortgages on homes and rental housing involving risks that were not considered appropriate under its permanent title II program, particularly from the point of view of economic soundness. The title VI program is also more liberal in various respects with respect to the mortgage terms (such as with respect to ratio of loans to value of the property, maximum maturity, etc.). Altogether a $1,800,000,000 program was authorized, under which over 300,000 home mortgages involving nearly 400,000 dwelling units were insured in an aggregate amount of about $1,600,000,000, and about 500 rental housing projects, with 37,000 dwelling units, in an aggregate amount of $162,000,000.

In 1946, in connection with the veterans' emergency housing program, this title was extended to make its liberalized terms available for veterans' housing. For this purpose, an additional billion dollar authorization was made available, which the President was authorized to increase by an additional billion dollars. (This authority has been exercised.) Under the Housing and Rent Control Act of 1947 just passed, the expiration date of this title is March 31, 1948.

PUBLIC HOUSING ADMINISTRATION

1. United States Housing Authority

The USHA program is the low-rent housing and slum clearance program authorized in 1937, involving Federal loan and subsidy aid to local public agencies to provide housing at rentals within the means of low-income slum-dwelling families.

Three forms of financial assistance were authorized under this program:

1. Loans fully repayable with interest, at terms not exceeding 60 years, to finance not more than 90 percent of the capital cost of the projects. Most loan contracts are at a 2½ percent interest rate. Under them FPHA has, on the average, been lending two-thirds of capital costs to be repaid over 50- to 60-year periods. (The remaining one-third has been raised by the sale of local public agency bonds to the general financing community.)

2. Annual contributions to reduce (together with required local contributions) rentals from the amount necessary to meet the annual expenses of the project to the amounts that the low-income tenants can afford to pay. These contributions are made each year on a pay-as-you-go basis to make possible the low-rent character of the project (thus permitting their reduction, as during the war, when income levels rise); are subject to the continuance of the low-rent character of the project; are limited to 60 years; may not exceed 1 percent above the going Federal rate of interest at the time of contract, applied against the cost of the project; and are subject to periodic reexamination as to amounts necessary. Under most contracts to date, the maximum annual contribution payable is 3 percent of project cost, and actual payments have averaged about 30 percent lower than the maximum provided in the contracts.

3. Capital grants, as an alternative method of assistance to annual contributions. The provisions with respect to these grants have been entirely dormant.

The statute requires local governmental contributions amounting to at least 20 percent of the Federal annual contribution, in the form of cash or tax remissions or exemptions. (All local contributions to date have been in the form of tax exemptions.) The statute also requires that the community eliminate unsafe or insanitary dwellings in the locality approximately equal in number to the number of new dwellings provided by the project being assisted ("equivalent elimination").

The program authorized under this program is $800,000,000 in capital loans and $28,000,000 in annual contributions. Substantially the entire annual contribution authorization (which is the limiting one) is under contract.

In 1940 the United States Housing Act was amended by Public Law 671, Seventy-sixth Congress, so as to authorize the use of these authorizations, and the projects provided thereunder, for housing defense and war workers during the period of emergency.

The figures with respect to incomes, rentals, and costs under this program are briefly as follows:

1. In 1945 the average rent charged families admitted to public housing was $22.59 a month, including all utilities, as compared with the average rent of $24.79 in substandard dwellings. Prior to the war, in 1940, the average rent charged families admitted to public housing was $17.95, in comparison with the average rent of $18.80 in substandard dwellings.

2. In 1945 the average money income of urban families in the lowest income third was $1,500 per year. The incomes of families admitted to public housing in 1945 averaged $1,259. In 1941 the income of families admitted to public housing averaged $873, as compared with the average income of $1,050 for families in the lowest income third. The average income of all families living in low-rent public housing in 1945 was $1,566, including the higher incomes of essential war workers admitted in furtherance of the war effort, and of families whose incomes since admission have risen to a point which now makes them ineligible. Despite the continuing difficulties of evicting these families, a program is now under way for the systematic removal of all ineligible tenants.

3. The total over-all cost per unit has averaged $4,649; this includes not only the cost of constructing dwellings but also the cost of land, old buildings purchased and torn down where slum sites were used, site improvements and utilities, movable equipment, and all other costs.

The entire program includes 799 projects with 216,000 dwelling units. These figures include (1) 154 projects, with 19,000 dwelling units, deferred because of the war, and (2) 50 former PWA projects, with 22,000 units, which were transferred to the USHA when the United States Housing Act was enacted. As of June 30, 1946, 126,000 unsafe and insanitary dwelling units had been eliminated under the "equivalent limitation" program.

2. Nonfarm public housing of Farm Security Administration

Executive Order 9070, establishing the National Housing Agency, transferred to the Federal Public Housing Authority all the nonfarm housing of the Farm Security Administration. These included the subsistence homesteads, and suburban resettlement (Greenbelt towns), projects developed by the Farm Security Administration for nonfarm families of low or moderate income. It also included projects owned by homestead associations on which the Government held mortgages.

The transfer involved 31 developed subsistence homestead projects, 3 Greenbelt towns, and 8 undeveloped projects. The 31 projects range from houses with subsistence garden plots to projects for stranded families in mining and timber areas where efforts were made to develop industrial, agricultural, and cooperative activities to help reestablish sources of income.

Of the 31 subsistence homestead projects, 16 were sold by Farm Security Administration before FPHA assumed jurisdiction, but the mortgages are being serviced by FPHA. (Four have now been paid off.) Several hundred homestead units on 5 other projects were also sold by Farm Security Administration. Of the remaining projects, there are only 2 with respect to which no disposition of units has been made by FPHA in its disposition program.

3. Defense Homes Corporation

DHC is a corporation established in aid of the war program by RFC to provide needed war housing, and like other public war-housing programs was transferred to FPHA by Executive Order 9070 in 1942. Under this program, 31 projects were initated in 13 States and the District of Columbia, of which 25 were completely developed, at an approximate cost of $92,000,000. Fifteen of the 25 projects have been sold, and the remainder are in the final stages of sale proceedings. Likewise, the 6 undeveloped projects have been sold or are in the process. It is anticipated that by 1948, all the affairs of DHC will have been wound up.

HOUSING AND HOME FINANCE ADMINISTRATOR

1. Lanham Act, Temporary Shelter Acts, and Public Law 781, war housing

Beginning with 1940, a series of statutes were passed to provide necessary war housing for defense and war workers which private industry was unable to provide. The basic statutes involved, originally passed as independent measures, are the Lanham Act, (Public Law 781, 76th Cong.), and the Temporary Shelter Acts (Public Law 9, 73, and 353, 77th Cong.).

Under Executive Order 9070, these various programs were all transferred to the National Housing Agency, and under various statutory enactments during the war, management and operations with respect to these various programs were consolidated to a basic extent. Under the procedures developed, operations have been carried out by FPHA, under the policy supervision of the National Housing Administrator.

Originally, housing of a permanent nature was constructed as part of the defense housing program, but with this country's entry into the war, the critical shortages of materials and manpower, the urgent need for speed and other wartime exigencies, transformed the program to one basically of temporary housing.

The present number of still active projects under NHA jurisdiction as a result of this program amounts to 1,566, with approximately 426,000 dwelling units, involving a development cost of approximately $1,400,000,000. In addition, there are under this program approximately 44,000 homes conversion units representing properties which were leased by the Government, for the emergency period, for conversion into additional dwelling units for defense and war workers.

With respect to the permanent units under this program the present law provides that such housing may be sold and disposed of as expeditiously as possible; that in disposition consideration is to be given to the full market value; and that no such housing may be conveyed for slum clearance or low-rent housing purposes without the specific authorization of the Congress.

With respect to the temporary housing (which necessarily has been of a substandard nature, because of the wartime exigencies under which it was built), the law provides that such housing is to be removed as promptly as may be practicable and in the public interest, and in any event within 2 years after the war emergency has ceased to exist. (Under the terms of S. J. Res. 123 recently passed by the Senate, the running of the 2 years would start at this time.) To provide necessary flexibility, however, the law further provides that there will be excepted from this 2-year requirement such housing as may be found still to be needed in the interest of the orderly demobilization of the war effort. These exceptions may be made only after consultation with local communities, and must be annually reexamined and reported to the Congress.

2. Lanham Act veterans' housing (temporary reuse program)

Title V of the Lanham Act was enacted in June 1945. As originally passed, it authorized the National Housing Agency to exercise the war housing powers of the Lanham Act in order to provide temporary housing for servicemen and veterans and their families who were affected by evictions and other hardship. In December 1945, the title was amended to provide for what is now commonly known as the temporary reuse program.

Under this program surplus army barracks and other wartime structures are converted into temporary veterans' housing. The program is carried on jointly by the Federal Government and local communities, educational institutions, and similar local agencies. The local agencies provide the sites and off-site utilities, while the Federal Government undertakes the responsibility for the actual transportation and reerection of the structures. The Federal Government may enter into contracts to reimburse the local agencies or institutions for any costs which they may incur in transporting and reerecting the structures or in connecting utilities from dwellings to mains.

Federal funds in the sum of approximately $440,000,000 have been made available for this program which, as of March 31, 1947, comprised 164,000 units, of which 126,000 units had been completed. Under Public Law 85, Eightieth Congress, passed May 31, 1947, an additional $35,500,000 was authorized to complete projects under construction. Appropriation of this amount is now pending in the Congress.

EXHIBIT 3

NATIONAL SAVINGS AND LOAN LEAGUE,
Washington, D. C., June 27, 1947.

DEAR SENATOR: Although the National Savings and Loan League last year opposed Reorganization Plan No. 1 of 1946, which would have created a permanent National Housing Agency under a National Housing Administrator and within that Agency a permanent Federal Home Loan Bank Administration under a Commissioner, the League favors plan No. 3 of 1947 because of important basic differences. We were glad to see the Senate Banking and Currency Committee approve the new plan also.

Plan No. 3 of 1947 would establish a Home Loan Bank Board in lieu of a one-man Commissioner who, under Executive Order 9070, has had all of the duties, powers, and responsibilities of the original Federal Home Loan Bank Board with respect to the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the chartering, regulation, and supervision of Federal savings and loan associations under section 5 of the Home Owners' Loan Act of 1933, as well as other duties and powers vested in the Board.

The quasi-legislative and quasi-judicial functions of the Federal Home Loan Bank Board are of such a type and of such life-and-death importance to the thousands of thrift and home-financing institutions with their more than ten billions of assets and many millions of private investors as to require the judgment and the checks and balances which exist in a Board as contrasted to a single Commissioner.

Whereas Plan No. 1 of 1946 gave the Administrator of the National Housing Agency unnecessary directive authority over the constitutent agencies, plan No. 3 of 1947 only gives the Administrator responsibility for "general supervision and coordination of the functions of the constituent agencies."

We do not question the responsibility of the President of the United States to exercise general supervision over these Federal agencies. All that Plan No. 3 does is to designate someone who will be the direct representative of the President in serving this function and will report to him.

Plan No. 3 does not, in any way, lessen the autonomy of the Home Loan Bank Board in performing its functions.

If this plan is effectuated, the Congress of the United States will still have the final authority over the activities and programs of the agencies concerned and if, for any reason, the arrangement contemplated by plan No. 3 does not prove to be satisfactory, then the Congress can change these agencies and the facilities for the coordination of their activities as then indicated.

It is our earnest hope that the Congress will permit this plan to be effectuated.

Sincerely,

CURTIS F. SCOTT,
President.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. CAIN. Mr. President, I yield to the senior Senator from Virginia [Mr. BYRD] as much time as he may care to use on this subject.

Mr. BYRD. Mr. President, I have carefully read the message of the President submitting Reorganization Plan No. 3, and I have read the hearings. There is not a single assertion by anyone that any savings will result to the Treasury by reason of the adoption of this plan. No Senator is more desirous of seeing a reorganization of the 1,152 agencies, bureaus, and commissions of the Government than is the Senator from Virginia. I was a strong advocate to give this reorganizational authority to the President of the United States. In fact, as certain Members of the Senate will recall, I introduced an amendment to the bill, requiring that there should be negative action by both the House and the Senate before a plan submitted by the President could be prevented from going into operation.

I am very deeply disappointed that, despite the great opportunities for economy that exists in every single branch and agency of the Government, the President of the United States has recommended three plans, in not one of which is there a single claim made that any economy will result.

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

Mr. BYRD. I yield.

Mr. REVERCOMB. I may say to the able Senator from Virginia that I recall how much interest was manifested by the Senator from Virginia when the legislation was being formulated, and later enacted, which authorized reorganization plans to be prepared by the Chief Executive and submitted to the Congress. I was also greatly interested in the legislation. I understand that now the Senator states with respect to the Plan No. 3 that it brings about no saving in cost whatsoever to the Government.

Mr. BYRD. I say, Mr. President, that the claim is not even made that any saving will result. So far as I can see, there will be no saving, because the plan abolishes nothing. It simply coordinates certain agencies of the Government which will continue to operate as they are operating now.

Mr. REVERCOMB. Was not the very purpose of the legislation as a result of which the plans have been prepared and submitted to make more efficient the administrative side of government, and was it not the thought of those who brought forth the legislation that the cost of government would be lessened by reorganization, and that there would be need for fewer employees in the executive departments under reorganization?

Mr. BYRD. That should certainly be the main purpose of any reorganization plan.

Let me say, Mr. President, that we have 1,152 boards, bureaus, and commissions in the Federal Government. Yet not one single one has been abolished by any one of the three reorganization plans submittee to the Congress. A fisherman, who throws his line into the water, sometimes finds his efforts rewarded. Like the fisherman, it seems to me that one who attempts to reorganize various agencies, could hardly fail occasionally to achieve some little economy under whatever effort is made. Under the condition which now confronts us, when we have nearly numberless boards, commissions, and bureaus, when 2,100,000 persons are still employed by the Federal Government, it seems to me there should be some way whereby the President of the United States, under the power which Congress gave him, could submit to Congress plans which would abolish something. That is what I want to see done. I want to see abolished bureaus or commissions which are doing overlapping work, or departments of the Government which are duplicating the work done by other departments.

What the reorganization plan does is to deal with seven agencies of the Government. It deals with the Federal Home Loan Bank Board. It also deals with the Home Owners' Loan Corporation. Mr. President, the Home Owners' Loan Corporation should be liquidated. It should not be continued and made permanent under the new organization. There has been no better time in the Nation's history to sell the buildings and the homes which are now owned by the Home Owners' Loan Corporation, than now. Since, as I believe, the present market for buildings is the highest in many years, and it will probably continue for some time, instead of transferring that agency to some other agency why can it not be liquidated, and thus save the great amount of money which the Government now pays out with respect to employees of the Home Owners' Loan Corporation and the administrative costs involved.

The Home Owners' Loan Corporation has not made a loan for homes for many years. The Plan No. 3 proposes to place it under the new agency, and nothing is done except to group it with other agencies. There is no elimination of duplication of effort or of expense.

The next one is the Federal Housing Administration. Then there are the Federal Savings and Loan Insurance Corporation, the United States Housing Authority, the Defense Homes Corporation, and the United States Housing Corporation, and the new coverall agency.

Mr. President, I have always found that when such a thing as simply coordinating and consolidating existing agencies is undertaken, without eliminating anything, and establishing a coverall agency, it really costs more money. That has been the experience of the Government since I have been in the Senate during the past 14 years.

A new council is then placed at the top, which is called the National Housing Council. The purpose of the new council is to coordinate the activities of the seven agencies I have named. In other words, we have a super coverall agency to coordinate the agencies we already have.

Another effect of Plan No. 3 is to make permanent by law temporary agencies of the Government. That is one of my main objections to the plan.

Let me recapitulate the reasons, Mr. President, why I intend to vote against the plan.

First. There is no contention that any savings will result.

Second. The temporary National Housing Administration will be made permanent under the new name of "the Housing and Home Defense Administration."

Third. An additional agency will be added, to be known as National Housing Council.

Fourth. Although the seven housing agencies are to be transferred into the new administration, they will not be consolidated, and they will in no way lose their identities. They will function just the same, doing the same work, and involving the same duplicating expense. The only difference is that there will be at the top of them all a coordinating agency which will result in the outlay of more money.

Fifth. It is bad policy to mix agencies concerned, on the one hand, with public or socialized housing with private housing.

Sixth. It is bad business to mix agencies concerned with banking or housing loans with agencies concerned with construction and materials.

Seventh. Only in very slight degree, if any, would confusion be eliminated, because only 7 out of the 13 agencies dealing with housing are embraced in the plan.

For the reason stated, Mr. President, I am very regretful, as one who has fought for 14 years in the Senate to do all he could to bring about a simplification of the vast governmental machinery, to cast my vote against Reorganization Plan No. 3, just as I voted against Reorganization Plan No. 2.

I wish to say further, Mr. President, that as one who supported the President of the United States with all the capacity he had, by giving to him the authority to reorganize, for which he asked, I do not intend to vote for a single reorganization plan that fails to bring about economies. That is the purpose and that is the reason for reorganization of the Federal Government. We should have economy which goes with efficiency.

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

Mr. BYRD. I yield.

Mr. REVERCOMB. The able Senator from Virginia has made a statement which I am glad has been made. When he supported the original legislation and worked hard to have this power placed in the hands of the President to draw up

reorganization plans, doubtless the Senator will remember that I rather insisted that the reorganization should be done by the Congress itself. The Senator will probably recall the discussions we had in committee upon that subject. But my seniors, who had a great deal more experience with such matters in the Senate, prevailed upon me that the only way to do it was to place it in the hands of the Chief Executive. The result has not been a very happy one, because, as has been pointed out, plans are being submitted which contain no saving in cost of administration, and so far as I can find, no reduction in the number of persons employed in administrative capacity.

Mr. BYRD. I will say to the Senator that whenever no claim is made that savings will result we can rest assured that there will be no savings, but, to the contrary, my experience has been that there will be increased costs. If there is any saving whatsoever in contemplation it will be claimed that saving will be effectuated. As I read the testimony of the Director of the Budget, he does not claim that there will be any saving. I have read the report of the committee. I have read the message of the President. I have not been able to find any claim made in any of these documents that one dollar of saving will result to the Federal Treasury by reason of the passage of the reorganization bill.

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

Mr. BYRD. I yield.

Mr. TAFT. Of course, we have now in effect what is substantially the pending reorganization plan. It is in effect under section 1 of the War Powers Act. So that substantially what the plan under consideration would do would be to continue that existing reorganization. Naturally there would not be in such a plan a saving. If left to themselves, the existing agencies may fall apart. Under the reorganization plan, it is proposed to set up a Housing and Home Finance Agency, which will supervise the FHA, the Federal Home Loan Bank Board, and the Public Housing Administration, under each of which there are a number of constituent agencies. My experience is that in every case such agencies, by themselves, with no supervision, but responsible only to the President, rapidly expand and spend more money than if they are in one consolidated agency.

I dispute entirely the contention of the Senator from Virginia that if Plan No. 3 is adopted there will be no saving. We have had this consolidation during the entire war period. My opinion is that we would spend much more money if we were to let these agencies fall apart into half a dozen constituent agencies, each one responsible only to the President of the United States.

Mr. BYRD. The Senator from Ohio has touched upon one feature which has influenced the Senator from Virginia to vote against this plan. He admits that what the plan does is to make permanent these emergency agencies. They were created under war powers, but it is proposed, by an enactment of Congress, to make them permanent. That is one reason why I cannot vote for the plan.

Mr. TAFT. So far as I know, none of these agencies were created for the war. They existed before the war. Before the war, there were 15 different agencies dealing with housing. Under the War Powers Act, they were put together and one man was placed in charge of them all. Perhaps he is an extra agency. But it is not an expensive overall change. It is to a large extent a consolidation of research activities in the housing field. It has been unnecessary in many cases to create new agencies under them because they have been able to operate directly in the special field of war housing. So far as I know, no war agency is continued.

Mr. BYRD. I refer to agencies created under the war powers. The Senator is correct; there are about 14 agencies relating to housing, and only 7 of these are dealt with in this plan. Not a single one of them is abolished. There would still be six or seven additional agencies dealing with housing which are not covered by the plan.

Mr. TAFT. I question that. What agencies are there that are not covered by this plan which are now dealing with housing?

Mr. BYRD. I can furnish the Senator a list of them. There are quite a number of such agencies.

Mr. TAFT. I know of none; and I have been over the subject quite often, and fairly recently.

Mr. BYRD. I shall furnish the Senator a list of the agencies. I do not have it at hand.

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

Mr. BYRD. I yield.

Mr. FLANDERS. I should like, if I may, to come to the Defense of the Committee on Banking and Currency, which reported the resolution adversely. I understood the distinguished Senator from Virginia to say that he found in the report of the committee no reference to a reduction of expenses. I find these words in the report:

> No elaboration is necessary to prove that without the general supervision and coordination of the functions and activities of the constituent agencies provided in the reorganization plan, each would undertake separately its own independent general statistical studies, technical research and similar matters, and would duplicate other activities which are common to the programs of all of them and which, as contemplated by the plan, could be done for all of them on a mutually satisfactory basis by a single central unit more economically.

Mr. BYRD. What is the estimate of savings made by the committee?

Mr. FLANDERS. There is no estimate of savings by reason of improved operation under the proposed plan; but each of us is at liberty to make his own estimate of what the losses would be if we were to disapprove the plan and return to the disorganized situation which existed prior to 1942.

Mr. BYRD. I will say to the Senator that when the question was asked of Mr. Lawton, representing the Budget Bureau, on page 13 of the hearings held in the House, he gave the answer which I shall read. He was being questioned by Representative KARSTEN:

> Mr. KARSTEN. I should like to ask you if you have this consolidation, in your opinion, would it result in greater efficiency and perhaps reduce the expenses of the over-all agency if they were all under one head or authority?
>
> Mr. LAWTON. I cannot answer that specifically. I can only answer it in this general fashion, that is the unification of the housing activities under one general direction.

My observation over quite a long period of years is that when any branch of the Government feels that it can effect economies, the claim is always made that there will be economies, though frequently economies are not effected. However, no claim is even made for economies in connection with this plan. If the committee has any information which is not available to the Senator from Virginia as to the economies, I should like to know what it is.

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

Mr. BYRD. I yield.

Mr. FLANDERS. I believe that the response made to the question in the House was an honest answer. No claims were made for any great reduction in costs by reason of the revision under the existing plan. But again I call the attention of the distinguished Senator from Virginia to the very serious alternative possibility of going back to no plan and having a very greatly increased expense. That, in my opinion, is where the question of expense enters into this problem.

Mr. BYRD. In the judgment of the Senator from Virginia it is very much better to wait, even if we wait a year or so, and bring about a real reorganization, abolishing some of these agencies. No agency is proposed to be abolished under this plan. I disagree with the Senator from Vermont that the plan provides for changing the functions of the agencies. It simply coordinates them under a new agency called the Housing and Home Finance Agency.

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

Mr. BYRD. I yield.

Mr. FLANDERS. That is not a new agency. If the Senator will compare the new agency with the existing agency established in 1942, he will find that the only change is to diminish the powers of the head of the coordinating agency and give him general supervision and coordination, instead of making him a dictator. Dictatorship did not work.

Mr. BYRD. My observation is that we always get a coordinator, instead of abolishing something. Instead of discontinuing some function of Government we establish another agency to coordinate the existing agencies. That has happened time and time again in Washington in the past 14 years.

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

Mr. BYRD. I yield.

Mr. FERGUSON. On page 2 of the report, under the heading "Description

of Reorganization Plan No. 3," I find this:

Reorganization Plan No. 3 of 1947 groups nearly all of the permanent housing agencies and functions of the Government, and the remaining emergency housing activities, in a Housing and Home Finance Agency, with the following constituent operating agencies:

Earlier we were discussing the question whether all the agencies were included. The report uses the words "nearly all."

Mr. BYRD. There are some other agencies which deal with housing. Unfortunately I have not the data at hand now. There are some other agencies which are not included in the report.

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

Mr. BYRD. I yield.

Mr. FERGUSON. I should like to inquire if the Housing and Home Finance Agency is not a new organization. I did not find it in the corporation appropriation bill. We did discover there the National Housing Agency, office of the Administrator, for which, on page 3 of the bill, line 15, we appropriated $100,000. We discovered that he desired more than $1,000,000 to operate the office of the Coordinator; but after going over the facts it was disclosed that he wanted economists, attorneys, and an organization to do research work. There is a great deal of money spent by all the agencies and bureaus of the Federal Government under the guise of research and coordination. I wonder whether or not the Senator knows of any appropriation which has been asked for the Housing and Home Finance Agency?

Mr. BYRD. I have never heard of it. So far as I know, it is a new agency, though the Senator from Vermont [Mr. FLANDERS] says it is not.

Mr. FERGUSON. Mr. President, will the Senator yield so that I may ask the floor manager of this legislation, the Senator from Vermont, regarding that matter?

Mr. BYRD. I yield.

Mr. FLANDERS. Mr. President, this is not a new undertaking. It is the same Administrator, but with a new name.

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

Mr. BYRD. I yield.

Mr. CAIN. I should like to ask the Senator from Vermont if the time which he is most interestingly and informatively using comes from the time allotted to him? He has control over the 2 hours allotted to those in favor of the proposal. Does it come from our time, which we could, I think, from our point of view, use to better purpose?

Mr. FLANDERS. Mr. President, being similarly unskilled in the arts and wiles of discussion on the floor of the Senate, I likewise ask the same question.

The PRESIDING OFFICER (Mr. THYE in the chair). If the Chair make this observation, unless the two Senators cease "kidding" each other considerable time will be lost which belongs to both of them.

Mr. CAIN. I will say to the Senator from Vermont that I was trying to save time.

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

Mr. BYRD. I yield.

Mr. FERGUSON. The Senator now advises me that this is not a new agency, but that the name has been changed?

Mr. FLANDERS. Under the existing organization which derives from the reorganization of February 24, 1942, the name "National Housing Agency" is changed to "Housing and Home Finance Agency." Why the name was changed I do not know; so I do not wish to be questioned.

Mr. FERGUSON. I imagine that one of the reasons is that they could use more letters of the alphabet. As we try to consolidate they think about the alphabet a little more, and therefore they are using another name. The National Housing Agency, Office of the Administrator, is the agency which the Appropriations Committee saw fit to limit, both in the House and in the Senate, to $100,000, because we figured that if they were coordinated they should do that job alone and not enter into the big field of research.

Mr. FLANDERS. It would seem to me, Mr. President, that the things on which the heart of the Senator from Virginia is set, in common with the hearts of all of us, have already been accomplished.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. BYRD. I yield.

Mr. FERGUSON. I am anxious to know more regarding the statement that each individual agency will possess its individual identity and be responsible for the operation of the program. How could a coordinator, no matter how much money was appropriated, do anything with relation to constituent agencies if they were to retain their individual identity and be responsible for the operation of their programs? How could a coordinator do anything in that situation? Is it not pure surplusage?

Mr. BYRD. I think the Senator is entirely correct. That is the point which the Senator from Virginia has made. This is merely a coordination, not a revamping of the functions of the various agencies. They remain and continue as they have been.

Mr. President, I shall conclude. I do not want to take up any more time of the Senator from Washington [Mr. CAIN]. I merely desire to say that it is with very deep reluctance that I shall vote against this Reorganization Plan, because I supported the authority of the President with all the vigor I possessed, and offered an amendment which was agreed to by a close vote, by which the plans were to be made operative, unless rejected by both Houses. I did so, Mr. President, in contradiction of a position which I had taken 2 or 3 years earlier. I doubt very much whether I was correct about it, but I did it because I wanted to give the President every possible opportunity to effect a reorganization which would mean something, which would prevent duplication of effort, which would save money for the taxpayers, and reduce the number of employees who then numbered 2,100,000. I again express my regret that the President of the United States has not seen fit to use this power in any of the three organization plans which he has submitted to Congress in such a way as to effect economy and actually reduce the overlapping and duplicating activities of these 1,142 agencies. Therefore, Mr. President, I shall cast my vote against the plan as submitted by the President.

Mr. CAIN. Mr. President, the junior Senator from Washington shares one conviction with every other Senator in the Chamber; namely, that housing is a national problem, that it is complicated and complex and as difficult of understanding as any other problem which confronts us. By instinct and by study, we realize it to be a problem for which we hope before very long America will find an answer, but for which some of us in this Chamber at this time feel that the President's proposed Reorganization Plan is not even an approximation of the answer which the Nation is seeking.

The consideration given to the President's reorganization plan by the Senate Committee on Banking and Currency was a rather thorough one and long extended. It was finally resolved by a vote of 7 to 6 for approval. The junior Senator from Washington obviously represents the minority vote and position, and in connection with it I hope in a few minutes to submit for the RECORD the reasons which guided our negative action on the President's proposal.

I am but one of a good many who will vote against the President's reorganization proposal for approximately five reasons, which are as follows:

First, it is unnecessarily expensive and will, in our opinion, become extravagantly so in the future. I think that what the senior Senator from Virginia [Mr. BYRD] has said is incontrovertible, that the consolidation, coordination, and integration contemplated by Plan No. 3 will result in no saving for the American taxpayer. Though it may be held by some that savings will be accomplished in the future, such evidence is not in the record up to this time.

On the basis of the budgets which have been recently submitted by the various component parts which make up the National Housing Agency, no one who understands the situation and studies the figures will gain any impression that we are even beginning to think about saving money in the field of Federal housing.

Second, those of us who strenuously oppose this plan do so because it makes permanent an institution or an agency or a group—call it what we will—which was designed primarily to attempt to do a good job during the war.

I think it was the senior Senator from Ohio [Mr. TAFT] who said a few minutes ago, in response to a question or a comment of the senior Senator from Virginia [Mr. BYRD], that the President's proposal was merely to continue on in the future what we have learned to do through coordination in the field of housing during the war. If that is the basis of the support which the senior Senator from Ohio will give to this program, I am inclined to believe that time will cause him to change his mind, because on my desk there is evidence so

much to the contrary that any reasonable minded person who had thought that what we did in the name of war housing was effective, would be forced to come to a different conclusion.

My third reason, Mr. President, is that I see absolutely no reason to believe that war housing—a very simple phrase of two words—will be better liquidated under the President's proposed reorganization plan than has been the case in the past. That, to me, is tremendously important. War housing, for the benefit of those who do not know its size, scope, and magnitude, cost the American taxpayer by way of investment approximately $2,000,000,000. Through sale and liquidation the average taxpayer in this country has a perfect right, as does his Government, to expect a return on the investment.

It is not necessarily on the basis of my very few months in the Senate that I feel so strongly about this matter as an individual, but it is because of the evidence which is before me. I know of no single agency under the jurisdiction of this great Government which, perhaps because of its inability to understand its accountability, has given to the American citizen such a very bad run for his or her money. Bear in mind that the National Housing Agency, which was created, as I recall, by Executive Order 9070 on February 14, 1942, had three component parts. One was the Federal Housing Agency.

Then there was the Federal Farm Bank Loan Board, and there was the third component part, the Federal Public Housing Authority.

If I am not mistaken, the senior Senator from Ohio in one or two of his questions a few minutes ago indicated that he did not believe that that Executive order did anything other than to group and coordinate. He did not know that it created a new agency. Yet, Mr. President, in 1942 it created the Federal Public Housing Authority to have management and jurisdiction over what previously had been known as the United States Public Housing Authority; I think that is its correct title. That organization concerned itself with low-rent housing and slum clearance. In addition the FPHA was given a mandate by Presidential order to manage, maintain, and construct war housing.

Mr. TAFT. Mr. President, if the Senator will yield to me, let me say that was not a new agency; it was merely a new name for the United States Housing Authority, which had existed for 6 or 8 years.

Mr. CAIN. Mr. President, the Senator from Ohio may be correct. I think he will find, upon closer examination, that the United States Housing Authority became but one of a number of constituent agencies under the Federal Public Housing Authority. But the point in that connection—as to whether the interpretation of the Senator from Ohio or my interpretation is correct—I think is not the important item to consider. I am talking about effectiveness and efficiency, and I am talking in the hope that we can do a better job of housing, so as to build more houses and save money for the American people.

I think it was the senior Senator from Vermont [Mr. AIKEN] who earlier today in this Chamber asked consent to have read into the RECORD, as he did the other day, a governmental report on a Federal agency, in this case being a report submitted, I think, by the General Accounting Office. The other day he said that he wished to submit 5 or 6 similar reports which he was prepared to clear at that time, but he said he was not prepared to submit for the RECORD of the Senate a General Accounting Report on a particular Federal agency, for he said the allegations and the charges of mismanagement and misdirection were so positive and firm and clear and concise that he would like to give those who as individuals are accused an opportunity to speak for themselves.

Mr. President, most of us had not heard any more about that matter; and then earlier today the Senator merely introduced that document for the RECORD. I have a copy of it before me. It is a result of a public accounting by the firm of Price, Waterhouse & Co., of the city of New York, on its survey of the accounting system of the Federal Public Housing Authority for the fiscal years 1945 and 1946. This accounting report is not going to cover a couple of million dollars, Mr. President; it is not going to cover a couple of hundred million dollars; it covers approximately $2,000,000,000 of assets. When it is said by one of the most reputable firms, accounting-wise, in this country, that—

> The foregoing deficiencies result in the aggregate in a balance sheet totally without integrity—

I think that is germane and important to a further consideration of the President's proposal that we shall continue, in part, some of the methods that recently were used during the war.

Mr. President, I hope every Senator in this Chamber will read as closely and carefully as he can the consolidated report coming from the committee of which the Senator from Vermont [Mr. AIKEN] is chairman, and which resulted from the report made by Price, Waterhouse & Co., an accounting firm in the city of New York. I am strongly opposed to the continuance of any system of war-housing disposition which gives us so little reason to believe that the job will be better done than has been the case in the past.

Along with other of my colleagues, my fourth reason for opposing this Presidential plan is because in our opinion it violates congressional directives which have been laid down in the past; and in my considered opinion, at any rate, I think this body should give much more consideration to what it wishes to do about housing in the future, before it adopts a plan which is primarily and essentially what we have been doing already since the year 1942.

Recently other Senators and I voted very enthusiastically, as I recall, for a resolution which proposed the creation by the President of a 12-man commission. I think the author of the resolution was the junior Senator from Massachusetts [Mr. LODGE]. I saw a great significance and importance in that resolution, and so, too, did most other Senators.

Several days ago I sat as a member of the Banking and Currency Committee, and I joined with other Senators in voting unanimously in favor of a housing resolution which had been submitted by the junior Senator from Wisconsin [Mr. MCCARTHY], the purpose of the resolution being to have a complete analysis made of the housing situation in this country. If that work were properly done over a period of a year, and if the duty which was allocated to and directed toward the Presidential commission which grew out of activities arising within the Senate—and the function of the commission, as I understood, was to determine the efficiency of the executive branch and how best to group and coordinate executive agencies within the Government—was properly performed, I think we should have the kind of answer to the housing problem which all of us sincerely and anxiously are looking for.

Mr. President, my next reason for opposing the plan is because I do not see that, if adopted, it will result in the building of any more houses. If we are considering a housing plan with reference to the building of more houses, I do not think we wish to spend any more time on the President's reorganization plan. I think those phrases are used rather loosely. We are discussing an attempt to continue what some persons admittedly have thought was a job well done, whereas others, including myself, think it was purely an experiment, and that the sooner we get rid of much of it, the better off the country will be.

I should like to refer to a colloquy which occurred a few minutes ago between the Senator from Alabama [Mr. HILL] and the Senator from Louisiana [Mr. ELLENDER]. The Senator from Alabama wanted to know from the Senator from Louisiana what power the head administrator would have under the President's proposed reorganization plan. The Senator from Louisiana said, in effect, "I can best tell the Senator what his power would be by telling him what it has been under the National Housing Agency." If I understood him correctly, he said that under the reorganization plan of 1942 the National Housing Administrator had the power of direction over the constituent agencies that, in the words of the Senator, he had a "big stick," that he could get things done, that he had power. As I understood the interest of the Senator from Alabama in the problem, he was agreed that under the previous plan of 1942, and as suggested in the reorganization plan of last year, the Administrator was given too much power.

Mr. HILL. Mr. President, will the Senator from Washington yield?

Mr. CAIN. Certainly.

Mr. HILL. As I understood the Senator from Louisiana, he was making the point that under the reorganization plan now before the Senate the over-all Administrator would have as much power as he has under the 1942 Executive order.

Mr. CAIN. That is my understanding. My reason for bringing that up is that if the Senator from Louisiana was correct, and under the reorganization plan of 1942 the chief Administrator has power sufficient to do a job, I cannot

for the life of me understand if, through his office—not himself as a person—the conduct of the Federal Public Housing Authority, which was one of the three constituent agencies, was permitted to be profligate and extravagant and without accountability, and if we are to lessen, under the President's proposal, the power of the chief Administrator, we can look for a better result. If the job was badly done—and on the basis of figures within this one constituent agency, known as the Federal Public Housing Authority, it was badly done—the natural assumption would follow that he should have greater power rather than less.

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

Mr. CAIN. I yield to the Senator from Ohio.

Mr. TAFT. If the plan is rejected, this particular agency would be entirely on its own, there would be no check on it at all of any kind, except the President himself. Whether the National Housing Administrator did a job of supervising may be important, but I do not see what it has to do with the question whether we should consolidate housing agencies under one head, because when they were consolidated, the job that should have been done was not done.

Mr. CAIN. In my opinion it is extraordinarily important, because we are not talking about $10,000,000 or $40,000,000, we are talking about a couple of billion dollars, and we are talking further about the fact that the National Housing Administrator in a number of hearings—and this is not to his prejudice as an individual—said, "My difficulty has been that I as supervisor do not know what goes on in the Federal Public Housing Authority," and no one else knows what has been going on within that agency.

The Senator from Ohio has just suggested that if the President's reorganization plan fails the Federal Public Housing Authority will become again an independent agency. For a period of a good many weeks two bills have been pending in the Committee on Banking and Currency——

Mr. TAFT. If the Senator will yield, I take that back, because I remember now that he is to be subjected to the Federal Works Administrator. He will be returned to the Federal Works Administration, and subject to their supervision. I made a mistake in making the statement.

Mr. CAIN. Before the Committee on Banking and Currency for some weeks there have been two bills. One is the bill to which the Senator has just referred. What does it do? It provides that as of the date of the enactment of the bill, if it shall be enacted, the Federal Public Housing Authority, with all its assets, functions, responsibilities, and duties, shall be returned to where it came from under the Lanham Act, to the Federal Works Agency, for the reason that it would be the desire of those who support this character of legislation to liquidate the Federal Public Housing Authority as rapidly as possible, in the interest of the American taxpayer.

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

Mr. CAIN. I yield.

Mr. TAFT. Regardless of the desire to do so, it would be wholly impossible, because it has a 60-year obligation to check all the metropolitan housing authorities which have been established. It has to determine the proper amount of subsidy under the contracts which have been made, and it cannot be liquidated. Its functions might be transferred to some other agency, but it cannot be liquidated.

Mr. CAIN. I suggest I referred to its Lanham Act functions. I should like to make it clear to the Senator from Ohio, that if what we think is a counter and proper proposal should prevail, the FPHA, so far as its responsibility for Lanham Act activity is concerned, would be liquidated. The United States Housing Authority, which is presently a component and constituent part of the FPHA, would continue its operations, as it should.

Mr. TAFT. As a matter of fact, the Government should own no housing, and everyone agrees that all the war housing should be disposed of. There is a question as to whether some of it suitable for public low rent housing should be transferred to local authorities. Everyone agrees, and under this reorganization plan it will be just as necessary, that all the war housing be liquidated.

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

Mr. CAIN. I yield.

Mr. MAYBANK. I call to the attention of the Senator from Ohio and the Senator from Washington the fact that while the plan now being considered is not a perfect plan, it is the first reorganization plan having to do with housing I have seen presented since I have been a Member of the Senate. Going back to 1941, I remind the Senator from Washington that for the first time we will have an over-all housing agency. When one goes to a meeting of the Committee on Appropriations, on which I have had the pleasure to serve for 5 years, he will find one appropriation to cover various branches. On too many occasions I have seen this agency and that agency, each vying with the other to get more appropriations, whether it be the FHA, the Home Loan Owners Organization, the Alley Dwelling Organization, or whatever it may be.

The Senator knows that in the committee I voted for the approval of the plan. It was, of course, a negative vote. I do not believe it to be a perfect plan, but despite the remarks of the senior Senator from Virginia [Mr. BYRD] a few moments ago, I believe it would save some money, because there would be only one agency before the subcommittee of the Committee on Appropriations and before the Committee on Appropriations, and we would get an over-all picture from the one agency, whereas in 1942, 1943, 1944, 1945, and 1946, as a member of the subcommittee which had charge of the housing appropriations, I could see all these agencies, vying with each other, come with their over-all staffs, each desiring the full appropriation.

I am supporting Plan No. 3 reluctantly. I agree with the Senator that it is not perfect. I believe Lanham Act housing, as he knows, should be returned to the communities, and I am supporting his bill, so there would be one over-all control in the communities, but I believe the plan submitted is the beginning of something on which we may build.

I merely wanted to express to the Senator what I thought about the matter as it pertained to the appropriations, which, after all, are the expenditure of tax money.

Mr. CAIN. Mr. President, if I understood the Senator correctly, he said that during the years he had been in the Senate this had been the first attempt to coordinate housing agencies.

Mr. MAYBANK. On the floor of the Senate, yes. In the Committee on Appropriations in 1942, I think, or in 1943, the senior Senator from Tennessee [Mr. MCKELLAR] tried to coordinate the activities through an amendment to a bill. I may be wrong in that statement, but I think I remember correctly.

Mr. CAIN. I should like to make the point, if I may, that in 1942 the National Housing Agency was directed to group under and within itself most of the separate housing agencies then in existence. What is the essential difference between the plan before us, the President's proposal, and the Reorganization Plan of 1942? I think there is no difference.

Mr. MAYBANK. I might say to the Senator that in 1941, when the war began, there was of course a great demand for war housing not only in Washington but in communities where there were large camps, for the purpose perhaps of housing the wives of officer personnel. There were large housing developments in the Senator's State of Washington, where so much war work was done; likewise, in South Carolina. I think that after the commencement of the war, it was not carried out as I hope this will be. When I say I hope, I mean that we all entertain a hope, at least to some extent.

Mr. CAIN. I may say to the Senator from South Carolina that, should the plan prevail, I shall join with the Senator in a very serious hope that it will work as effectively as certain of its sponsors are firmly of the opinion it will work.

Mr. MAYBANK. That is my hope and prayer. I admit it is not perfect, but in my judgment it is at least a start. I thank the Senator for yielding.

Mr. CAIN. Mr. President, if it is permissible, I had had prepared for delivery on this floor a statement covering individual views in opposition to the majority views of the Committee on Banking and Currency, which reported favorably the President's Reorganization Plan. If I may be permitted to do so, I shall for the reason that I have already stated

much of what is in the statement, submit it for the RECORD at this point in my remarks.

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

INDIVIDUAL VIEWS

GENERAL STATEMENT

Under the Reorganization Act of 1945 on May 27, 1947, the President submitted to the Senate and House of Representatives Reorganization Plan No. 3 affecting the so-called housing and home-finance agencies. House Concurrent Resolution 51 was, after hearings, reported by the House Committee on Expenditures in the Executive Departments favorably by a vote of 13 to 4 and the same was passed by the House of Representatives disaffirming said plan without opposition.

The House committee's opinion on this plan was as follows:

"Reorganization Plan No. 3 of 1947 is inconsistent with the action taken by the Seventy-ninth Congress. The substance of the opinion filed by the committee last year is as follows:

"1. Congress and the Federal Government should encourage private home ownership and discourage Government ownership because private home ownership is the foundation of our democracy.

"2. Private home ownership is strongly favored and will not be encouraged or protected by an agency whose policy favors Federal building and Federal control of homes; therefore,

"3. While there should be a permanent consolidation and grouping of all related housing agencies and functions thereof, such agencies as the Federal Home Loan Bank Board and the Federal Housing Administration, which respectively makes mortgage loans to and insures mortgage loans for private builders and private home owners, should not be placed under administrative control of an agency whose primary function is to build houses with Federal funds or manage federally owned housing projects.

"The views of this committee are substantially the same."

The undersigned in principle agree with the House committee's conclusions.

Said resolution was considered by the Senate Banking and Currency Committee and reported to the Senate adversely by a vote of 7 to 6. Said plan will become law unless disaffirmed by the Senate by July 27, 1947.

The undersigned object to Reorganization Plan No. 3 and favor House Concurrent Resolution 51 for the following reasons:

1. Said plan is the same in substance and effect as Reorganization Plan No. 1 of 1946, which was disaffirmed by the House and Senate last year.

2. Said plan seeks to accomplish by Executive order of the President a form of organization of the so-called housing and home finance agencies now under consideration by the Senate in S. 866, by Mr. TAFT for himself and Mr. ELLENDER and Mr. WAGNER, and it is the judgment of the undersigned that the questions dealt with in said reorganization plan should be more appropriately dealt with in S. 866 or other appropriate legislation.

3. Said plan was forwarded to the Congress under the Reorganization Act of 1945, which expressly provides in section 2, as follows:

"SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

"'(1) to facilitate orderly transition from war to peace;

"'(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

"'(3) to increase the efficiency of the operations of the Government to the fullest extent practicable within the revenues;

"'(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

"'(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

"'(6) to eliminate overlapping and duplication of effort.'

"(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

"(c) It is the expectation of the Congress that the transfers, consolidations, coordinations, and abolitions under this act shall accomplish an over-all reduction of at least 25 percent in the administrative costs of the agency or agencies affected."

It is the opinion of the undersigned that said plan will not accomplish economy or efficiency but, on the other hand, that it will require much larger appropriations and be less efficient, as has been demonstrated by the National Housing Agency, which is in effect continued by this plan under another name.

4. The Reorganization Act of 1945 in section 5 expressly prohibits the continuance of temporary war agencies and prohibits the creation of new functions by such reorganization plan. Section 5 is as follows:

"SEC. 5. (a) No reorganization plan shall provide for, and no reorganization under this act shall have the effect of—

"'(1) abolishing or transferring an executive department or all the functions thereof or establishing any new executive department; or

"'(2) changing the name of any executive department or the title of its head, or designating any agency as "Department" or its head as "Secretary"; or

"'(3) continuing any agency beyond the period authorized by law for its existence or beyond the time when it would have terminated if the reorganization had not been made; or

"'(4) continuing any function beyond the period authorized by law for its exercise, or beyond the time when it would have terminated if the reorganization had not been made, or beyond the time when the agency in which it was vested before the reorganization would have terminated if the reorganization had not been made; or

"'(5) authorizing any agency to exercise any function which is not expressly authorized by law at the time the plan is transmitted to the Congress; or

"'(6) imposing, in connection with the exercise of any quasi-judicial or quasi-legislative function possessed by an independent agency, any greater limitation upon the exercise of independent judgment and discretion, to the full extent authorized by law, in the carrying out of such function, than existed with respect to the exercise of such function by the agency in which it was vested prior to the taking effect of such reorganization; except that this prohibition shall not prevent the abolition of any such function; or

"'(7) increasing the term of any office beyond that provided by law for such office.'"

This plan in effect continues the National Housing Agency under a new name and it appears to be the purpose to continue certain functions requiring very large appropriations which have been developed by this organization.

5. The Reorganization Act of 1945 expressly prohibits any restriction upon the exercise of discretion or quasi-legislative or quasi-judicial functions created by Congress. This plan abolishes the five-man Federal Home Loan Bank Board as created by Congress and provides a new type of board of three members, vesting extraordinary powers in the chairman, thereby diluting discretion and consideration intended by Congress to be given to important quasi-legislative and quasi-judicial functions.

6. It is objectionable in the view of the undersigned to create one centralized Housing and Home Finance Agency under one man in Washington, with jurisdiction over the public-housing functions of the Government and the facilities provided by the Government to encourage and assist private thrift and home ownership. These diverse functions should be dealt with separately and upon their respective merits and demerits.

Finally, the Congress now has under consideration with legislation in H. R. 3492 and S. 1459 to transfer certain public and war housing activities from the Federal Public Housing Authority, which is involved in this reorganization plan, to the Federal Works Agency. S. 1179, by Mr. BRICKER, provides for a form of organization of the private housing agencies with a provision for a coordinating council. Furthermore, the Congress has recently passed a resolution creating a 12-man Commission to be appointed by the President, the Speaker of the House, and the President of the Senate from Government and private life to study the organization of the executive branch of the Government and report, and this proposed reorganization should be deferred until that report is made.

For these and other reasons, we believe that the disaffirming resolution should be adopted.

Mr. CAIN. Mr. President, in view of the fact that the hour is exceedingly late, and for the further reason that all Senators have a great deal to do, and also because I take it for granted that most of the Senators, having lived through a reorganization attempt, however abortive it was, a year ago, are probably very well convinced of what they want to do on this issue. I, on behalf of those who, as strenuously as they can, oppose the plan and program of the President, relinquish whatever portion of our 2 hours may remain, in the hope that thereby the matter might be brought to a more speedy conclusion.

I should like merely to restate four reasons which constitute our opposition to the President's proposed program:

First. I say again that on the basis of the studies which we have given to housing operations generally with particular reference to the Federal Public Housing Authority, we know of no single reason for believing that any economies would result from the grouping of constituent agencies in the manner proposed.

Second. We oppose the program for a most important reason, in the view of those who are in opposition, namely, it makes permanent that which had been a war-born experiment, an experiment in housing, which, with many virtues, also possessed numerous vices, and for which we shall be paying for a good many years to come. There should be a better

way to retain the good parts of what we learned in the war, by discarding the bad. It is our considered opinion that the President's reorganization program merely makes permanent what has been temporary. We further think that his proposal violates certainly the spirit if not the letter of certain congressional directives which have been imposed upon boards of directors of various home building and financing institutions in the years gone by.

Third. We have a certain degree of faith in the coming results, to ensue from the studies to be made by the recently created Presidential commission of 12 men, to inquire into the executive abilities of the many Federal agencies, and the resolution submitted by the junior Senator from Wisconsin, proposing a national study of current housing shortages and the ineffectiveness of present programs.

Fourth. We oppose the plan because in itself it will produce no houses, although houses are what we principally desire at this time. I hope that many people will agree that an issue of this character will focus emphatic attention on the need for further consideration of what the President proposed last year, a proposal which was not adopted, that we shall take all the time that may be required to determine how to balance properly the delicate mechanism of housing as it exists today, through the governmental agencies. I am satisfied that the President's proposal does not approach a solution to the problem.

The PRESIDENT pro tempore. The Chair understands that the Senator surrenders the remainder of his time.

Mr. CAIN. The Chair's understanding is correct.

The PRESIDENT pro tempore. The Senator from Vermont has 60 minutes remaining.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. May I inquire how much time was turned back by the opponents of the plan?

The PRESIDENT pro tempore. Fifty-seven minutes. It would be the understanding of the Chair that that time was canceled.

Mr. FLANDERS. Mr. President, I regret I did not understand the statement of the Chair.

The PRESIDENT pro tempore. The Senator from Vermont has 60 minutes remaining to his side.

Mr. FLANDERS. The opponents of the plan have how many minutes remaining?

The PRESIDENT pro tempore. The other side has turned back its remaining time and canceled it.

Mr. FLANDERS. I thank the Chair. I understand that.

The PRESIDENT pro tempore. In other words, the Senate will vote at 4:20, if the Senator uses all his time.

Mr. FLANDERS. I yield the floor to the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, let me ask the Chair whether, if quorum calls are suggested in the meantime, the time consumed in the quorum calls is to be deducted from my time?

The PRESIDENT pro tempore. It is.

Mr. BARKLEY. I thought, when a certain amount of time was allotted to each side, it was exclusive of quorum calls. However, it makes no difference to me, since I am not going to suggest the absence of a quorum.

Mr. LUCAS. I should like to make the suggestion.

The PRESIDENT pro tempore. Quorum calls are, under the agreement, charged to both sides, when each has time available.

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

Mr. BARKLEY. I yield to the Senator from Illinois.

Mr. LUCAS. I ask unanimous consent that a quorum call may be had, before the Senator from Kentucky proceeds with his remarks, and that no time be charged to the proponents of the plan by reason thereof.

The PRESIDENT pro tempore. The Chair supposes the Senate can do anything it pleases, by unanimous consent; but what the Senator from Illinois asks is a departure from the procedure under which such proceedings are conducted.

Mr. LUCAS. I appreciate that, but it has been done many times, let me say to the able Presiding Officer, on occasions of this sort.

The PRESIDENT pro tempore. It has never been done, if the Chair may be permitted to disagree with the Senator, when a reorganization plan was under consideration.

Mr. LUCAS. I do not know what has occurred in the case of reorganization plans, but unanimous-consent agreements have been entered into at least a thousand times since I have been in the Senate. It makes no difference whether it be a reorganization plan or anything else, if there is a unanimous-consent agreement, what I have suggested may be done.

The PRESIDENT pro tempore. The Senator is probably correct that the Senate can do anything it pleases by unanimous consent. The Chair would like to repeat, however, that this is a statutory procedure, and, under statutory procedures, the procedure proposed by the Senator has not been followed. Is there objection to the request of the Senator from Illinois?

Mr. CAIN. Mr. President, reserving the right to object, I should like to make an inquiry.

Mr. BARKLEY. Mr. President, out of whose time is this colloquy being taken?

The PRESIDENT pro tempore. The time is taken out of the time of the Senator who yields the floor to the Senator from Washington.

Mr. CAIN. Mr. President, there is no other recourse than to object.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. The Senator from Washington having yielded back 57 minutes, if a quorum call is indulged in is the time taken out by such quorum call to be divided equally, as the Chair indicated a moment ago?

The PRESIDENT pro tempore. Not without the consent of the Senator from Washington.

Mr. BARKLEY. In other words, neither the Chair nor the Senate, nor anyone else can reclaim any of that 57 minutes of time except by the consent of the Senator who surrendered it?

The PRESIDENT pro tempore. That is correct.

Mr. BARKLEY. That, to me, is an unusual situation. My interpretation is that a statutory requirement for debate presents no different situation from that created when there is unanimous consent agreement for debate on any proposition for a certain length of time, the time to be divided. Heretofore, under such conditions, a quorum call has never been taken out of the time allotted. But it makes no difference to me. I shall proceed and take whatever time I am allotted by the Senator from Vermont, regardless of the quorum call.

Mr. LUCAS. If the Senator will yield to me, I shall renew my unanimous-consent request, because I think the Senate is entitled to hear the minority leader on the pending question.

Mr. BARKLEY. If the request is made on that basis I will not yield for the purpose of having a quorum call.

Mr. LUCAS. I will place the request on any other basis, if the Senator does not like the reason I assign. I make that unanimous-consent request.

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

Mr. BARKLEY. No, Mr. President; I shall proceed, because I am satisfied that the time taken for a quorum call will be taken out of my time, and not divided, as the Chair previously indicated it would.

Mr. President, I shall not take very much of the Senate's time in discussing the pending matter. I wish, however, to register one or two or three reasons why I think the Reorganization Plan No. 3 should be adopted. For a long time we have been expostulating in the Senate and throughout the country about economy and efficiency. Prior to the adoption of reorganization legislation we all seemed to be in favor of it. We are all in favor of the consolidation of departments and agencies for efficiency purposes and for economy purposes if economies can be worked out. But strange to say, when, operating under such a law and carrying out the mandate of Congress, the President of the United States sends a reorganization plan to us, we get out our spy glasses, our lenses, to see if we can find some reason which would justify us in rejecting the plan.

The reorganization law under which the President has sent in the plan was not the outgrowth of the war particularly. Ever since I have been a Member of the Senate, and even before, we have talked about reorganizing the Government, we have talked about agencies and departments growing up like Topsy, scattered all over Washington. We passed a reorganization bill in 1939. We created a special reorganization committee, of which the former Senator, former Su-

preme Court Justice, and former Secretary of State, Mr. Byrnes, was the chairman. I happened to be a member of that committee. We brought in a reorganization plan, in a limited way, which authorized the President for a temporary period to bring about the consolidation of various departments and agencies, and he submitted two or three plans under that temporary law.

The housing agencies were not necessarily a creation of the war. We established the Home Owners' Loan Corporation in order to preserve, or to put the Government of the United States at the service of those who desired to preserve their homes. Some of those who are opposing this very plan opposed the Home Owners' Loan Corporation, although they were being bailed out by the Government of the United States. They wanted to control the bailing process. They were willing to accept whatever assistance the Government would render to them, but if it was to render any assistance to the individual home owner they preferred themselves to control the method by which such assistance was to be given.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. I desire to call the Senator's attention to the fact that, in addition to being the means of bailing various persons out in the manner referred by the Senator from Kentucky, the Federal Government itself in many instances paid the very taxes which were due on properties to the communities and to the States. When the Corporation was first organized, back in the 1930's, I had considerable experience with various home-loan agencies, or whatever they might be designated, and I may say that many municipalities throughout America, as well as many States, accepted Government bonds which were given in connection with this bailing-out process, although they were selling at only $80 or $90, in payment of taxes. There were many houses being foreclosed during that period.

Mr. BARKLEY. The Senator is correct. I thank him for reminding me of that matter. The Corporation was established in order to preserve an atmosphere of home ownership at a time when homes were being foreclosed at the rate of 1,000,000 a year, at a time when, because of the economic conditions, hundreds of thousands of families were on the verge of being put out in the streets under the foreclosure of mortgages which could not be paid, nor could the interest on the mortgages be paid, nor could the taxes be paid on the property.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. The only thought I wished to express was that not only were foreclosures being made by banks and individual mortgage holders but in many instances the States and political subdivisions thereof, the townships, the counties, and the cities themselves were foreclosing on many properties, not because they desired to do so, but because it was obligatory upon them to do so under the law by reason of the fact that taxes were not paid. Tax sales appeared on page after page of the newspapers during that period.

Mr. BARKLEY. The home owners were the victims of an economic situation which they themselves could not remedy, and were being approached from all directions by everyone who had a mortgage or by various divisions of government, whether it was the State or the city or the county, to which taxes were owing but not paid. In that circumstance, the Federal Government, through the Home Owners' Loan Corporation, undertook to make it possible for homes to be preserved in the ownership of their occupants, and the Government created at the same time, or a little before, the Federal Home Loan Bank, under which the building and loan associations of the United States, which, I am glad to say, had rendered a great service in the past, were to be coordinated.

Then after that the Federal Housing Administration, which was not a Government housing project, was created. The Government of the United States put no money into the Federal Housing Administration, except for administrative purposes, and even then it paid itself out and it never cost the Government anything. The Government guaranteed the bonds which were accepted in payment of mortgages by banks and other lending agencies in order that private capital might be invested in homes throughout the United States.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. The Senator is eminently correct. I feel as he does with respect to the private building industry. My mind goes back to 1932 and 1933. In many instances in those days not only were mortgages on homes being foreclosed but I know of many instances in which water had been turned off because of nonpayment of water bills. That was done pursuant to law. In those depression years there was nothing left for the public service commissions of the various cities and communities to do, under the law. I cannot say too much for the generosity of the Federal Government toward various private real-estate concerns, as well as many individuals, and the mortgagees themselves.

Mr. BARKLEY. Undoubtedly. I certainly remember the tragic conditions which existed in 1931, 1932, 1933, and 1934. The situation was desperate. It was not one which the Federal Government had created. It was the result of the economic depression, which was not only Nation-wide, but world-wide. It was to the interest of real-estate operators, builders, and mortgagees of real estate that the Government of the United States do exactly what it did. It was not only in the interest of the home owner, but in the interest of the mortgagee and in the interest of those who had invested their money in homes for the benefit of the people. The Federal Government did the only thing that could have been done. No one else was qualified to do it. The banking system had collapsed, and there was no agency except the Government of the United States which could come to the relief of the American home owner.

It is a strange circumstance that some of those who now oppose consolidation of the housing agencies in order that they may be coordinated actually opposed what was done in the trying days of 1932, 1933, and 1934.

Mr. MAYBANK. The Senator is correct. I remember the experience of those days. If one goes back to the records of 1932 and 1933, he will find that most of the mortgages which the Government took over in those days were taken from the banks themselves, which transferred real-estate mortgages so that they might obtain cash and become liquid.

Mr. BARKLEY. Undoubtedly that is true. It was a case of—

> The devil was sick—the devil a monk would be;
> The devil was well—the devil a monk was he.

We are now faced with the same situation. Undoubtedly the war accentuated this condition. It resulted in the creation of other agencies, with which we are all familiar.

We all recall also that there were so many agencies scattered around Washington and over the country that no one anywhere in the United States who wanted to obtain exact information about a housing property knew where to go to get the information, or to get the last word as to what his rights or opportunities might be.

Mr. MAYBANK. I must say that the situation is not much different today.

Mr. BARKLEY. No.

Mr. MAYBANK. That is the primary reason why I hope that this reorganization plan will be adopted. At least, we shall have a central agency, under central control, where we can find out what is going on. We may like it, or we may not. Time will give us an opportunity to change the plan if we do not like it.

Mr. BARKLEY. Mr. President, one of the grounds of objection to the reorganization plan which we are now considering is that it results in no economies. That is a speculative objection. I do not suppose it can be said categorically that in the first year a very great amount of money would be saved, although I believe that in the long run at least $1,000,000 to $2,000,000 a year would be saved. Even in these days that is not something to be laughed off. However, there would be a saving so far as concerns the convenience of the people who must deal with these agencies. There would be a saving in the convenience of United States Senators and Members of the House of Representatives, who act as go-betweens between their constituents and the agencies in Washington. The people generally do not know anyone in Washington except their Senator or their Representative. Whenever they have a problem to bring to the attention of some governmental agency the natural and proper thing to do is to take it up with their Senator or Representative. If we consider only our own convenience, our own time, our own knowledge, and our own efficiency in representing our constituents, it would be well worth while to establish a consolidated, coordinated housing agency, to see what the result would be.

I am not able to predict, and I presume no one is able to predict with certainty, how much actual saving in money would result from the consolidation of these agencies. But in the long run, even though a saving were not effected in the first year, it would be bound to bring about a substantial saving in the administrative costs of operating whatever housing activity the Government of the United States may undertake.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. If I may digress a moment, the Congress has passed a unification bill for the armed services. No one knows what it will save during the first few years. The testimony before the committee was to the effect that it might not save much the first year, but at least it was a unification; and in the years to come it may save a great deal. Likewise the housing reorganization plan is a beginning. It is a unification. At first the saving may be small; but ultimately there will be a saving not only in money, but, as the Senator has so aptly stated, a saving in time and in the efforts of the people to find out the facts as to where they should go.

Mr. BARKLEY. I thank the Senator. What he says is undoubtedly true.

Another objection which has been raised to the reorganization plan is that it makes permanent temporary powers and functions, in violation of the Reorganization Act. I have been unable to find anything in the reorganization plan, reading it alongside the Reorganization Act itself, which is inconsistent with the act. There is nothing that I have been able to find in the plan which undertakes to make permanent temporary powers in violation of that act. Of course, the act itself was couched in broad terms. It had to be couched in broad terms. It had to be of a general nature.

The plan certainly would not perpetuate any of the temporary powers which ought to be temporary and are temporary, and were intended to be temporary so far as the Reorganization Act itself was concerned.

Another objection is raised to the plan on the ground that it places arbitrary control in the hands of the proposed Administrator under the reorganization plan. Some of us recall the reorganization plan which came before us in 1946, and which was rejected by the Congress. That plan proposed to give to the Administrator specific power to supervise, direct, and control. I think those were the precise words. The Senator from Vermont [Mr. FLANDERS] will correct me if I am mistaken. I am speaking from memory.

Mr. FLANDERS. Those are the words.

Mr. BARKLEY. The words were "supervise, direct, and control." Largely because of the power proposed to be lodged in the hands of the Administrator, Congress, not being willing to go that far, rejected the plan.

Having in mind the previous action of Congress, the President has not followed that course in connection with the present reorganization plan. The Administrator is authorized to have general supervision of policy and to coordinate, by which I presume it is meant that he is to bring the various agencies into closer relationship. But they are still left independent in their respective fields, insofar as independence may be necessary, in order that they may function economically and efficiently in the field which they occupy. Certainly there can be no valid objection, as I see it, to the coordination of the functions of all these agencies which are taken under one roof with respect to housing. Not only should there be no objection to the plan, but it ought to be welcomed by the Senate, by the House of Representatives, and by the people of the United States. I have every belief that in the long run it will work for economy and efficiency; it will work for a more harmonious housing program in the United States, whether it be under the Home Owners' Loan Corporation, which is gradually being liquidated, or under the Federal Housing Administration, which is still a private-enterprise program. All the money which has gone into it and which will go into it is private capital which has been profitable to the American people, and even to the American Government. It is one of the few agencies which has declared a dividend and turned money back into the Treasury of the United States.

So, Mr. President, there is no fear on my part, and I do not think there is or ought to be any valid fear on the part of anyone that this plan would set up a sort of housing dictatorship, an arbitrary czar over the housing agencies established by the United States Government, whether they are in any way related to the private construction of homes, to the lending of money, or to the guarantee of money loaned by private institutions to home owners and home builders.

An objection has been raised that this plan would put Federal public housing, such as may remain, under the same housing organization with private housing institutions. Why not? There ought not to be any competition, certainly among Government agencies. There ought not to be any rivalry between them. There should be no incentive for one agency, which is trying to help the American people, to go beyond its legitimate authority in order to take away authority from some other agency under Government supervision. There is nothing which leads or tends toward inefficiency, chaos, or confusion more than does competitive action between Government agencies dealing with the same general subject. This plan is undertaken with the view of trying to consolidate and coordinate all these agencies.

So, Mr. President, taking into consideration every phase of the problem, taking into consideration the history of housing legislation in the United States, beginning in the early 1930's and coming on down to the war, in the war, and since the war, there ought not to be any fear, doubt, or hesitation on our part, it seems to me, to bring these agencies and activities under one roof, under one general administrator who has supervisory or coordinating power, leaving each constituent part sufficiently independent to act within its own field without arbitrary control on the part of anyone. It seems to me that is something which the Government of the United States ought to look to, not only in the housing field, but in as many other fields as possible.

So I am in favor of this plan, Reorganization No. 3. I hope it will be adopted. I think it is very vital from the standpoint of economy and efficiency, and from the standpoint of the psychological effect it may have upon the American people and upon the Congress. If we continue to reject the plans sent here in good faith by the President—I am not talking about President Truman or President Roosevelt, I am talking about any President who seeks to bring about economy and efficiency—if we continue to reject these plans because of some petty difference of opinion, or because of the activity of some group which has a selfish interest in the defeat of the plan, the time will come when we may not have hope of obtaining any sort of coordination or of efficiency in the operation of the Government of the United States.

So, Mr. President, I hope that this plan will be adopted. I believe it will have a successful operation, subject to any change which experience may bring about. I have no doubt that there are weaknesses in the plan. I have no doubt that if any one of us had been writing it we might have provided some differences in it. We should try the plan. It is a process of trial and error. That is true of all legislation. We hope to profit by experience. Until we have tried it, we cannot know with any degree of certainty what this plan will accomplish. If it turns out to be not so good as we hope it is, there is always the possibility of change. Let us give it a trial. Let us put these agencies under one roof. Let us have a general supervisor. In the long run, I believe it will satisfy the American people and convince the Congress that it can take a chance on these efforts to bring about efficiency and economy in the administration not only of all Government agencies but particularly in this field which is so important and so essential to the life of the American people.

I reiterate what I have before said, that we ought to be interested in every American having a stake in the American economy. The greatest stake is the ownership of a home, around whose fireside a man and his wife and children may gather to discuss the problems of the day and of the age in which they live. It is one of the most vital points at which our economy touches the American people. Let us not for any petty reason or for any indiyidual objection to something that may be contained in the plan, reject it when it holds out such a hope, in my judgment, ultimately, for the American home owner, the American real estate dealer, and all the agencies dealing with the building and preservation of homes in this country.

Mr. FLANDERS. Mr. President, I yield 3 minutes to the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, in view of the housing shortage which exists today, I find it difficult to understand the reasoning behind the opposition to

the housing reorganization plan which is now before the Senate.

It would seem to me to be merely a matter of good business sense as well as good governmental sense that the various complex programs of Federal assistance to housing should operate on a coordinated basis with a common purpose and a common basic policy of maximum assistance in helping overcome the housing shortage. It would seem to me to be just the opposite of good business sense or good governmental sense to allow these various housing programs to be scattered and to operate helter-skelter.

As long as I have been a Member of this Congress, and I am sure that as long as any other Senator has been a Member, businessmen and taxpayers have pleaded for simplifying and streamlining the Government. It is they more than any other group who have argued for streamlining, for efficiency, for economy, for uniform and consistent Government policy, for the elimination of conflicting practices, and for simplifying lines of contact between business and the Government.

I strongly sympathize with that point of view. I believe it to be a sound position under any circumstances, but in my opinion, it is particularly appropriate in the field of housing where there is a crying need today and for years to come for maximum coordination in the dealings of the Federal Government with the builders, the lending institutions, and the communities which are grappling with the housing shortage.

I am a firm believer in the FHA program. I think the Federal Home Loan Bank System has demonstrated its importance and value in the field of home finance. I believe the public-housing program has made a pioneering contribution to the relief of the problem of the slums and of low-income families who cannot afford decent shelter. But I do not believe any of these programs should operate in a vacuum. I think each of them, important as they are in their own right, should be in balance with each other and should proceed with a common sense of direction rather than at cross purposes.

That is precisely what Reorganization Plan No. 3 would make possible. Under this plan these agencies would continue to exercise full responsibility for their day-to-day operations. But there would also be adequate machinery, through the Administrator of the House and Home Finance Agency, for general supervision and coordination of their functions. In short, this plan would make possible a balanced housing program, without overlapping or duplication and without interagency bickering and disputes.

If anyone will take the time to examine the record of the Federal Government's housing activities since the early thirties he will find that record full of complaints against the very lack of coordination which this reorganization plan would correct. The various trade and business organizations in the housing field were particularly vehement in their criticism of the administrative confusion in housing and of the difficulties of trying to do business with a maze of uncoordinated Federal agencies dealing with various aspects of housing. Their publications and their testimony before various congressional committees in the last thirties and early forties are filled with their complaints against that situation and with their expressions of satisfaction with the temporary consolidation of the housing agencies into the National Housing Agency during the war.

Most of these trade organizations have now changed their position and are opposing Reorganization Plan No. 3 in favor of returning to the prewar situation in housing. I cannot say what has led them to change their minds, although I have heard it frequently stated that this all stems from their opposition to public housing. Of course, the decision as to how much more public housing to authorize, if any, will be made by the Congress and not by the head of any agency. Furthermore, as a matter of simple common sense, I would much prefer to see public housing administered in a housing agency where all the considerations pro and con would receive full weight than to have it placed in an unrelated agency where other considerations would be controlling.

Neither can I cite any evidence as to how accurately the opposition of these organizations to Plan No. 3 reflects the true and considered views of the rank and file of businessmen in the housing field. In this connection I was struck by a letter to the Senator from New Mexico [Mr. HATCH] from Mr. Ben H. Wooten, chairman of the board of the Federal Home Loan Bank of Little Rock, Ark., which is printed in the hearings of the Banking and Currency Committee on Plan No. 3. I understand that Mr. Wooten is a highly respected businessman and banker in the Southwest. His views impress me as so sensible that I should like to read this brief letter to the Senate:

DEAR SENATOR HATCH: I am hopeful that you have had time to study the President's Reorganization Plan No. 3, which deals with housing and home-financing agencies of the Government. We believe it to be good. Certainly the Home Loan Bank Board should be reestablished, and beyond any doubt the housing efforts of the Government should be coordinated and a national policy formulated.

You will recall, I am sure, the differences of opinion between the various housing agencies and the conflict of views and programs that have retarded construction not only for veterans but for others. The Government has a tremendous liability in its guaranty on FHA insured mortgages, insurance of shares of savings and loan associations, and guaranteed GI loans. Before another 5 years have elapsed, it is easy to believe that the Government's total guaranty will run $50,000,000,000 and the mishandling of any phases of the housing program will affect all the agencies. Therefore, I am strongly in favor of the coordinated plan as set out in the order.

I understand that a vicious attack is being made by two or three trade organizations on the theory that the order tends toward socialized housing. A careful reading of the order will not bear this out, and it will be noted that the Housing and Home Financing Administrator will be responsible for the general supervision and coordination of functions of the various agencies. The order does not give him authority to issue directives and the term "supervision" limits him to seeing that laws governing these agencies are complied with.

The Government should supervise and coordinate the efforts of the agencies for which it is responsible on guaranties. Any sound business operation demands that there be an over-all policy where the activities of the various agencies deal with the same subject. By no stretch of the imagination can the order be justly termed a "public-housing program." It is a common-sense business approach to what is now a confused condition in the various housing agencies.

If hearings are held on the order, it is possible that I would like to appear before the committee.

With warm personal regards and best wishes, I am,

Sincerely yours,

BEN H. WOOTEN.

In conclusion, Mr. President, I believe that Plan No. 3 represents a businesslike solution to the problem of housing reorganization, and I trust that it will be supported by the Senate.

The PRESIDENT pro tempore. The time of the Senator from Pennsylvania has expired.

Mr. FLANDERS. Mr. President——

The PRESIDENT pro tempore. The Senator from Vermont is recognized.

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

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

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. From whose time will the time for the quorum call be taken?

The PRESIDENT pro tempore. It will be taken from the time of the Senator from Vermont.

Mr. FLANDERS. I expect it to be taken out of my time.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

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

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

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

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Vermont has the floor. Does he yield; and if so, to whom?

Mr. FLANDERS. I yield to the Senator from Ohio.

The PRESIDENT pro tempore. Does the Senator yield the balance of the time to the Senator from Ohio?

Mr. FLANDERS. I do.

The PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, since I came to the Senate, 8 years ago, I have been intensely interested in trying in some way to develop an over-all Government housing policy. There is no question that is more important to the people of the United States than the development of a housing policy. Not only does it affect their comfort, but it affects the construction industry and the prosperity of the whole country.

When I came to the Senate, there were approximately 15 agencies of the Government involved in housing. At the time when I campaigned for the Senate, and ever since, I cited it as one of the worst examples of confusion which exists in the entire governmental structure.

Of those 15 agencies, today there are three main agencies. There is the Federal Home Loan Bank System, which finances the building of savings and loan associations, which today furnish approximately 35 percent of all the mortgages on new homes in the United States. There is the FHA, in which the Government insures loans on housing. The Government today, through the FHA, is really in the housing business. The third agency is that which supports public low-rent subsidized housing. Those three agencies dominate all the others. There are many others, however.

The Public Works Agency, as well as the War Department and Navy Department and the Department of Agriculture, undertook housing, and there were all the Tugwell housing plans. We experimented in every field. Under the war powers, most of these agencies were consolidated in the National Housing Agency. In my opinion they should be in a National Housing Agency.

Under the proposed plan these three main functions, and a number of others which are being liquidated, which have been consolidated with them, are under a new Administrator of Housing and Home Finance.

If we do not approve this plan, the war consolidation will come to an end with the end of the war, and the agencies will fall to pieces. The FHA will become an independent agency, the head of it responsible to nobody except the President of the United States. The Federal Home Loan Bank Board will become an independent agency, responsible to nobody but the President of the United States. The Public Housing Authority will go back to the Federal Works Agency. The War Department and the Navy Department will get back their various housing projects. I do not know what will become of the Farm Security Administration. Then there were the various "Green" towns which were constructed under the original Tugwell administration.

I feel very strongly that we should put all housing agencies into one administration. We have had put upon us one after the other of these various plans of housing, and their advocates have been strong. The advocates of one plan have fought the advocates of another. The result has been that before the war, each of them tried to expand its importance, and spend all the money it could in order to build up itself.

Of course the President of the United States never had time to coordinate the three large ones and half a dozen small ones, so that for all practical purposes they went their own way and developed their own policies.

When I first came to the Senate I tried to persuade the Senate to order a general investigation of the housing program, and finally such an investigation was obtained, and was proceeded with under the Special Committee on Postwar Economic Policy and Planning, headed by the Senator from Georgia [Mr. GEORGE]. There was a subcommittee composed of the then Senator from Maryland, Mr. Radcliffe, the Senator from Delaware [Mr. BUCK], the Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. CHAVEZ], the then Senator from Wisconsin, Mr. La Follette, and myself, and in our report we developed a plan for consolidation. That report, which was submitted on August 1, 1945, provided specifically for the organization of a Federal agency. We said in the report:

> The first requirement for the postwar establishment, therefore, is that it be sensitive to rapid changes in the economy and flexibile in its adjustment to new demands. In order to achieve such adaptability, it is essential that all the housing activities of the Government be subject to a common policy and, to assure the consistent execution of that policy, that the agencies operate under some form of unification.

Mr. President, that was the recommendation of the committee at that time. It was the recommendation of the Committee on Banking and Currency when it recommended a general housing bill last year, and it was the recommendation of the Committee on Banking and Currency this year when it recommended a general housing bill.

In submitting the plan which is now before the Senate, the President does no more than follow what has been already suggested by committees of Congress, and particularly committees of the Senate.

Last week we spent some time in an effort to unify the armed forces, through the medium of a unification bill, because in reality the two departments involved dealt with one subject, and because in determining the defense policy, we wanted one man to head up all opinions into one thought and one policy. We wanted to have a man who was not the President himself—who, after all, has not the time to coordinate the thinking of a number of others. So in this case we want a national-housing administrator who can develop a housing policy and take it to the President of the United States. I think that in housing we are doing, in a somewhat smaller field, although almost as complicated a field, exactly what we did in passing the unification bill.

The principal objection to the consolidation—and we heard it all through the committee hearings—is that the so-called private agencies, the private builders, the real-estate boards, do not want to have the FHA and the Federal home loan bank combined with the Federal Public Housing Authority. They have felt that if those were put together the head man would be a public houser, and for some time there was perhaps some justification for that idea. But certainly President Truman has shown that it need not be true under his administration, for when the last National Housing Administration resigned the President appointed the man who had been head of the Federal Housing Administration Insurance Agency, which is to a large extent the representative of the private builders of homes in the United States. Mr. Foley has not been in that position very long, and has not had time to correct the things which should be corrected, but the President has certainly shown that, so far as he is concerned, he is just as likely to appoint a man with a previous private housing experience as a man with a previous public housing experience. In any event, my own opinion is that the man who has the job of coordinating policy will look at all phases of the situation.

No one can help realizing that today, regardless of how important we may think public housing is, the construction of even 125,000 homes a year, which is the largest number anyone has proposed in the way of public housing, is only a small fraction of what should be built in the way of private houses, and that the real problem is primarily a private housing problem. Any man who is broad enough to look at the whole housing policy is bound to take that position. The idea that the Administrator is going to play down FHA or play down the Federal home-loan banks seems to me to be utterly fantastic. I can see no reason why the activities should not be combined.

Incidentally, the private builders are not very reasonable, because they say, "We do not want the Government in the housing business," but they invite the Government into the housing business. Under the FHA, and under the pressure of private builders, the Government today is actually lending builders 90 percent of the cost of the construction of houses, not the man who ultimately buys the house, but the Government is lending the builder 90 percent, so that he does not have to put in one cent of his own money. The FHA program today is financed practically 100 percent by the Government of the United States, so far as the cost of building is concerned. There is about as much public housing as the subsidized housing of the United States Housing Authority. The private builders want the Government to help them, they want the Government to relieve them of the necessity of providing capital, but they oppose public housing. They oppose the consolidation of the housing agencies which help them, with the other housing agencies of the Government, which are administering public housing previously authorized. Today there is no public housing authorized, and there is no construction. There is no work that can be done by

the Federal Public Housing Authority unless Congress specifically grants money with which they may build houses or may subsidize housing throughout the United States; so there is no public housing today.

The idea that the head of this agency is going to favor the Public Housing Authority over the other agencies which are rendering most of the assistance to the construction of building today seems to me to be completely untenable.

There has been a complaint that the Administrator will oppose the FHA and the Federal Home Loan Bank System. I think that fear also is groundless. He is supposed to supervise and coordinate. I take it that means that if they develop a policy which is in conflict with other housing policies of the Government, he may check that policy. He has a kind of veto power. He has not, as he had last year, the power and authority to step in and really take over the management of these particular agencies. They are created under statute. The statutes define very closely what they may do. There is a certain latitude. His job is to see that the policies are coordinated, and that, when they are added together, there is a consistent and a progressive housing policy for the Federal Government.

Last year I opposed the plan because after we had struggled over certain words, and used the words in our bill "supervise and coordinate the administration," without consulting anybody, it was proposed to bestow power on the new Administrator to direct and, in substance, to substitute himself for the man who headed the three lower agencies. That has been corrected; and he is now to have the same functions which were proposed by the original committee and the power to supervise and coordinate the various agencies of the Federal Government.

I may say the plan goes still further. Certain agencies are not consolidated. I think perhaps it might be better if they were. But in order that the policies may be coordinated there is created a National Housing Council, which is composed of this new man—the over-all policy man, as he might be called—the head of each of the three constituent agencies, and three others. The first is the Administrator of Veterans' Affairs. The Veterans' Administration today plays a large part in the building program, and we cannot very well take away from the Veterans' Administration the housing functions they exercise for the benefit of veterans; and they are merely required to have a representative sit on the Council, with the regular housing officials.

The second is the Chairman of the Board of Directors of RFC. The functions of the RFC have now been restricted to buying mortgages guaranteed by the Veterans' Administration, and, through the Federal National Mortgage Association, to help buy other mortgages which may be guaranteed by the FHA.

The third is Secretary of Agriculture. There is hardly a housing policy in the rural districts. There should be. There are certain vestiges of a suggested policy, and it was thought desirable that he should also sit on this over-all National Housing Council.

So the various agencies have representation on the Council, and all the active housing agencies, except the Veterans' Administration, are placed under one man, whose job it is to develop the national housing policy and to recommend to the Congress what the national housing policy should be.

I regret that at this session of the Congress we have not, ourselves, developed a definite policy. I think it should be realized that so far as financing is concerned, these agencies have almost unlimited power to finance any houses. We have not undertaken to discuss the question of renewing the public housing policy. That is, we have not discussed it here in the Senate, itself, nor have we dealt with the question of urban development; both of which I think are essential, and which next year should be one of the main considerations of this body. But in order to do that we should have the executive department's recommendations of a single housing policy, not a dozen housing policies; not a dozen requests for money, considered independently, but a single housing policy. I feel perfectly confident that if we do have that we can save money; not only in administration, but I believe very strongly that we can save money in the character of the programs which are finally developed and approved by the Congress of the United States.

So, Mr. President, I trust that Reorganization Plan No. 3 will be approved. I think if it is not approved, the alternative of a dozen scattered housing agencies independent of each other, without any coordination, responsible only to the President, is the very poorest form of organization we could possibly have. I believe very strongly that the concurrent resolution adopted by the House should be disagreed to by the Senate, the result would assure the adoption of Reorganization Plan No. 3, submitted by the President.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, would it be fair to say he believes that while this plan does not necessarily involve a decrease in expenses, or deal with expenses, yet it is a step toward achievement of that purpose, and toward further consolidation, which, itself, is one of the preliminary steps to be taken in order to reach the desired goal?

Mr. TAFT. I think that is true. We now have, of course, a form of consolidation. If we had not had that form, I think we would have had a much more expensive set-up. I think there would have been four or five independent agencies, each engaged in enlarging the scope of its particular activity, with no restraint except by the President himself. I think if we had not had the war consolidation, housing agencies in general would have been much more expensive than they are today.

Mr. FULBRIGHT. What I had in mind is that there is complaint, for example, that the HOLC has not been consolidated or liquidated. There are other agencies about which that complaint is made, but it seems to me that the coordination which is provided in Plan No. 3 is the most efficient way to achieve that end and is a step toward the gradual consolidation of agencies which are still preserved under the plan.

Mr. TAFT. I think the Senator is correct. Of course, there is a provision in the plan for the liquidation of the Defense Homes Corporation, which is being liquidated. The Home Owners' Loan Corporation is being liquidated about as fast as anything can be liquidated, but it has thousands and thousands of homes. They are making substantial progress, but perhaps they could proceed faster.

I may say this plan does something which the building and loan organizations have always wanted done. It restores the Board. Under the War Reorganization, the original Home Loan Bank Board was abolished, and one man was appointed in its place. This restores the Home Loan Bank Board. That Board is, I think, generally more satisfactory to building and loan associations that are financed than the Federal Home Loan Bank Administration, and, furthermore, I think it may be expected to speed up the liquidation of the Home Owners' Loan Corporation and to get rid of the remaining houses. I do not know whether it was the fault of the one man or whether it was the fault of the particular man who happened to occupy that position during the last 10 years, that the liquidation has not proceeded faster, but I think, under this plan, the liquidation will be faster, if we leave it as it is.

Mr. FULBRIGHT. Is not the condition to which the Senator has referred natural, in view of the fact that there has been no single over-all agency? Certainly in the early days each agency was vitally concerned with its own preservation, but if there is consolidation at the top, there will be some way by which liquidation can be effected. It seems to me Plan No. 3 is a vital step in that process. I may say that practically every savings and loan association in my State, at least every one I have heard from, is very strongly in favor of this plan.

Mr. TAFT. I thank the Senator for his statement.

The PRESIDENT pro tempore. The Senator from Vermont.

Mr. TAFT. Mr. President, I suggest the absence of a quorum. There is only 1 minute left of the time allotted.

The PRESIDENT pro tempore. There are 8 minutes left.

Mr. FLANDERS. Mr. President, I had been told the time would be up at 4:20. I should like to have definite information on the point.

The PRESIDENT pro tempore. The computation which put the vote at 4:20 was 8 minutes in error. The Senator has eight additional minutes at his disposal, if he wishes it.

Mr. FLANDERS. I merely desire to introduce into the RECORD two letters, one from the National Housing Agency, the other from the Comptroller General of the United States, relating to the errors and inefficiencies in accounting, to which the Senator from Washington

addressed himself in the course of his remarks. The letters, which I wish to appear in the RECORD immediately after these brief remarks, show, first, that the head of the National Housing Agency discovered the bad conditions in the Federal Public Housing Authority. The letter from the Comptroller General of the United States states that they are now well under control. I ask unanimous consent that the letters may be printed in the RECORD at this point as a part of my remarks.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, July 22, 1947.

Hon. RALPH E. FLANDERS
United States Senate.

MY DEAR SENATOR: I have your letter of July 21, 1947, as follows:

"Reference is made to the Report on the Survey of the Accounting System of the Federal Public Housing Authority, dated April 30, 1947.

"I have noted that your report suggests that in the years 1945–46, the period covered by your survey, the Authority's accounting system was inadequate and in numerous instances inaccurate. I understand that steps have been taken to remedy this situation.

"I would appreciate any information you might give me on the present status of accounting of the Federal Public Housing Authority. I would also appreciate any information you could give me with respect to the steps taken to remedy the situation that existed in 1945. Were these steps initiated before the making of the audit by the General Accounting Office?"

It is believed that the answers to your questions are contained in the testimony of Mr. T. Coleman Andrews, Director, and Mr. S. B. Ives, Assistant Director, Corporation Audits Division of the General Accounting Office, before a subcommittee of the Committee on Appropriations, House of Representatives, on the Government Corporations appropriation bill for 1948. With reference to the steps taken before the making of the audit survey by the General Accounting Office pursuant to section 5 of the act of February 24, 1945 (59 Stat. 6), to remedy the inadequacies in the accounting for the Authority's financial transactions, your attention is invited to the statements appearing on page 344 of part II of the cited hearings, a copy of which it is understood has been furnished to you.

By way of amplification it may be stated that Mr. T. Jack Gary, Jr., referred to in Mr. Andrews' testimony, had been transferred to the Federal Public Housing Authority on September 1, 1944, from the position of Accounting Officer in the Office of the Administrator, National Housing Agency, in which capacity he had made a survey of the accounting system of the Authority in consultation with officials of the Authority, and that Mr. Herbert Wooten had been transferred to the Authority from the Estimates Division of the Bureau of the Budget.

With reference to the present status of the accounting of the Authority, noteworthy improvements have been made in the current accounting system and substantial progress is being made in clearing up the backlog of work covering the period prior to July 1, 1945.

I trust that the foregoing is the information you desire.

Sincerely yours,

FRANK L. YATES,
Acting Comptroller General of the United States.

NATIONAL HOUSING AGENCY,
Washington, D. C., July 21, 1947.

Hon. RALPH E. FLANDERS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR FLANDERS: I am very glad to respond to your request for information with respect to the accounting situation in the Federal Public Housing Authority particularly in connection with the report of the Comptroller General of the United States transmitted to the Senate under date of April 30, 1947.

The report of the Comptroller General indicates that for the fiscal year 1945 (i. e., July 1, 1944, to June 30, 1945), and prior years, the accounting of the Federal Public Housing Authority "was found to be inadequate, inaccurate, and otherwise deficient."

I desire to call your attention to the fact that the inadequacies in the accounting system of the Federal Public Housing Authority were initially disclosed in 1943 in the course of the supervision exercised by the National Housing Administrator over the constituent units. Following consultations with the FPHA, they were discussed in a staff memorandum of November of 1943 from T. Jack Gary, Jr., Agency Accounting Officer for the Office of the Administrator, to Lyman Moore, Assistant Administrator for Administration.

Rather than build up a large supervisory staff in the Office of the Administrator to oversee the correction of these inadequacies it was mutually agreed to transfer Mr. Gary from the Office of the Administrator to the Federal Public Housing Authority for the purpose of installing in the Federal Public Housing Authority the system of accounting recommended by Mr. Gary, after consultation with the FPHA, to overcome the inadequacies originally disclosed. It was likewise determined to strengthen the entire finance and accounts division of the Federal Public Housing Authority by placing it under a comptroller reporting directly to the Commissioner. Mr. Herbert Wooten was selected to fill the position of Comptroller.

In this connection I desire to call your attention to the testimony of Mr. T. Coleman Andrews, Director of the Corporations Audits Division of the General Accounting Office which appears at page 344 of the printed House hearings on the Government Corporations appropriation bill for 1948 (H. R. 3756):

"Mr. ANDREWS. I would like to say further that we found when we went over there that the situation encountered was one which the present management had inherited, and we found this management already hard at work undertaking to get the situation straightened out. They had employed for that purpose a man who is a certified public accountant.

"Mr. SCHWABE. Who is that?

"Mr. ANDREWS. Mr. T. Jack Gary, Jr. Now, I happen to know something about Mr. Gary, because he was for a long time on my firm staff, and I know he is a tremendously fine accountant. I would like, frankly, to have him back.

"Mr. SCHWABE. You mean he is on the General Accounting Office staff?

"Mr. ANDREWS. No; he is on the staff of the Federal Public Housing Authority as assistant comptroller. They also have a man over there who is comptroller, Mr. Herbert Wooten, whom we regard as a very capable person, under whom Mr. Gary is working. * * * We concluded that the steps that they had taken to correct the situation were the logical steps that anyone would take, and that under all of the circumstances they had made good progress with it up to the time that we went in."

I would also like to call to your attention the testimony of Mr. S. B. Ives, Assistant Director of the Corporation's Audit Division of the General Accounting Office, which appears at pages 370 and 371 of the printed hearings on said Government corporation's appropriation bill for 1948.

"Mr. WHITTEN. Actually you had to start from scratch, almost, as far as setting up a proper system of bookkeeping and accounting in the agency is concerned, did you not, Mr. Ives?

"Mr. IVES. I would say that they had made very great steps toward setting up the proper accounts by the time we got in there. They had started from scratch.

"Of course, it took some time for them to survey what was wrong and to decide on the steps that were necessary to correct the situation, and then to educate their whole staff as to how to put those steps into effect.

"I have the feeling now that their current accounting is in very good shape. It is this backlog of old errors and unidentified entries and matters of that nature that is causing trouble.

"They are making great strides in that matter now. They have what they call the backlog section which is engaged in that, and in some cases they have had to go back to the inception of the organization and rewrite the books in order to find out what was going on."

The record is abundantly clear that—

1. The inadequacies in the accounting system for the fiscal year 1945 and prior fiscal years were disclosed in the course of the supervision exercised by this office over the constituent units;

2. Upon such disclosure, this office, in conjunction with the FPHA, promptly took adequate steps to correct these inadequacies;

3. The staff personnel of the FPHA selected for this purpose are extremely capable and are so regarded by the General Accounting Office;

4. The General Accounting Office regards the steps which had been taken to correct the situation as the logical steps that should have been taken;

5. Good progress in correcting the inadequacies had already been made by the FPHA when the General Accounting Office made its initial survey of the accounting system; and

6. The current accounting system of the FPHA is in very good shape, and there remains only the backlog of old errors which can now cause any difficulties.

In connection with the latter item, I also desire to call attention to the fact that the General Accounting Office has indicated that excellent progress is now being made in clearing up this old backlog and bringing it forward on a proper basis, and that for this purpose there has been included in the administrative expense budget for the Federal Public Housing Authority for 1948 a special fund of $175,000.

I realize, of course, that the representatives of some of the groups who have opposed Reorganization Plan No. 3 have sought to confuse this matter by reference to this report of the Comptroller General of the United States. An example of the type of distortion given to this report is found at page 39 of printed Senate hearings on the plan where the representative of the National Association of Real Estate Boards testifies that it shows that a single administrator, as proposed by the plan, "has not on the basis of actual operations provided for efficiency and economy."

I realize also that a great many statements have been made about the so-called "Lee report" of an investigation of the activities of the Federal Public Housing Authority. This is also referred to in the testimony of the representative of the National Association of Real Estate Boards at page 40 of the printed Senate hearings on the plan.

As I indicated in recent testimony before the Committee on Banking and Currency, although both the FPHA Commissioner and I

have on several occasions requested that a copy of this report be made available to us so that we might take any action which might be warranted—depending on the actual facts—no copy has ever been furnished. As indicated by the FPHA Commissioner in recent testimony before the Committee on Banking and Currency, some of the allegations, presumably contained in the so-called Lee Report, were brought up and answered in the course of the House Appropriations Committee hearings on H. R. 3756. Aside from statements contained in a press release of the committee which is answered at pages 110 to 116 of the printed Senate hearings on the plan, this represents the only information available to us as to the substance of the so-called Lee Report.

Sincerely yours,

RAYMOND M. FOLEY,
Administrator.

Mr. FLANDERS. Mr. President, I now surrender my time in the interest of having a vote on the concurrent resolution.

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	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Brewster	Hill	O'Daniel
Bricker	Hoey	O'Mahoney
Buck	Holland	Overton
Bushfield	Ives	Pepper
Butler	Jenner	Reed
Byrd	Johnson, Colo.	Revercomb
Cain	Johnston, S. C.	Robertson, Va.
Capehart	Kem	Saltonstall
Capper	Kilgore	Smith
Chavez	Knowland	Sparkman
Connally	Langer	Stewart
Cooper	Lodge	Taft
Cordon	Lucas	Taylor
Donnell	McCarran	Thomas, Okla.
Downey	McCarthy	Thomas, Utah
Dworshak	McClellan	Thye
Eastland	McFarland	Tydings
Ecton	McGrath	Umstead
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Wherry
Flanders	Malone	White
Fulbright	Martin	Wiley
George	Maybank	Williams
Green	Millikin	Young
Gurney	Moore	

The PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. A vote "yea" on the concurrent resolution is a vote against Reorganization Plan No. 3. A vote "nay" is a vote for the plan. Is that a correct statement of the situation?

The PRESIDENT pro tempore. The Senator is correct.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUCK (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. TOBEY]. I understand that if the Senator from New Hampshire were present he would vote "nay." If at liberty to vote I would vote "yea."

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the senior Senator from New Hampshire [Mr. BRIDGES] and will vote. I vote "yea."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from New Hampshire, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON], who is necessarily absent, is paired with the Senator from Washington [Mr. MAGNUSON]. The Senator from Wyoming, if present and voting, would vote "yea," and the Senator from Washington, if present and voting, would vote "nay."

The Senator from Iowa [Mr. WILSON] who is absent on official business, is paired with the Senator from Georgia [Mr. RUSSELL]. The Senator from Iowa, if present and voting, would vote "yea," and the Senator from Georgia, if present and voting, would vote "nay."

The Senator from Illinois [Mr. BROOKS] is detained on official committee business. If present and voting, he would vote "nay."

The Senator from Utah [Mr. WATKINS] is unavoidably detained. If present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. TOBEY], who is necessarily absent because of illness in his family, is paired with the Senator from Delaware [Mr. BUCK]. That pair has been previously announced by the Senator from Delaware.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON], who is necessarily absent, is paired on this vote with the Senator from Wyoming [Mr. ROBERTSON]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Wyoming would vote "yea."

The Senator from Georgia [Mr. RUSSELL], who is detained on official committee business, is paired on this vote with the Senator from Iowa [Mr. WILSON]. If present and voting, the Senator from Georgia would vote "nay" and the Senator from Iowa would vote "yea."

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. BRIDGES] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay" and the Senator from New Hampshire would vote "yea."

The result was announced—yeas 38, nays 47, as follows:

YEAS—38

Brewster	Butler	Capehart
Bricker	Byrd	Capper
Busbfie'd	Cain	Cordon
Donnell	Kem	O'Daniel
Dworshak	Knowland	Reed
Ecton	McCarran	Revercomb
Ferguson	McCarthy	Robertson, Va.
Gurney	McFarland	Thye
Hawkes	Malone	Wherry
Hickenlooper	Martin	Wiley
Ives	Millikin	Williams
Jenner	Moore	Young
Johnson, Colo.	Morse	

NAYS—47

Aiken	Hill	O'Mahoney
Baldwin	Hoey	Overton
Ball	Holland	Pepper
Barkley	Johnston, S. C.	Saltonstall
Chavez	Kilgore	Smith
Connally	Langer	Sparkman
Cooper	Lodge	Stewart
Downey	Lucas	Taft
Eastland	McClellan	Taylor
Ellender	McGrath	Thomas, Okla.
Flanders	McKellar	Thomas, Utah
Fulbright	McMahon	Tydings
George	Maybank	Umstead
Green	Murray	Vandenberg
Hatch	Myers	White
Hayden	O'Conor	

NOT VOTING—10

Bridges	Robertson, Wyo.	Watkins
Brooks	Russell	Wilson
Buck	Tobey	
Magnuson	Wagner	

So the concurrent resolution (H. Con. Res. 51) was not agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Ferrell, its enrolling clerk, announced that the House had passed without amendment the bill (S. 1519) to amend section 10 of the Federal Reserve Act, as amended, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 981) 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.

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. 3587) to establish a National Aviation Council for the purpose of unifying and clarifying national policies relating to aviation, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate No. 176 to the bill (H. R. 3123) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the House had passed a bill (H. R. 1602) to stimulate exploration, development, and production from domestic mines by private enterprise, and for other purposes,

in which it requested the concurrence of the Senate.

CONGRESSIONAL AVIATION POLICY BOARD

The PRESIDENT pro tempore. Under the unanimous-consent agreement of the Senate the calendar is now in order beginning with the first number, for the consideration of measures to which there is no objection.

Pending the call of the calendar, conference reports are in order.

CONGRESSIONAL AVIATION POLICY BOARD—CONFERENCE REPORT

Mr. BREWSTER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to 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, 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 amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That it is the purpose of this Act to provide for the development of a national aviation policy adequate to meet the needs of the national defense, of the commerce of the United States, both interstate and foreign, and of the postal service, and to provide for the formulation and clarification of national policies relating to or affecting aviation, including policies relating to the maintenance of an adequate aeronautical manufacturing industry.

"SEC. 2. There is hereby established a temporary Congressional Aviation Policy Board (hereinafter referred to as the 'Board') which shall be composed of five Members of the Senate, not more than three of whom shall be members of the majority party, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives, not more than three of whom shall be members of the majority party, to be appointed by the Speaker of the House of Representatives.

"SEC. 3. It shall be the duty of the Board to carry out the purposes of this Act, and, in so doing, to study the current and future needs of American aviation, including commercial air transportation and the utilization of aircraft by the Armed Services; the nature, type and extent of aircraft and air transportation industries that are desirable or essential to our national security and welfare; methods of encouraging needed developments in the aviation and air transportation industry; and the improved organization and procedures of the government that will assist it in handling aviation matters efficiently and in the public interest. The Board shall report to the Congress, together with such recommendations as it deems desirable, on or before March 1, 1948.

"SEC. 4. (a) The Board shall select a chairman and a vice chairman from among its members. A vacancy on the Board shall be filled in the same manner as the original selection.

"(b) The Board is authorized to employ such experts, assistants, and other employees as in its judgment may be necessary for the performance of its duties. The Board is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

"(c) The Board shall have the power to hold hearings and to require by subpena or otherwise the attendance of such witnesses, the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable.

"(d) For the purpose of carrying out the provisions of this Act the Board may seek information from such sources and conduct its studies and investigations at such places and in such manner as it deems advisable in the interest of a correct ascertainment of the facts.

"SEC. 5. There is hereby authorized to be appropriated such sums, not to exceed $50,000, as may be necessary to enable the Board to carry out its functions under this Act.

"SEC. 6. The members of the Board, and employees thereof, shall be allowed all expenses necessary for travel and subsistence incurred while so engaged in the activities of the Board."

And the Senate agree to the same.

Amend the title so as to read: "An Act to provide for the establishment of a temporary Congressional Aviation Policy Board."

OWEN BREWSTER,
A. W. HAWKES,
HOMER E. CAPEHART,
ED C. JOHNSON,
BRIEN MCMAHON,
Managers on the Part of the Senate.

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
A. L. BULWINKLE,
J. PERCY PRIEST,
Managers on the Part of the House.

Mr. JOHNSON of Colorado. Mr. President, on July 18 I gave notice that I would enter a motion for the reconsideration of House bill 3587, which had passed the Senate 2 days previously. I now desire to withdraw that motion.

The PRESIDENT pro tempore. The motion is withdrawn.

Mr. JOHNSON of Colorado. The conferees working out the terms of the bill have agreed among themselves, as I understand, not to make any effort to promote the so-called single instrument or monopoly with respect to foreign aviation. While the bill itself is silent on that question, it was the general understanding—as I understand, at least—that no effort would be made to promote the single instrument, and no time would be wasted on it by the joint control board which is provided for by this legislation.

Mr. BREWSTER. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

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

Mr. BARKLEY. Mr. President, as the bill passed one House or the other, it provided for a joint committee or commission, composed of Members of the two Houses, and also others, to be appointed by the President, I believe.

Mr. BREWSTER. That is correct.

Mr. BARKLEY. What does the conference report contain?

Mr. BREWSTER. In the light of the President's action—and I may say that I discussed this question with him on Monday—he has appointed a board of five members. The bill eliminates the Executive or Presidential appointments and proposes simply a temporary congressional aviation-policy board confined to Members of Congress. That was the unanimous agreement.

Mr. BARKLEY. I gather from the remarks of the Senator from Colorado that there is nothing in the bill which involves the controversial question which has been discussed here so often and so long, and upon which hearings were held, with reference to the so-called chosen instrument of aviation. As I understand, the bill deals largely with the manufacturing end of aviation.

Mr. BREWSTER. The emphasis is on that feature. As the Senator from Colorado pointed out, the language is broad enough to include everything. The language of this measure includes the language used by the President in his commission to his board. So the commission is the same. However, as the Senator from Colorado says, the question was discussed among the conferees, and it was their objective to go forward within this charter, without further agitation of that question.

Mr. BARKLEY. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

NATIONAL SCIENCE FOUNDATION—CONFERENCE REPORT

Mr. SMITH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'National Science Foundation Act of 1947'.

"ESTABLISHMENT OF NATIONAL SCIENCE FOUNDATION

"SEC. 2. There is hereby established in the executive branch of the Government an independent agency to be known as the National Science Foundation (hereinafter referred to as the "Foundation").

"MEMBERSHIP OF FOUNDATION

"SEC. 3. (a) The Foundation shall have twenty-four members to be appointed by the President, by and with the advice and consent of the Senate. The persons nominated for appointment as members (1) shall be eminent in the fields of the fundamental sciences, medical science, engineering, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations.

"(b) The term of office of each member of the Foundation shall be six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, eight at the end of two years, eight at the end of four years, eight at the end of six years, after the date of enactment of this Act. Any person who has been twice appointed as a member of the Foundation shall thereafter be ineligible for appointment.

"(c) The President shall call the first meeting of the Foundation, at which the first order of business shall be the election of a chairman and a vice chairman.

"POWERS AND DUTIES OF THE FOUNDATION

"SEC. 4. (a) The Foundation is authorized and directed—

"(1) to formulate, develop, and establish a national policy for the promotion of basic research and education in the sciences;

"(2) to initiate and support basic research in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts or other arrangements (including grants, loans, and other forms of assistance) for the conduct of such basic scientific research;

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

"(4) to grant scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences;

"(5) to foster the interchange of scientific information among scientists in the United States and foreign countries;

"(6) to correlate the Foundation's scientific research programs with those undertaken by individuals and by public and private research groups; and

"(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this Act.

"(b) In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen fundamental research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

"(c) The members of the Foundation shall meet at the call of the Chairman but not less frequently than once each year. A majority of the members of the Foundation shall constitute a quorum. Each member shall be given notice, by registered mail mailed to his last-known address of record not less than fifteen days prior to any meeting, of the call of such meeting.

"(d) The Foundation shall elect its chairman and vice chairman biennially, who shall also serve as chairman and vice chairman of the executive committee. The vice chairman shall perform the duties of the chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Foundation shall eleet a member to fill such vacancy.

"(e) The Foundation shall render an annual report to the President for submission on or before the 15th day of January to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate. Such report shall include in full the report of the Executive Committee to the Foundation provided for in section 5 (e).

"CREATION AND POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE

"SEC. 5. (a) The Foundation shall elect biennially from its own membership an executive committee composed of nine members. The executive committee shall, except as otherwise provided by the Foundation, exercise the powers and duties of the Foundation. It is intended that the membership of the executive committee shall be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the nation. In case a vacancy occurs on the executive committee, the Foundation shall elect a member to fill such vacancy. The executive committee may delegate or assign to officers, employees, and divisions, within the Foundation, any of its powers, duties, and functions.

"(b) The executive committee shall meet at the call of the chairman or at such times as may be fixed by itself, but not less than six times each year.

"(c) Five members of the executive committee shall constitute a quorum.

"(d) The executive committee may establish such advisory committees as may be necessary for the consideration of programs administered by the Foundation.

"(e) The executive committee shall render an annual report to the Foundation, summarizing the activities of the executive committee, making such recommendations as it may deem appropriate, and setting forth the recommendations of the divisional committees and special commissions. Minority views and recommendations, if any, of members of the executive committee, the divisional committees, and special commissions shall be included in such annual reports.

"DIRECTOR OF FOUNDATION

"SEC. 6. The Foundation shall have a chief executive officer, who shall be known as the Director of the Foundation (hereinafter referred to as the 'Director'). The powers and duties of the Director shall be prescribed by the executive committee and shall be exercised and performed by him under the supervision of such committee. The Director shall be appointed by the Foundation and shall receive compensation at the rate of $12,000 per annum.

"DIVISIONS WITHIN THE FOUNDATION

"SEC. 7. (a) There shall be within the Foundation a Division of National Defense, and such other divisions as the Foundation may, from time to time, deem necessary. Each such division shall exercise such powers and perform such duties as the Foundation may prescribe.

"(b) Until otherwise provided by the Foundation there shall be within the Foundation, in addition to the Division of National Defense, the following divisions:

"(1) a Division of Medical Research;

"(2) a Division of Mathematical, Physical, and Engineering Sciences;

"(3) a Division of Biological Sciences; and

"(4) a Division of Scientific Personnel and Education, which shall be concerned with programs of the Foundation relating to the granting of scholarships and graduate fellowships in the mathematical, physical, medical, biological, engineering, and other sciences.

"DIVISIONAL COMMITTEES

"SEC. 8. (a) There shall be a committee for each division of the Foundation.

"(b) Each divisional committee, except the Committee for the Division of National Defense, shall be appointed by the Foundation and shall consist of not less than five persons who may be members or nonmembers of the Foundation.

"(c) The Committee for the Division of National Defense shall consist of members in a number which is a multiple of twelve, to be fixed by the Foundation, but which shall be not less than twelve and not more than thirty-six. One-half of the members of such committee shall be civilians appointed by the Foundation, and the remaining half shall be representatives of the armed services, designated in equal numbers, respectively, by the Secretaries of the principal branches thereof. There shall be within the divisional committee for the Division of National Defense an executive committee of not more than six, consisting of the chairman of the divisional committee, as chairman; two civilian members of such committee elected annually by the civilian members thereof; a member of such committee representing each of the principal branches of the armed services and designated by the Secretary thereof. Such executive committee shall perform such functions as may be prescribed by the Committee for the Division of National Defense with the approval of the Foundation.

"(d) The term of each member of each divisional committee shall be fixed by the appointing or designating authority. Each divisional committee shall annually elect its own chairman from among its own members, and shall prescribe its own rules of procedure, subject to such restrictions as may be prescribed by the executive committee.

"(e) Each divisional committee shall exercise and perform the powers and duties of its division, shall have the power and duty to make recommendations to, and advise and consult with, the executive committee and the Director with respect to matters relating to the program of its division, and shall have such additional powers and duties as the Foundation may delegate or assign to it.

"(f) The executive committee, after receiving the advice of the Committee for the Division of National Defense, shall establish regulations and procedures for the security classification of information or property in connection with scientific research (having military significance) under this Act, and for the proper safeguarding of any information or property so classified.

"SPECIAL COMMISSIONS

"SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7) shall consist of eleven members appointed by the Foundation, six of whom shall be eminent scientists and five of whom shall be from the general public. The members of each special commission shall serve for such time as may be prescribed by the Foundation. Each special commission shall choose its own chairman and vice chairman.

"(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than one year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

"SCHOLARSHIPS AND GRADUATE FELLOWSHIPS; REGISTER OF SCIENTIFIC PERSONNEL

"SEC. 10. (a) The Foundation is authorized to award, within the limits of funds made available pursuant to section 14, scholarships and graduate fellowships for scientific study or scientific work in the mathematical, physical, medical, biological, engineering, and other sciences at accredited nonprofit American or foreign institutions of higher education, selected by the recipient of such aid, for such periods as the Foundation may determine. Persons shall be selected for such scholarships and fellowships from among citizens of the United States, and such selections shall be made solely on the basis of ability; but in any case in which two or more applicants for scholarships or fellowships, as the case may be, are deemed by the Foundation to be possessed of equal ability and there

are not sufficient scholarships or fellowships, as the case may be, available to grant one to each such applicants, the Foundation shall award the available scholarship or scholarships or fellowship or fellowships to the applicants in such manner as will tend to result in a wide distribution of scholarships and fellowships among the States, Territories, possessions, and the District of Columbia.

"(b) The Foundation shall maintain a register of scientific and technical personnel and in other ways provide a central clearinghouse for information covering all scientific and technical personnel in the United States and its Territories and possessions. No individual shall be listed in such register without his consent.

"AUTHORITY OF FOUNDATION

"SEC. 11. The Foundation is empowered to do all things necessary to carry out the provisions of this Act, and, without being limited thereby, the Foundation is specifically authorized—

"(a) to prescribe such rules and regulations as it deems necessary governing the manner of its operations and its organization and personnel;

"(b) to make such expenditures as may be necessary for carrying out the provisions of this Act;

"(c) to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this Act;

"(d) to enter into such contracts or other arrangements, or modifications thereof, without legal consideration, without performance of other bonds, and without regard to section 3709 of the Revised Statutes (41 U. S. C., sec. 5);

"(e) to make advance, progress, and other payments which relate to scientific research without regard to the provisions of section 3648 of the Revised Statutes (31 U. S. C., sec. 529);

"(f) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by sale, lease, loan, or otherwise, real and personal property of all kinds necessary for, or resulting from, scientific research;

"(g) to receive and use funds donated by others, if such funds are donated, without restriction, other than that they be used in furtherance of one or more of the general purposes of the Foundation;

"(h) to publish or arrange for the publication of scientific and technical information so as to further the full dissemination of information of scientific value consistent with the national interest, without regard to the provisions of section 87 of the Act of January 12, 1895 (28 Stat. 622), and section 11 of the Act of March 1, 1919 (40 Stat. 1270; 44 U. S. C., sec. 111);

"(i) to accept and utilize the services of voluntary and uncompensated personnel and to pay the actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) of such personnel incurred in the course of such services; and

"(j) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefor.

"PATENT RIGHTS

"SEC. 12. (a) Each contract or other arrangement executed by the Foundation which relates to scientific research shall contain provisions governing the disposition of inventions produced thereunder in a manner calculated to protect the public interest and the equities of the individual or organization with which the contract or other arrangement is executed: *Provided, however,* That nothing in this Act shall be construed to authorize the Foundation by any contractual or other arrangement to alter or modify any provision of law affecting the issuance or use of patents.

"(b) No officer or employee of the Foundation shall acquire, retain, or transfer any rights, under the patent laws of the United States or otherwise, in any invention which he may make or produce in connection with performing his assigned activities and which is directly related to the subject matter thereof: *Provided, however,* That this section 12 (b) shall not be construed to prevent any officer or employee of the Foundation from executing any application for patent on any such invention for the purpose of assigning the same to the Government or its nominee in accordance with such rules and regulations as the Foundation may establish.

"INTERNATIONAL COOPERATION

"SEC. 13. (a) The Foundation is hereby authorized, with the approval of the President and through the Department of State, to cooperate in any international scientific research activities consistent with the purposes or provisions of this Act and to expend for such international scientific research activities such sums within the limit of appropriated funds as the Foundation may deem desirable.

"(b) The Foundation may defray the expenses of representatives of Government agencies and other organizations and of individual scientists to accredited international scientific congresses and meetings whenever it deems it necessary in the promotion of the objectives of this Act.

"APPROPRIATIONS

"SEC. 14. (a) To enable the Foundation to carry out its powers and duties, there is hereby authorized to be appropriated annually to the Foundation, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

"(b) The funds hereafter appropriated to the Foundation, as herein authorized, shall, if obligated during the fiscal year for which appropriated, remain available for expenditure for four years following the expiration of the fiscal year for which appropriated. After such four-year period, the unexpended balances of appropriations shall be carried to the surplus fund and covered into the Treasury.

"INTERDEPARTMENTAL COMMITTEE ON SCIENCE

"SEC. 15. (a) There is hereby established an Interdepartmental Committee on Science, to consist of the Director of the Foundation, as chairman, and the heads (or their designees) of such Government agencies engaged in or concerned with the support of scientific activity to a substantial degree as the President may from time to time determine. The interdepartmental committee shall meet whenever the chairman so determines, but not less than once a month.

"(b) The Interdepartmental Committee on Science shall gather and correlate data relating to the scientific research and scientific development activities of the Federal Government; and shall make such recommendations to the President, the Foundation, and other governmental agencies as in the opinion of the committee will serve to aid in effectuating the objectives of this Act and of other legislation providing for Federal support of scientific research and scientific development, and in preventing and eliminating unnecessary duplication of such activities by departments and agencies of the Federal Government.

"(c) The Interdepartmental Committee on Science shall submit to the President, for transmission to the Congress, an annual over-all report with respect to scientific research and development activities of the Federal Government and the activities of the Interdepartmental Committee in relation thereto, together with such recommendations as it may deem advisable; and the Interdepartmental Committee may submit to the President, for transmission to the Congress, such special reports and recommendations as it may deem advisable. Minority views and recommendations, if any, of members of the Interdepartmental Committee shall be included in such annual reports and in such special reports and recommendations.

"GENERAL PROVISIONS

"SEC. 16. (a) The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1923, as amended, except that, when deemed desirable by the Director, technical and professional personnel may be employed without regard to the civil-service laws or regulations, and their compensation may be fixed without regard to the provisions of the Classification Act of 1923, as amended. The Director, the Deputy Director hereinafter provided for, and the members of the divisional committees and advisory committees, shall be appointed without regard to the civil-service laws or regulations. Neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director as the case may be; nor shall the Director or Deputy Director, except with the approval of the Foundation, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this Act.

"(b) The Director may appoint with the approval of the executive committee a Deputy Director who shall receive compensation at a rate of not to exceed $10,000 per annum.

"(c) The Foundation shall not, itself, operate any laboratories or pilot plants.

"(d) The members of the Foundation, and the members of each divisional committee, special commission, or advisory committee, shall receive compensation at the rate of $25 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $10) when engaged, away from home, in the duties of their offices.

"(e) Persons holding other offices in the executive branch of the Federal Government may serve as members of the divisional committees, special commissions, and advisory committees, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

"(f) Service of an individual as a member of the Foundation, of a divisional committee, of a special commission, or of an advisory committee shall not be considered as service bringing him within the provisions of section 109 or section 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves the Foundation or in which the Foundation is directly interested.

"(g) The Office of Scientific Research and Development is abolished and its affairs shall be liquidated by the Foundation, which shall be its successor agency. The property, records, funds (including all unexpended balances of appropriations or other funds now available), and contracts (and rights and

obligations thereunder) of the Office of Scientific Research and Development are transferred to the Foundation. Such abolition and transfer shall take effect thirty days after the Director has taken office.

"(h) In making contracts or other arrangements for scientific research, the Foundation shall utilize appropriations available therefor in such manner as will in its discretion best realize the objectives of (1) having the work performed by organizations, agencies and institutions, or individuals, including Government agencies, qualified by training and experience to achieve the results desired, (2) strengthening the research staffs of organizations, particularly nonprofit organizations, in the States, Territories, possessions, and the District of Columbia, (3) aiding institutions, agencies, or organizations which if aided will advance basic research, and (4) encouraging independent research by individuals.

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

"(j) Funds available to any department or agency of the Government for scientific or technical research, or the provision of facilities therefor, shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part to the Foundation for such use as is consistent with the purposes for which such funds were provided, and funds so transferred shall be expendable by the Foundation for the purposes for which the transfer was made.

"(k) The National Roster of Scientific and Specialized Personnel shall be transferred from the Department of Labor to the Foundation, together with such of the personnel, records, property, and balances of appropriations as have been utilized or are available for use in the administration of such roster as may be determined by the President. The transfer provided for in this subsection shall take effect at such time or times as the President shall direct.

"(l) The Foundation shall not support any research or development activity in the field of atomic energy, nor shall it exercise any authority pursuant to section 11 (f) in respect to that field, without first having obtained the concurrence of the Atomic Energy Commission that such activity will not adversely affect the common defense and security. Nothing in this act shall supersede or modify any provision of the Atomic Energy Act of 1946."

And the House agree to the same.

ROBERT A. TAFT,
GEORGE D. AIKEN,
H. ALEXANDER SMITH,
ELBERT D. THOMAS,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
J. PERCY FRIEST,
OREN HARRIS,
Managers on the Part of the House.

Mr. SMITH. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

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

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. MORSE. Mr. President, would a motion to postpone consideration at the present time be in order?

The PRESIDENT pro tempore. A motion to postpone either indefinitely or to a date certain is in order.

Mr. MORSE. Mr. President, I move to postpone the consideration of the conference report until next Friday at 1 o'clock p. m.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon to postpone consideration of the conference report until next Friday at 1 o'clock p. m.

Mr. MORSE. The reason for my motion, Mr. President, is that I think it calls for a considerable amount of discussion. We have scheduled this afternoon the calling of the calendar. I think we ought to proceed with the calendar, and I think that this conference report ought to be thoroughly discussed by the Senate before it is agreed to.

Mr. TAFT. Mr. President, approximately 12 conference reports must be adopted before Congress adjourns. I think we must give them priority over everything else if we are to be able to get through next Saturday night. I feel very strongly that that is the contemplation of the Rules. If the Rules give conference reports priority in every respect, and I believe, Mr. President, that we ought to act on them, regardless of any other consideration. I think that is necessary. If we begin to postpone conference reports we will get into a position in which we might on Saturday be tied up indefinitely.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

The motion was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the conference report.

Mr. MORSE. Mr. President, is the question subject to debate?

The PRESIDENT pro tempore. It is.

Mr. MORSE. I had not expected to debate it this afternoon, but I think I can, even though I do not have the material here which I would like to use in the debate.

As I understand—and I ask the Senator from New Jersey [Mr. SMITH] if I am correct—the National Science Foundation bill comes back from conference without a provision in it for a geographical distribution of any of the funds, although the Senate, by a vote of 42 to 40, after prolonged debate on the matter, voted that 25 percent of the funds should be made available to State-supported institutions for individual research projects offered by such institutions meeting the criteria of the National Science Foundation.

Am I correct in that statement?

Mr. SMITH. Mr. President, I regret to say that I could not hear the question, because of the noise in the Chamber.

The PRESIDENT pro tempore. The Senators will please take their seats, and the Senate will be in order.

Mr. SMITH. Will the Senator from Oregon be good enough to repeat his question?

Mr. MORSE. The question is whether the conference report has eliminated the provisions adopted by the Senate involving the geographical distribution of 25 percent of the funds to State institutions proposing a scientific research project which meets the criteria of the National Science Foundation?

Mr. SMITH. The report does reject the so-called Morse amendment, but in lieu of that, other provisions endeavor to recognize the land-grant colleges, which was the issue raised by the Senator.

Mr. MORSE. Does the Senator mean that there are provisions now in the bill which were not in the bill when it passed the Senate?

Mr. SMITH. The bill as it passed the Senate had provisions put in it by the House to which I called the Senator's attention yesterday when he appeared before the conferees.

Mr. MORSE. Will the Senator from New Jersey explain to the Senate what additional provisions have been placed in the report?

Mr. SMITH. There is provision in the bill for recommendations to the President of the United States in connection with the appointing of members of the Foundation.

The PRESIDENT pro tempore. The Chair has been asked whether there are copies of the report available. Are there printed copies available?

Mr. SMITH. I had sent to me a copy of the conference report of the House. It appears on page 9745 of the CONGRESSIONAL RECORD.

Mr. MORSE. Mr. President, I am particularly interested in having the Senator from New Jersey explain to the Senate what provisions have been added to the bill which, in the opinion of the conferees, protect the State institutions and give them a fair opportunity to secure funds for research.

Mr. SMITH. I read the one to which I particularly refer:

> The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations.

There are no mandatory provisions in the bill for the distribution of funds. That was discussed very fully with the Senator from Oregon yesterday at the conference; and the reason was that the Members of the House did not approve of the provision for mandatory distribution of the funds.

Mr. MORSE. Mr. President, now that we have the issue drawn, the language read by the Senator from New Jersey, so far as giving any protection is concerned, is purely empty language. Let us not fool ourselves. The issue is very clear, namely, Shall we authorize an appropriation of vast sums of money for Federal research under the National Science Foundation and permit a bill to be passed which, in my judgment, will allow monopolistic control of scientific research so that those institutions will be benefited which, over years past, have demonstrated that even in connection with private foundations, they get the lion's share of the funds? What we are doing, in my judgment, is to hasten

through the Congress a bill which ought to receive much more consideration than we can possibly give it under the pressure of the closing days of the session.

That is well pointed out in an excellent editorial in the Washington Post this morning. I ask unanimous consent to have the editorial printed in the RECORD at this point in my remarks.

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

SCIENCE FOUNDATION

Both the House and the Senate have so vitiated the Science Foundation concept urged by the President long ago that we think their respective bills, now in conference, could best be consigned to oblivion. This newspaper championed the Science Foundation bill passed by the Senate last year. That measure, very wisely in our judgment, vested control in a full-time single administrator to be nominated by the President, with a national science board of distinguished scientists to serve in an advisory capacity. This year, however, the Senate passed a bill which would have placed control in a board of 24 scientists serving the Government only part time and empowered to prescribe the duties of an executive director to be named by the President. The House went this one worse by providing that the part-time board should actually choose the executive director.

This seems to us in either case administratively altogether unsound. It is an essential of good administration that an administrator be directly responsible to the President. A Government agency, moreover, ought to be administered only by men whose interests are identified exclusively with the Government. Scientists, however distinguished and patriotic, whose principal identification is with some private foundation or university, cannot be counted upon to exhibit the absolute impartiality or to possess the breadth of outlook demanded for the dispersal of great Federal grants. Their advice and assistance are important; but so long as they have outside allegiances they should not be cloaked with official authority. The appointing power is a Presidential prerogative which should not be lightly waived. In this situation we think the President should not consent to the nullification of it as the House proposes or even to the impairment of it proposed in the Senate version. Greatly as we desire to see a national science foundation established, we believe the present bills should be allowed to lapse in the hope that, with a more sober second thought, Congress will produce something more satisfactory in its next session.

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

Mr. MORSE. I am glad to yield.

Mr. SMITH. I may suggest to the Senator that in the session of Congress last year the Senate debated this bill 3 days; and in the present session, as the Senator will recall, we debated it 5 days. So it is difficult for me to understand how additional debate at this time on the issues involved would help to clarify the situation in the slightest. Either we want a National Science Foundation or we do not want one. I think we should vote on that question, inasmuch as there has previously been all this consideration and study and compromising in regard to meeting the different views.

Now the conference report is presented for action by the Senate, and I think we should act on it promptly.

Mr. MORSE. Mr. President, the reply to that argument is very clear, I think, namely, that if the Members of the Senate will take the time to go into this issue and check again with the presidents of the land-grant colleges in their States and the presidents of the State universities, they will find ample reason not to agree with the position of the Senator from New Jersey.

Let us consider the position of the Senator from New Jersey. On the conference committee there were two Members of the Senate—and I mean them no disrespect when I differ from their views—who were opposed to the Morse amendment. They said that if they could convince the House conferees of the merits of the Morse amendment, they would support it.

I think the Washington Post editorial to which I have referred has stated the correct position, namely, that it would be better not to pass this bill now, but to let it go over until January, during which time we can check with educators in our respective States.

Of course, there has been debate in the Senate, but I am sure that the majority of the Senate will agree with me that most Senators have not gone into the merits of the point I am raising. I am suggesting that we should let this matter go over until January, and that we check with educators in our respective States during the fall, and come back here in January and do what I think we should do, namely, rewrite this National Science Foundation bill so that it will emerge as a science bill that will truly support scientific research in our respective States. I think this bill is very dangerous, if what we really wish to do is to encourage scientific research in the college laboratories of America.

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

Mr. MORSE. I yield.

Mr. FULBRIGHT. I wish to ask the Senator if it is not true that the provision known as the Morse amendment, which has been referred to in the debate, will be especially significant after the administrative changes have been adopted, under which the Director of the Foundation will be completely cut off from any responsibility to any branch of the Government. Under the Morse amendment, as I pointed out in the previous debate, he would be beyond control by any branch of the Government.

Last year, in connection with the amendment of the Senator from West Virginia [Mr. KILGORE], who, I remember, was chairman of the committee, the same question was settled in the opposite way from that in which the conference report provides, insofar as the administrative arrangements are concerned.

Mr. MORSE. I quite agree with the Senator from Arkansas. I think his position is unanswerable, and I think it is obvious that we should let this matter go over until January.

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

Mr. MORSE. I yield.

Mr. HILL. Will the Senator restate the Morse amendment?

Mr. MORSE. I will, but first let me say that it was adopted by this body by a vote of 42 to 40. It was adopted on a Monday, whereas on the preceding Friday the Senate had voted down the Kilgore amendment, which in principal, at least, sought to accomplish the same objective. But the Senate voted it down at that time, before there had been adequate consideration of it and before the Members of the Senate had had an opportunity to hear from the college presidents in their home States.

The Senator from Alabama will recall that when Senators did hear from the presidents of those tax-supported institutions, they found that a very large majority of them are in favor of the Morse amendment, and are against the type of bill which the Senator from New Jersey has brought back in behalf of the conferees.

The Morse amendment provides that 25 percent of these funds shall be apportioned among the States and shall be available to the States for the tax-supported institutions, if—and only if—a given institution can propose a particular research project that meets the research criteria laid down by the National Science Foundation itself. In other words, not one dollar will go to any State, under my amendment, unless an institution in such State comes forward with a project which meets the criteria of the Foundation.

Mr. President, when we are dealing with Federal tax money belonging to all the people of the United States, I think we should put in the act protections against having the funds go to a few selected and preferred institutions in the United States. If Senators really wish to have scientific research spread out across the country, as they should, instead of developing a centralized, single administration program of the type that exists in Communist Russia, they should be in favor of the Morse amendment.

No great harm will be done by postponing this matter for a few more months until we can have an opportunity to check with our respective States with regard to the advisability of the Morse amendment.

I am satisfied that if we do, when we come back in January we shall amend the bill in order to meet the objections which are raised in the excellent editorial appearing in the Washington Post of this morning, and in keeping with the Morse amendment.

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

Mr. MORSE. I yield.

Mr. TAFT. The question of what should be provided in this bill is a debatable subject, certainly, and the Senator from Oregon will remember that we debated it at length. In regard to the particular amendment of the Senator from Oregon, we decided that we did not want it, and it was voted down. Then the Senator from Oregon sent telegrams to all the presidents of State universities and land-grant colleges, over the week-end, and in response a flood of telegrams came in. Then the Senate reversed its former decision, by a vote of 42 to 40.

But that is not the question today. I venture to say that if every one of those college presidents were asked the ques-

tion, "Do you want a National Science Foundation bill this year or not?" he would say, "Well, I should like to have it this way, but I would be willing to take my chances with a new board which has full power to give money to these institutions." I believe the board will do so in every case which is entitled to consideration, and I think the Senator from Oregon cannot cite the opinions of many university presidents in favor of his present position that we should entirely reject the conference report and turn down the whole idea of a National Science Foundation.

I have talked to college presidents, and they are in favor of this or that, but above everything else, every one of them to whom I have talked thinks the Government should establish a National Science Foundation.

I think differences which have been exaggerated in the Senate do not affect the opinions of the college presidents. I think they would say today, "If this is the final result of the conference, and if it is a question of taking either this or nothing, we want this National Science Foundation." I think that is what they would say.

Mr. MORSE. Mr. President, I think the Senator from Ohio is quite in error in regard to the position he has taken. He is in error, first, in regard to the statement he made that I sent telegrams to all college presidents in regard to the amendment. As the RECORD shows, I sent telegrams—and I put them in the RECORD—to the president of the Associations of Land Grant Colleges and Universities, and to Mr. Day, of Cornell; and to Mr. Gustafson, of Nebraska; and to Frank Graham, of the University of North Carolina; and to the president of the University of Oregon, and to the president of the Oregon State College; and I put in the RECORD the telegrams I sent and the answers I received. But what do not appear in the RECORD are some of the long-distance telephone calls which were made to some presidents of universities by some Members of the Senate and by those who acted for Members of the Senate, in regard to certain representations which I am supposed to have made, but which I never did make.

In the second place, I wish to say that the Senator from Ohio will be very much surprised if he will check with the college presidents of the United States on the proposition as to whether they would object to a postponement of this matter until January. Of course they want a science bill, and I want a science bill; but I want the best science bill we can get, and so do they. So I do not think the Senator from Ohio will find many college presidents who will strenuously object to a postponement of this matter until January, if they can have some reasonable assurance that in January, February, or March, we shall get a good National Science Foundation bill, and if they can get the Morse amendment in that bill. I am perfectly willing to take my chances on a poll of the college presidents today or tomorrow as to what their position would be on the question of postponement until January.

What I think we should be working for here is a science bill that will make possible the most effective expenditure of Federal tax dollars in the interest of promoting a Nation-wide scientific research program. That is why I argue for the postponement.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oregon yield; and if so, to whom?

Mr. MORSE. I yield first to the Senator from Nebraska [Mr. BUTLER] and then to the Senator from West Virginia [Mr. KILGORE].

Mr. BUTLER. I merely wish to ask the Senator a question. I supported the science foundation bill, and I expect to support the conference report. I presume there are others besides the junior Senator from Oregon who have not gotten everything in the bill they may want. But as a friend of the proposal, I wish to ask the Senator if he does not think it would be advisable to take what we can get today, and amend the act, if we care to amend it, at the beginning of the next session? I am sure I can speak for the chancellor of the University of Nebraska, whose name has been mentioned here, Chancellor Gustafson, to this extent, that he would rather have the bill now, and any amendment the Congress may believe should go on the bill at a later date.

Mr. MORSE. My specific answer to the Senator from Nebraska is that in my judgment we should not pass the bill, because I think it has in it some very unsound principles, as was brought out in the Washington Post editorial this morning. I think we should give some individual study to this subject through the fall, come back in January, and pass a national-science foundation bill which will have the hearty endorsement of a great majority of the university and college presidents of the country.

Mr. KILGORE. Mr. President——

Mr. MORSE. I yield to the Senator from West Virginia.

Mr. KILGORE. Mr. President, I ask the Senator from Oregon if it is not true that there are now in none of the appropriation bills funds provided for the operation of the Foundation and for the distribution of money at this session. Does the Senator know of any such appropriations?

Mr. MORSE. I do not know of any; but am not informed on that point.

Mr. KILGORE. I myself know of none. If that is the case, the Foundation could not operate until next session, until funds were appropriated.

Mr. MORSE. There is no real rush or immediate haste in regard to the bill. We can act on it in January, and can accomplish all the good that could possibly be accomplished by passing it now, and avoid all the bad which in my opinion will be involved if we should pass the bill now.

Mr. KILGORE. One other question. I was present at most of the hearings on the question of the need for a science foundation. The main need expressed was for the development of research workers. I ask the Senator whether or not that is his idea.

Mr. MORSE. That is correct.

Mr. KILGORE. The distribution of funds as provided in the amendment of the Senator from Oregon went to that very point, the development of research workers and the Nation-wide spread of research, which has been so seriously curtailed, particularly in respect to the development of research workers, during the war, and, with the concentration and the possible favoritism which might develop, the very purpose for which the initial idea was proposed would be defeated by the adoption of the conference report, and delay to next year would hurt no one.

Mr. MORSE. I agree with the Senator from West Virginia.

Mr. SMITH. Mr. President——

Mr. MORSE. I yield to the Senator from New Jersey.

Mr. SMITH. Mr. President, this discussion simply brings out the 2-year-old debate which has taken place about this matter. Shall we establish a Foundation which will undertake to subsidize all the universities or colleges of the country, or shall we establish a foundation which will endeavor to determine research projects which should be pursued?

The bill provides for scholarships and fellowships in any college to which a scholar or a fellow who may be selected wants to go. It provides for them in an adequate way. The only issue here is between what the Senator from Oregon [Mr. MORSE] calls the tax-supported institutions, and the private institutions which are not tax-supported, but which raise funds to take care of themselves.

As I stated before, this matter was weighed and debated last year and this year, and now, after all this time, what the Senator is proposing is not what those who are studying this matter feel is the right approach.

I was told by the House conferees that on the floor of the House there was a 3 to 1 vote against the Senator's amendment. There was no way by which they could be persuaded to change their view. They realize that what we are aiming at is to develop projects of science and to help research in fields wherever it might be found necessary, whether in Oshkosh, or Oklahoma, or wherever it might be. The object is also to find budding young scientists, younger men and older men, in a land-grant college, an eastern college, a southern college, a northern college, or a western college. The suggestion that this would lead to monopoly has no foundation in fact whatever.

When the Senator suggested that some Senators used the long-distance telephone, I reply that I did not call a single person on long-distance phone while the debate was in progress. Yet the Senator knows that he told the presidents of land-grant colleges to telegraph Senators to defeat the bill. I have seen the telegram. I am trying to locate it in the RECORD.

Mr. MORSE. It is in the RECORD.

Mr. SMITH. It was sent out for that purpose. I suggest that if any college president receives a telegram saying, "There is a bill pending that is going to distribute money for scientific research. Don't you want your share of it? Support my amendment." The

natural answer is "Yes." Then they finally discover what the real issue is.

There is no attempt whatever in the bill in any way to shut out any college or any group of colleges or any classification of colleges. We want to encourage research wherever possible. But we feel it should be the Foundation that determines what kind of project should be pursued, what kind of things need investigation, where the best results in research can be obtained, and where the best young men to go into these fields can be found.

Mr. President, this is an old question, I say it is an old question because it has been under consideration for 2 or 3 years. To bring the matter up again now, after it was debated for 2 or 3 days, seems to me to be a strange way to deal with the matter, after there has been a conference with the House.

The members of the conference on the part of the House invited the Senator from Oregon [Mr. MORSE] to come before them. They heard him completely, they questioned him, exchanged views with him, and after he left the conference I asked them what their feelings was after hearing him, and they said their feeling had not been changed at all, that they thought the Senator from Oregon was working on one type of thing and the committee was working on another type, and they felt they should stand by their position.

I cannot agree with the Senator's thought about postponing the matter. If we want to set up a foundation, we should do so now. The Senator spoke of the editorial in the Washington Post this morning. I did not see any reference to the Senator's amendment in that editorial.

Answering the question of the Senator from West Virginia [Mr. KILGORE] with regard to appropriations, how can there be appropriations for an institution which has not even yet been brought into existence by legislation? How can we ask for an appropriation for a science foundation when the science foundation has not been established or even authorized?

I call attention to the further fact that if we pass the bill now it will take the President of the United States some time to find the scientists. Twenty-four have to be discovered. The Senate will have to confirm them. We must lay the groundwork before we can be prepared to ask for an appropriation. It is because we anticipated that time would be needed that we wanted the bill passed now, so that the matter could be gotten under way this summer.

Mr. KILGORE. Mr. President, will the Senator from Oregon yield to me further?

Mr. MORSE. I yield to the Senator from West Virginia.

Mr. KILGORE. I think I now understand the situation. In spite of the fact that the United States Senate has twice passed the bill with other phraseology, apparently the managers of the conference did not consider it in conference, but the committee report writes a new bill for the Senate, as is very apparent from what has been said on the floor of the Senate.

Mr. SMITH. Mr. President, If I may answer the Senator from West Virginia, I refer to the report of the House committee in reply to what he said about our writing a new bill. I shall read their statement as to exactly what we did, so far as the bill was concerned. This is found on page 9748 of the RECORD and reads as follows:

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 526) to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all after the enacting clause of the Senate bill and inserted an amendment in the nature of a substitute. The substitute agreed to in conference is substantially the same as the House amendment. Except for minor clarifying and clerical changes the differences are as follows:

In section 3 of the conference substitute there has been included a sentence from the Senate bill, as follows: "The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, Association of Land Grant Colleges and Universities, the National Association of State Universities, Association of American Colleges, or by other scientific or educational organizations."

In section 5 (a) the following sentence has been included: "It is intended that the membership of the executive committee shall be representative of diverse interests and shall be so chosen as to provide representation, so far as practicable, for all areas of the Nation."

In section 9 (a), a sentence has been included authorizing the Foundation to prescribe the period of time for which members of special commissions, appointed by the Foundation, shall serve.

Section 12 (a), relating to the inclusion in contracts or other arrangements of provisions governing the disposition of inventions produced thereunder, has been made to conform, so far as language is concerned, with the provision as it passed the Senate. In substantive effect, however, it does not differ from the corresponding provision in the House amendment.

In section 16 (a) a sentence has been included, as follows: "Neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director as the case may be; nor shall the Director or Deputy Director, except with the approval of the Foundation, hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this act."

Section 16 (h) provides that in making contracts and other arrangements for scientific research the Foundation shall utilize appropriations available therefor in such manner as will best realize certain specified objectives. There has been added to these specified objectives the following, taken from the Senate bill with a clarifying change: "(3) aiding institutions, agencies, or organizations which if aided will advance basic research,".

CHAS. A. WOLVERTON,
CARL HINSHAW,
EVAN HOWELL,
J. PERCY PRIEST,
OREN HARRIS,
Managers on the Part of the House.

I may say that the last provision was one offered in the Senate before the bill was sent to the House by the Senator from Utah [Mr. THOMAS], who was just as zealous to protect the principle the Senator from Oregon [Mr. MORSE] is advocating as are other Senators. It is merely a question of the method to be used to accomplish the purpose. We did not feel that the 25-percent allocation to certain institutions was affected by the other provisions we placed in the bill.

I read the statement of the managers on the part of the House in full, because of the suggestion that we had rewritten the bill in conference. Obviously it refutes any such statement.

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

Mr. MORSE. I yield to the Senator from Florida.

Mr. PEPPER. I want to ask the Senator from New Jersey what is in the conference report—I want to be clear about this—with respect to research commissions in the fields of heart disease and cancer. In the Senate bill, those commissions were to be distinct, with personnel to be appointed by the President. I think that is what has been done by the conference, but I wanted to be sure.

Mr. SMITH. I am glad the distinguished Senator from Florida asked that question, because, among the powers of the Foundation, appointed by the President, the Foundation is authorized and directed——

Mr. PEPPER. No; if the Senator will yield, I am asking about the commissions provided in the Senate bill for cancer and heart disease.

Mr. SMITH. I am about to read that.

The Foundation is authorized and directed—

(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases, and (D) such other special commissions as the Foundation may from time to time deem necessary for the purposes of this act.

In section 9 there is a reference to the commissions. This is a little bit beyond that place. The following section was inserted:

SPECIAL COMMISSIONS

SEC. 9. (a) Each special commission established by the Foundation pursuant to section 4 (a) (7)—

That is the section I just read—

shall consist of 11 members appointed by the Foundation, six of whom shall be eminent scientists and five of whom shall be from the general public. The members of each special commission shall serve for such time as may be prescribed by the Foundation. Each special commission shall choose its own chairman and vice chairman.

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than 1 year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

Mr. PEPPER. Mr. President, if the Senator will yield once more, evidently then, the conferees have not preserved the Senate provisions, because in the Senate bill there was a separate commission on heart disease and a separate commission on cancer. The personnel of those two commissions was to be appointed by the President and confirmed by the Senate. From what I have understood the able Senator from New Jersey, to read, the Presidential appointment has been abandoned, and the separate commissions are now to be appointed by the Foundation, not by the President of the United States.

Mr. SMITH. I do not recall the original draft of the Senate bill, but I thought this was the same language exactly as that which was contained in the Senate bill.

Mr. PEPPER. No; that must be the House provision or a compromise, because I am sure the Senator, upon reflection, will recall—no doubt the Senator from Ohio will recall—that the Senate provided the heart commission and the cancer commission should be separate commissions, the personnel to be appointed by the President and confirmed by the Senate. I think that is very important, and I am exceedingly sorry it is no longer in the bill.

Mr. SMITH. I do not recall that that was in the original bill. The Senator may be correct. I do not think the House made any changes in the provision. I think we provided in the beginning that the Foundation should take the responsibility for setting up the commissions.

Mr. MORSE. Mr. President, I want to say I thank the Senator from Florida for his contribution, because it illustrates very clearly that Members of the Senate, if they vote in favor of the conference report this afternoon, will be voting in favor of a report which they have not taken the time to study, to note the differences between the conference report and the Senate bill. We are dealing with a very important piece of legislation, and I think we ought to pass it only when we know it is the right type of legislation to pass. Individual Senators cannot be sure of that if they proceed this afternoon hastily to a vote on the conference report, when they have not had an opportunity really to study it.

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

Mr. MORSE. I yield.

Mr. TAFT. The Senator suggests it is merely a question of postponing this matter until January. I may say I was perfectly convinced that, unless these two changes were made, the House would turn it down, and there would be no report in the present Congress. The committee turned down the Morse amendment. It was offered on the floor of the House, and it was defeated by a vote of 180 to 90. It is my sincere opinion, that if we should not agree to the report, there will be no Science Foundation bill in the Eightieth Congress. It is not a question, I submit to the Senator from Oregon, of postponing it for a year. It is a question of postponing it for 2 years, at the least.

Mr. MORSE. Mr. President, I think the Senator from Ohio is completely in error in his observation. I am willing to let time determine that. I have read the House debate, too, Mr. President, and I am satisfied that when the Members of the House take the time to really study the Morse amendment, and when they return to their respective States and check up with the heads of their educational institutions, a remarkable difference in the House attitude will be seen, just as we saw a remarkable change in the Senate attitude even over a weekend, when we got an opportunity to ascertain the opinion of many of the leading educators of the country.

Now, let us go back to the telegrams, because a point has been made in regard to them by the Senator from New Jersey. Let me make it perfectly clear, Mr. President, that the so-called Morse amendment was not mine, except in name only. The Morse amendment is the amendment proposed by the Association of Land-Grant Colleges and by the Association of State Universities. It is not an amendment that is simply supported by individual college presidents, but it is an amendment which, so far as the delegates to the annual conventions of those two associations are concerned, represents the formal action of those associations. So I sent telegrams to the presidents of the two associations, notifying them of the fact that the Smith proposal was contrary to the action taken by the associations, and that if they wanted to bring any weight to bear upon the Congress they should make known to the members of their associations the action which was contemplated by the Senate of the United States. That is exactly what happened. I spread the material into the CONGRESSIONAL RECORD, and the RECORD is perfectly clear. College president after college president of State-supported institutions made clear to the Members of the Senate that they did not want the Smith bill without the Morse amendment in it.

I tell you, Mr. President, that if we will only take the time, the few months necessary to double check on this matter, I am satisfied that the Congress will come back in January and vote for a National Science Foundation bill which will meet the criteria requested by the Association of State Universities and Land-Grant Colleges.

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

Mr. MORSE. I yield.

Mr. LUCAS. Was there any evidence adduced before the committee by the different colleges demonstrating an interest in the amendment the Senator offered, or did the expressions referred to come at the last moment when the Senate was debating the bill?

Mr. MORSE. I think the representations of the two associations were before the committee. But in the closing days of the debate on the bill, when they woke up to the fact that the Smith bill did not include the Morse amendment, or did not contemplate including the Morse amendment, I think they made very clear to the Senate of the United States how important they think my amendment is to the development of a sound research program in State-supported institutions. One of the things they feared—rightly so, and I stressed it in the debate on the bill—is that they are not going to be able to keep their best and most competent professors of science in the laboratories on their campuses, because if a National Science Foundation bill such as this one is passed, it will make it possible for a few institutions which will become the principal beneficiaries under the bill, as they fear, to hire away from the campuses of Illinois, of Oregon, of Nebraska, and elsewhere their best scientists, because after all a teacher of science wants to have adequate support for educational research. What we are proposing to do is to act upon a bill which does not provide the necessary safeguards in protecting the teacher personnel in State-supported institutions.

Mr. LUCAS. The only reason I raised the question, I will say to my friend from Oregon, was that I thought, in the event the bill should go over until next year, perhaps those who have a vital stake in this kind of a bill would have a further opportunity, or possibly a more ample opportunity, to appear before the committees and express themselves in a way which perhaps they have not heretofore.

Mr. MORSE. I think that is exactly what will happen once the fight becomes clearly known throughout the States.

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

Mr. MORSE. I yield.

Mr. SMITH. I may say to the distinguished Senator from Illinois that last year 150 witnesses testified on the subject. The question was thoroughly debated. This year the House committee held hearings and the question was again thoroughly debated. The Senate committee did not hold hearings because we had so much evidence from last year, and so much evidence adduced before the House committee this year. There is no doubt that the question has been thoroughly debated. Every college president in the country has thought it over. Some college presidents are for it, some are against it. It is a matter of honest difference of opinion which is the best way to effectuate the program. There is no intention to do wrong on either side. I give my distinguished colleague from Oregon the credit for absolute sincerity, and I want him to give me credit for sincerity. It is a matter of judgment as to what is the best way to carry on research in basic science for the benefit of the United States. That is the fundamental consideration.

We carried on the research successfully in wartime. We had to concentrate then, but we know that is not the best way to do. Dr. Bush himself admitted that that is not the best way to carry on research in basic science. He said the reason he wants such a Foundation as that provided for in the bill is so that research may be scattered all over the country. But we do not scatter it by saying that 25 percent of the funds shall be allocated to the States. The matter of research cannot be determined on the basis of population. It

must be determined on the basis of projects. I think it would be unfortunate to continue the discussion further after these nearly 3 years of earnest debate, after the thousands of pages of testimony which have been taken, and after practically every scientific man in the United States has been called before committees of Congress before the hearings were concluded.

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

Mr. MORSE. I yield.

Mr. LUCAS. I thank the Senator from New Jersey. He has given me information which to some extent I was not aware. I understand the able Senator to say that those who represent the land-grant colleges of the country have had ample opportunity to discuss the question which was submitted by way of the Morse amendment, before the Senator's committee or before some other committee at some time in the past, or during the present session of the Congress?

Mr. SMITH. I will say, not the Morse amendment, but the equivalent of the Morse amendment was under discussion last year in all the hearings. The subject was discussed fully last year. The big difference of opinion was over the issue of the division of funds on the 25-percent basis. I will say that the amendment of the Senator from Oregon is very much of an improvement over the original amendment, and that the defects contained in the original amendment were considered by the Senator in drafting his amendment. But even with that improvement, the Members of the House, who, believe me, have been overwhelmed with telegrams on this subject, and they are in many ways nearer to the people than we in the Senate are because they are elected every 2 years, rejected the amendment. As the Senator from Ohio [Mr. TAFT] pointed out, the vote in the House against the Morse amendment was 100 to 90. They have had every opportunity to have the opinions and expressions from the people back home. A telegram was sent to every college president again when it was rumored that the House was against the Morse amendment. I do not know how long continued the debate was in the House, but there was a very long debate on the point we are now discussing.

Mr. President, we are not going to be given any more light on the subject. The time now has come to act. If we want a National Science Foundation let us act now. I do not think we can raise this dead dog again if we postpone action on the question now.

Mr. LUCAS. Mr. President, I thank the Senator from New Jersey.

Mr. MORSE. Mr. President, I wish to say to the Senator from Illinois that the Morse amendment was the product of educational conventions which were held last winter, and as to the particular amendment the individuals who attended the conventions have not appeared before the committee, but they would appear if we went into the subject again after the recess.

Further, I desire to point out that the Morse amendment is in keeping with the principle involved in the apportionment of Federal funds which has been applied many times under the National Government. It allays a fear and suspicion. That is a fact concerning which my good friend, the Senator from New Jersey, whose sincerity I can assure him I never have questioned, and I am sure I never will, for some reason simply does not seem to agree with me, but it is a fact. All that has to be done is to talk to the college presidents, and they will say it is a fact, and because it refers to their state of mind it cannot be denied as a fact. They will say that the adoption of the National Science Foundation bill, as reported by the conference committee, fills them with great fear and suspicion, because they have had unhappy experiences, may I say, with science foundations that have apportioned or appropriated private scientific funds in the past. I say that we should not inaugurate a national science foundation when a large body of educators are suspicious and fearful of its provisions.

When the Senator from New Jersey tells the Senate that there are some college presidents for and some college presidents against it, let me state how that roll lines up. Place over here on one side certain private institutions, and there will be found most of the presidents of the private institutions who are perfectly willing to go along with the bill, but when we go to the other side, to the State tax-supported institutions, it will be found that an overwhelming majority of those college presidents will say that the principle of the Morse amendment should be incorporated in the bill. I say that, after all, we are here apportioning money which belongs to the Federal taxpayers. I do not think we ought to run the risk of letting down our State tax-supported institutions, and play upon the fear and the suspicion of many that certin powerful private institutions will receive the lion's share of the funds. The amendment provides a check which ought to go into the bill.

Mr. President, I am about to close by simply saying that as individual Senators I think we ought to have more facts on this subject than I am satisfied most Members of this body will have if they vote in favor of the conference report this afternoon. After all, really nothing effective can be done until we reconvene and money is appropriated. In view of that fact, I certainly see no harm in postponing consideration of this subject until we can double check and triple check in regard to it.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. O'MAHONEY. I am glad the Senator from Oregon has raised this question. There is no doubt whatever that there is no check in the bill except the check which was contained in the amendment offered by the Senator from Oregon, which the Senate adopted. Otherwise the bill grants to a small group complete authority over scientific development in the United States.

I agree with the Senator from Oregon that the sincerity of the Senator from New Jersey should not be questioned. I do not question it. This is not an issue involving the sincerity of anyone. It is an issue concerning the grant of power which we are making in the bill.

It is no wonder that the heads of land-grant colleges and tax-supported colleges—the people's colleges—throughout the United States are disturbed. The provisions of the bill—I refer to section 11 (c) of the conference report—make it clear that the Science Foundation will be above the Government itself. Section 11 (c), with respect to the authority which the new Foundation shall have, provides that it shall have the authority "to enter into contracts or other arrangements for the carrying on, by organizations or individuals, including other Government agencies, of such scientific research activities as the Foundation deems necessary to carry out the purposes of this act."

Section 4, dealing with the powers and duties of the Foundation, provides, in subclause (3), that the Foundation is authorized "to initiate and support scientific research in connection with matters relating to the national defense by making contracts or other arrangements—including grants, loans, and other forms of assistance—for the conduct of such scientific research."

It becomes apparent that we are now asked to pass a bill which will give to the Foundation, through its executive committee, complete power to make loans and grants as they choose. The purpose of the amendment of the Senator from Oregon was merely that, in making loans and grants, and in utilizing the appropriations to be made, 25 percent should go to a certain type of institution. That amendment was the only provision in the bill which guaranteed that the benefits of the Foundation should be enjoyed by all the schools of the United States. Otherwise no person could tell what the course of the Foundation might be in a year, 2 years, or 5 years.

We are delegating away a power of the Congress to what will turn out to be a private institution. There can be no doubt of that, because section 4 (a) provides that—

> The Foundation is authorized and directed—
>
> (1) to formulate, develop, and establish a national policy for the promotion of basic research and education in the sciences.

It becomes clear, therefore, that the Congress is now conveying away to the Foundation the power which belongs to the Congress to establish a policy with respect to research. If the Senate abandons this single controlling provision, the only one in the bill which would guarantee a wide distribution of the benefits of the law, it will in my opinion be giving away an essential right of the people of the United States. I am glad that the Senator from Oregon has raised the question.

We should not hesitate on this issue. It will be remembered that there was a long debate about whether or not the Executive Director should be appointed by the President, with the advice and consent of the Senate. Finally, we were persuaded to give away the right of confirmation and give the President the right to appoint.

Mr. MORSE. It was a great mistake to give that power away.

Mr. O'MAHONEY. It was a terrible mistake. If on top of that mistake we shall now make the other one of removing the only security we have to guarantee distribution of these funds among the public institutions of the United States, I think we shall be sacrificing the public interest.

Mr. MORSE. Mr. President, I thank the Senator from Wyoming for his comments. I am in complete agreement with him.

Because I shall ask a yea-and-nay vote, 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	Hatch	Murray
Baldwin	Hawkes	Myers
Ball	Hayden	O'Conor
Barkley	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bricker	Hoey	Overton
Brooks	Holland	Pepper
Buck	Ives	Reed
Bushfield	Jenner	Revercomb
Butler	Johnson, Colo.	Robertson, Va.
Byrd	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capehart	Kilgore	Smith
Capper	Knowland	Sparkman
Chavez	Langer	Stewart
Connally	Lodge	Taft
Cooper	Lucas	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McCarthy	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tydings
Eastland	McGrath	Umstead
Ecton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Malone	Wherry
Flanders	Martin	White
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Young
Gurney	Morse	

The PRESIDENT pro tempore. Eighty-nine Senators have answered to their names. A quorum is present.

The Senator from Oregon [Mr. MORSE] has the floor.

Mr. MORSE. Mr. President, I wish to make the following motion: I move to postpone further consideration of the conference report on the National Science Foundation bill until 2 o'clock p. m. on the second Thursday of January 1948.

May I say in explanation of my motion that it makes it the order of business on that day? Members of this body can be sure that the National Science Foundation bill will be before them for consideration at that time. There is no attempt on my part to prevent a final vote on the bill, but I think the debate this afternoon has shown very clearly that the bill needs and deserves further consideration. We ought to talk about it in our respective States this coming fall. I think dangers are involved, so far as a future research program is concerned, if we pass upon it this afternoon without further study and deliberation.

The PRESIDENT pro tempore. The Senator from Oregon moves that further consideration of the conference report be postponed until the second Thursday in January 1948, at 2 o'clock p. m.

Mr. FULBRIGHT. Mr. President, I want to say something by way of history, because I sat in the original hearings on this bill a year ago last February, as I recall with the Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. MAGNUSON]. I want to call the attention of the Senate very briefly to the fact that the bill which we then passed and I think it passed unanimously, or practically so—carried the equivalent of the Morse amendment, but, in addition to that, and in some respects even more important than that, it carried an entirely different administrative set-up. I think that is one thing which has been overlooked.

I do not desire to belittle the importance of the Morse amendment. Taken in connection with the administrative procedure and the set-up provided by the original bill, I think it is very significant. I stated during the debate on the Morse amendment, and told the Senator from New Jersey [Mr. SMITH], that my principal objection originally ran to the administration of the bill. It cuts off practically all the influence of the Government in connection with the Science Foundation. The original bill did not do that. The original bill provided for a board of nine eminent scholars and scientists who would lay down a policy, and so forth, for the Foundation, but the Administrator was to be appointed by the President and confirmed by the Senate, which would keep us in touch with the Board and with the Foundation itself.

It has just been pointed out by the Senator from Wyoming [Mr. O'MAHONEY] that great power is lodged in this Foundation. I am for it. I do not criticize that, provided there is a proper check on the responsibility to the Government which has to supply the funds and to the people who are interested in it.

I dislike very much being in the attitude of opposition to this bill, because last year I did everything I could to promote it. I lost some of my own amendments. I think it is a great mistake to eliminate from the bill many provisions affecting the Foundation which have been eliminated. I was for the bill, but I have been forced, in a sense, to be in opposition to it, not because I am not in favor of the Foundation, but primarily because of the administrative set-up. In a sense I have had to take that position because the so-called Morse amendment, which was in the bill which passed the Senate last year, has been eliminated.

I have one other observation regarding the approach to this problem. It seems to me that we are attempting to do what we did in wartime. We are looking for results which leaves the implication that we are looking for another atomic bomb or a proximity fuze. I do not think that is the proper approach. We are trying to build a scientific foundation, a broad interest in science, and a broad base in many of our schools from which, in case of necessity, we can draw upon our most intelligent young men.

The original hearings were held shortly after the dropping of the atomic bomb in Japan, and there appeared before the committee such scientists as Oppenheimer, Urey, and others, who made the point that what had been done during the war was to shake the tree for the fruits which had been accumulating for many decades. That is not what we are trying to do through this bill. We are trying to build a Foundation which will create conditions through which we can secure such things as atomic bombs in case of emergency. I think the idea that it must be operated just as Dr. Bush operated his organization in the war is the wrong approach to the problem.

I hope the Senate will support the motion of the Senator from Oregon.

Mr. RUSSELL. Mr. President, the last hours of the first session are always a very dangerous period. Under the whip and spur of emergency and the desire to leave, Senators are not always as careful in the examination of legislation as they are when there is ample and adequate time. There is no real emergency in connection with this particular piece of legislation. I hope that the Senate, merely because a date has been fixed for adjournment toward which we are all striving, will not be driven to abandoning the principles for which we stood after a long fight on this legislation previously. We have twice gone on record as favoring the philosophy of this measure. It has now been submitted to us by the conferees. There is no real reason for us in haste to abandon the position we took after due deliberation. If we do I am certain that the measure will be ineffectual and will be unfairly administered, to the detriment of a great many States which will never be permitted to participate if the conference report be adopted.

Mr. President, it cannot do any harm to postpone this measure until next January. We can do great harm to many land-grant colleges if we take precipitate action. In my judgment, the motion of the Senator from Oregon should prevail. Let us take the matter up in January, when Senators do not have other conference reports on their minds, when we can study it, discuss it, and deal fairly with all the elements involved; because I can assure the Senate that if we pass the bill in this form we shall never be able to enact a piece of legislation amending it which will do justice to all sections of the country.

The PRESIDENT pro tempore. The question is on the motion submitted by the Senator from Oregon [Mr. MORSE] to postpone consideration of the conference report on the National Science bill until the second Thursday in January 1948, at 2 o'clock p. m.

Mr. BARKLEY. Mr. President, at this juncture I should like to ask the Senator from New Jersey [Mr. SMITH] a question with respect to the conference report.

Since the conference report was agreed to by the conferees, some of those interested in the Warm Springs Foundation for the treatment of infantile paralysis have expressed some fear that under the terms of the bill embodied in the conference report they would in some way or other come under the jurisdiction or control of the Board or the provisions of the bill. I should like to ask the Senator from New Jersey if there is anything in the bill that in any way relates to that, or which would bring that Foundation under the control or jurisdiction

of the Board, or in any way would affect the Foundation.

Mr. SMITH. Mr. President, I am very glad to have the question presented. The matter was discussed in the conference, because it had been raised with other members of the conference committee.

I should like to read into the RECORD for the benefit of the Senator from Kentucky the provision having to do with this matter, to show why I feel the danger he anticipates is not in the bill at all. I read:

SEC. 4. (a) The Foundation is authorized and directed—

* * * * *

(7) to establish (A) a special commission on cancer research, (B) a special commission on heart and intravascular diseases, (C) a special commission on poliomyelitis and other degenerative diseases.

Section 9 (a) and section 9 (b) are provisions with regard to special commissions. Section 9 (a) merely provides for the appointment of the commissions. Subdivision (b), which I think is the important one, reads as follows:

(b) It shall be the duty of each such special commission to make a comprehensive survey of research, both public and private, being carried on in its field, and to formulate and recommend to the Foundation, at the earliest practicable date but not later than 1 year after the establishment of such special commission, an over-all research program in its field, and constantly to review the manner in which such program is being carried out.

The Senator will note that that is simply the provision for the program and the recommendation of the program by the Commission.

The point which the Senator has made was raised and there were others who felt that it was desirable to insert this provision, because there were various groups working in the field of polio who felt it would be wise to have a commission set up like the Cancer Commission to make recommendations for the carrying on of a research program which would be helpful and complementary, but not controlling.

Mr. BARKLEY. The Senator knows, as we all know, that the Warm Springs Foundation has inspired the interest and enthusiasm of a great many people in this country. It is doing very fine work. Of course I would not suggest that it can cover the entire field of research or treatment with regard to polio. But if I understand the Senator, there is nothing in the bill which would handicap or hamper the Foundation, which is going forward with this work in its own research, or in carrying out any policy it might see fit to pursue as a result of its research with the funds which may be available to the Foundation in the future. Is that the Senator's view?

Mr. SMITH. If I had thought for a moment that there could be any interference with the Warm Springs Foundation or the American Cancer Foundation by the provisions of the bill, I would not have been in favor of inserting the provisions, because I agree with the implications of the Senator's remarks. We want to do all we can to encourage those organizations to proceed with the magnificent work they are doing today.

Mr. BARKLEY. I appreciate the Senator's reply.

Mr. TAFT. Mr. President, I had hoped that the creation of a National Science Foundation would be one of the accomplishments of this session of Congress. The conference report comes to us, because it is the best and the only possible method of obtaining a Science Foundation. It was signed by both Republicans and Democrats. It seems to me we have exaggerated in our discussion the importance of certain matters. The bill does not exclude the State universities. When money is to be distributed for proper research purposes, presumably it will be distributed to all those who are equipped and entitled to be considered as being able to conduct the kind of research that may be in question. I feel perfectly confident that the college presidents, themselves, might prefer to have their money absolutely insured, but as I talk with them, they say, "We will take our chance with a group of scientists, a group of educators; we will take our chance in getting our share, just as every other university in the United States must take its chance."

It seems to me, Mr. President, perfectly clear that if we postpone this matter, we shall not have a National Science Foundation bill passed by this Congress. As I say, the House rejected this particular amendment by an overwhelming vote. I think we have exaggerated the importance of the differences; perhaps they have. At any event, the Senate itself voted once against the Morse amendment. At another time it was carried by the changing of one vote. It is a question which has been in dispute. The question has been argued back and forth for 2 years. Surely, now, there is but one question: Do we want a National Science Foundation, or do we not? I think it would be a tremendous advance, and I think every educator in the country, every research worker, every scientist, every college man, if he were here today, would say, "All right; I may not agree with everything in it, but meanwhile we ought to go ahead and establish it. We can consider its faults later, if faults develop."

Mr. President, I hope the motion will be voted down, and that the conference report will be agreed to.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

Mr. MAGNUSON. Mr. President, will the Senator from New Jersey yield to me? As the Senator well knows, I have a very great interest in this bill. I think I was the author of the original Science Foundation bill.

Mr. SMITH. If the Senator will permit me, I should like to say at this point that the Senator from Washington has been of the greatest help in building up the material and getting a bill together, and in its present position.

Mr. MAGNUSON. I regret I could not be here earlier in the day when the conference report was being discussed. I ask the Senator whether or not the conferees agreed to every part of the House bill which was different from the Senate bill?

Mr. SMITH. No; there were certain changes made. We agreed to certain provisions of the House bill and they agreed to certain provisions of the Senate bill, in working out an agreement. We have not compared it to determine exactly what the changes were.

Mr. MAGNUSON. The principal differences related to the organization of the Science Foundation and the Morse suggestion as to the distribution of funds?

Mr. SMITH. It was the organization of the Science Foundation, the method of appointing the director, that constituted the chief difference. That and the Morse amendment comprised the principal differences.

Mr. MAGNUSON. Those were the two principal differences?

Mr. SMITH. There were other provisions which were added in conference, to emphasize the desire to make the program nationwide, to include all areas of the country, and to be sure that every opportunity would be given to any institution to have its share of the funds.

Mr. MAGNUSON. I may say to the Senator that, reluctant as I am to agree with what the House did, and as enthusiastic as I have been for the so-called Morse amendment, I think I shall have to say, regardless of that, the importance of having a National Science Foundation is far greater in my mind probably than the settling of certain differences. I am sorry the Senate conferees agreed to certain provisions, but neverthless we need the National Science Foundation. The cause of basic science in this country is pressing. I hope the basic act may be amended, as it may be found necessary in the future.

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

Mr. MAGNUSON. I yield.

Mr. MORSE. Would the Senator from Washington agree that all the points he has raised, and all the points which have been raised by the Senator from New Jersey and the Senator from Ohio, can be considered on the second Thursday of January 1948, after Senators have had a chance to check into the matter in their States this fall? I raise the question especially in view of the fact that before the National Science Foundation can be launched, appropriations will have to be voted, and appropriations cannot be forthcoming until the next session of the Congress.

Mr. MAGNUSON. I think there is a great deal in what the Senator says.

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

Mr. MAGNUSON. I yield.

Mr. TAFT. I want to point out that there are appropriations. The Army and Navy have very large appropriations for research, which can be distributed. It is intended that they shall be distributed by the Science Foundation.

Mr. PEPPER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PEPPER. Mr. President, I want to say a word or two in support of the motion of the Senator from Oregon. On

a certain occasion, when Christ was reported to be a resident of Galilee, the question was asked, "Can any good thing come out of Nazareth?" There are many people who think nothing good in the way of research will come out of the smaller schools and public universities. I think that is contrary to the history of the Nation. Unless we have a guarantee that will compel the Science Foundation to give proper consideration to a quota to be allocated to the public schools and universities and other public-supported institutions, there will be a natural gravitation of the research program into large universities and colleges. I think Harvard University has followed the salutary principle for a good many years of trying voluntarily to impose a sort of quota system upon its student body, and, I am proud to say, to permit a certain number of students from my section to have access to that great institution. What many schools have voluntarily assumed, Mr. President, we, in the expenditure of public money, have tried to impose in the Senate bill; which has been impaired by the conference report.

Mr. President, I was personally interested in another aspect of the bill. That was the provision that there should be two separate commissions, one for heart research, the other for cancer research. Heart disease, of one kind or another, kills one out of three of the people of America; cancer strikes down one out of seven. Surely, Mr. President, no research could be more important to the lives of our people than research in the fields of heart disease and cancer. There, again, in order to assure that the public interest would be best served, the Senate provided that the personnel of those two special commissions should be appointed by the President of the United States and confirmed by the Senate. Now, Mr. President, what do we find in the conference report? The Senate provision providing that the executive director should be appointed by the President and confirmed by the Senate, has been impaired. We find instead an executive director, appointed by the Foundation. It is not a full-time Foundation, but a group of 24 men delegated to give only partial time to the grand function of the organization. So we do not have even an executive director appointed by the President and confirmed by the Senate to be the executive head of the Foundation. Mr. President, not even the Foundation itself has full authority for the performance of its functions, but an executive committee of the Foundation, consisting of 24 persons. The special commissions, instead of being appointed by the President, as provided in the Senate bill will be appointed by the Foundation in form, but actually by the executive committee, a subordinate part even of the Foundation itself.

When we add those deficiencies, Mr. President, contained in the conference report to the failure to assure something like an adequate opportunity to all sections of this great country, we find that we have not given to the people the kind of a research plan to which they are entitled.

Genius, Mr. President, comes from the remote places. It comes from the humble places, as it came out of a log cabin once in the West to the great leadership of the Republic.

Mr. President, I do not believe this is a democratic science bill. I favor research. I would vote for 10 times the amount provided in the bill, and I believe it would be among the best purposes for which money could be spent. But the program must be a democratic one, it must be an American program, for all parts of America in the great war upon ignorance and for progress. All parts of America must have a chance to play a fair part.

Mr. President, I hope the motion of the Senator from Oregon will prevail.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon [Mr. MORSE] to postpone further consideration of the conference report until the second Thursday in January 1948, at 2 o'clock p. m. On this motion the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the senior Senator from New Hampshire [Mr. BRIDGES] and will vote. I vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr. BRIDGES], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from New Hampshire, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], the Senator from Wyoming [Mr. ROBERTSON], the Senator from South Dakota [Mr. BUSHFIELD], and the Senator from Oklahoma [Mr. MOORE] are necessarily absent.

The Senator from Iowa [Mr. WILSON] is absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arizona [Mr. HAYDEN] are detained on official business.

The Senator from New York [Mr. WAGNER], who is necessarily absent, has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from New Hampshire [Mr. BRIDGES] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea," and the Senator from New Hampshire would vote "nay."

The result was announced—yeas 38, nays 46, as follows:

YEAS—38

Barkley	Downey	George
Chavez	Dworshak	Green
Connally	Ecton	Hatch
Cordon	Fulbright	Hill
Hoey	McKellar	Overton
Johnston, S. C.	McMahon	Pepper
Kilgore	Maybank	Russell
Langer	Morse	Sparkman
Lucas	Murray	Stewart
McCarran	Myers	Taylor
McClellan	O'Conor	Tydings
McFarland	O'Daniel	Umstead
McGrath	O'Mahoney	

NAYS—46

Aiken	Hawkes	Robertson, Va.
Baldwin	Hickenlooper	Saltonstall
Ball	Holland	Smith
Bricker	Ives	Taft
Brooks	Jenner	Thomas, Okla.
Buck	Johnson, Colo.	Thomas, Utah
Butler	Kem	Thye
Cain	Knowland	Vandenberg
Capehart	Lodge	Watkins
Capper	McCarthy	Wherry
Cooper	Magnuson	White
Donnell	Malone	Wiley
Ellender	Martin	Williams
Ferguson	Millikin	Young
Flanders	Reed	
Gurney	Revercomb	

NOT VOTING—11

Brewster	Eastland	Tobey
Bridges	Hayden	Wagner
Bushfield	Moore	Wilson
Byrd	Robertson, Wyo.	

So the motion to postpone was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

INVESTIGATION OF DEPARTMENT OF JUSTICE IN CONNECTION WITH ALLEGED ELECTION FRAUD IN MISSOURI

Mr. LANGER. Mr. President, as one of the three Senators on the Judiciary Subcommittee that has had charge of the hearings on the resolution to investigate Tom Clark, the Attorney General, in connection with the Missouri primary election of last year, I want every Member of this Senate, I want every man, woman, and child in America to know just exactly what this resolution relative to the action of the Department of Justice in connection with the Missouri elections will do if adopted. Here are the facts:

First. There was a corrupt, rotten, un-American, crooked primary election last year in Missouri.

Second. In that election there were both Federal and State candidates.

Third. Decent citizens and the Kansas City Star have investigated that election, interrogating roughly 8,000 witnesses.

Fourth. The State of Missouri has a governor, an attorney general, and various county prosecuting officials the same as any other State, and they are functioning.

Fifth. The board of elections passed a resolution demanding an investigation by the Federal Department of Justice.

Sixth. The Federal Government has no right to, and should not, supplant local authorities unless a violation of Federal law is involved. State officials, and not the Attorney General of the United States, should enforce State laws. If a Federal gestapo from Washington ever runs the elections—either primary or general—in every State in this Union, there will be the same Federal control over elections that there is in some foreign countries.

Seventh. In 1936—and, Mr. President, I ask every Senator upon this floor to

mark this well—United States District Attorney Maurice Milligan sent about 250 men to the penitentiaries and jails of Missouri for violating Federal election laws, and he thereby became the leading advocate of clean, honest elections. I challenge any Senator upon this floor to say that Mr. Milligan is not honest, that he is not capable, and that he did not do a good job in Missouri.

Eighth. In order to have clean, honest elections, Mr. Milligan came to Washington and made definite recommendations to the Department of Justice. The present Supreme Court Justice, Robert Jackson, was then Attorney General and Mr. Milligan's recommendations were adopted in full by the then Attorney General, Mr. Jackson.

Ninth. These recommendations, which were instituted by Attorney General Jackson in 1941, were followed by his successor, Attorney General Frank Murphy, now also an Associate Supreme Court Justice.

Tenth. When Frank Murphy went on the Supreme Court, the new Attorney General, Francis Biddle, also followed the practice instituted by Mr. Jackson.

Eleventh. When Francis Biddle resigned to be one of the judges at Nuremberg, Tom C. Clark became Attorney General, and he also followed exactly and precisely—exactly and precisely, Mr. President—what his three immediate predecessors had done in following Mr. Milligan's original recommendation.

Twelfth. Therefore, when complaints came in from the election board in Missouri, Attorney General Clark issued the identical orders for a preliminary investigation as had been issued in every election case, whether under Attorney Generals Jackson, Murphy, or Biddle.

Thirteenth. J. Edgar Hoover, the head of the Federal Bureau of Investigation, who is directly responsible to Congress, has made painstakingly clear the fact that Attorney General Clark has done nothing in this Missouri case which was different in any way from what was done in any other case. In other words, the Missouri election was treated just the same as any other election case by the Attorney General and his three predecessors.

Fourteenth. Six members of the Judiciary Committee are now criticizing Attorney General Clark for not doing enough. Mr. President, had he deviated from Mr. Milligan's recommendations, these men could perhaps successfully ask him "Why?" Had he, for example, impounded the ballots, as suggested at one of the hearings before our committee, could it not have been charged by his opponents that he had done so to gain possession of them, and take them out of their possession—and possibly the jurisdiction of the grand jury of the State of Missouri, who had possession of them? Also, would there not have been the sinister implication that the ballots might have been changed while in the possession of the Federal Department of Justice?

Fifteenth. With startling clarity, Mr. President, these three facts stand out:

(a) The Attorney General had just convicted and sent to prison men holding high office.

(b) He had, only a few weeks previously, announced that his newly appointed assistant, John Sonnett, appointed in place of Wendell Berge, had been placed in charge of the Antitrust Division and would investigate the Clayton and the Sherman antitrust statutes, and he had announced that for the first time in the history of the United States he would send to jail anyone who violated the Clayton or the Sherman Antitrust Acts.

(c) He had dared to—faithful to his duties as Attorney General—antagonize Ed Pauley, the former treasurer of the National Democratic Party, in the Tidelands case, and in the Supreme Court he had just won the lawsuit which will ultimately result in securing many billions of dollars to the common people of America. He had had the courage to go counter to the opinions of 44 State attorneys general, in 44 States, to win for the American people as a whole the oil that the greedy, large oil companies had long thought was their own.

Mr. President, the people of America are entitled to know the truth; they are entitled to have that truth told upon the Senate floor. Although I am a Republican and I yield to no other Republican Senator on this floor in my fidelity to the Republican Party, I propose to tell the truth as I see it.

Very obliquely, my republicanism has been challenged by the author of the resolution. He said the other day, "There are six good Republicans on the committee." Inasmuch as I was the only Republican who voted against this resolution and inasmuch as there are seven Republicans on the committee, the inference was obvious. I ask this simple question: Did the States represented by any of the Republican Senators on the Judiciary Committee give a majority to the Republican Party for Mr. Willkie in 1940, and for Mr. Dewey in 1944, except North Dakota, the State which I have the honor of representing? The answer is "No." Inasmuch as I was, only a short time ago, described as the "political boss of North Dakota," it is evident that I must have had at least a small part in the carrying of North Dakota for both these Presidential candidates, inasmuch as I openly campaigned for both Mr. Willkie and Mr. Dewey in the years mentioned. My republicanism, therefore, is not open to successful challenge.

Now, Mr. President, let us tear away the veil, the curtain, that has been created by newspapers and radio propaganda. Let us examine this charge so eloquently expressed against me by the cartoon published in the Buffalo Express. Let us find out—let us get at the meat in the coconut—and let us ascertain whether the real battle here is not a fight to get rid of Mr. Clark, to get another Attorney General appointed; to scare the President of the United States; to get the President to remove him and to get an Attorney General appointed in his place whom the large, unscrupulous oil companies will like better; an Attorney General who will do what every Republican and Democratic Attorney General has done since 1890, namely, not enforce the antitrust laws of this Government.

I declare, Mr. President, that this is the issue, and I want every Senator on this floor to realize that it is the issue.

Mr. President, I have here with me, and I ask unanimous consent to place it in the RECORD, the testimony of Wendell Berge when he appeared before the Committee on Civil Service, and there admitted that since 1890, when the Sherman antitrust law was passed, not one single person has been sent to jail or to the penitentiary in the entire United States for violating the antitrust statutes of this country.

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

DEPARTMENT OF JUSTICE—OFFICE OF THE ATTORNEY GENERAL—ANTITRUST DIVISION

STATEMENT OF WENDELL BERGE, ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF JUSTICE

The CHAIRMAN. We have with us Mr. Berge, Assistant Attorney General, in charge of the Antitrust Division of the Department of Justice.

Will you proceed, Mr. Berge, first giving your name, position, and address?

Mr. BERGE. My name is Wendell Berge. I am Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, Washington, D. C.

The CHAIRMAN. What we are interested in above everything else is the personnel and the compensation of that personnel, Mr. Berge.

Mr. BERGE. Yes.

The CHAIRMAN. Will you state how many employees you have in your office over there in the Antitrust Division?

Mr. BERGE. Yes, Mr. Chairman. As of the 1st of February we had 175 lawyers on our staff, 21 experts and economists, 97 stenographers, 41 typists, and 10 messengers, or a total of 344.

Incidentally, that amounts to a reduction since January 1. That is, within 3 months we had a reduction of 21. We had 365 on our rolls as of January 1.

The CHAIRMAN. How many did you have a year ago?

Mr. BERGE. Well, I would have to figure it for you. It was approximately the same. If you want the precise figure, I will have to supply it.

The CHAIRMAN. Approximately.

Mr. BERGE. Approximately the same.

The CHAIRMAN. How about 2 years ago?

Mr. BERGE. A few less. I have, if I can lay my hands right on it, but I cannot seem to be able to do so. However, the personnel roughly fluctuates with the appropriations by Congress. We have the kind of law where you can do as much or as little as policy considerations dictate and the appropriations over a period of half a dozen years would give the trend of that.

Well, I will just have to state it roughly from memory, as I cannot lay my hands on it, but I can supply the precise figure later.

Going back as far as 1938 the Antitrust Division had an appropriation of $450,000, and I will have to give it in terms of legal personnel which would be a comparable figure to the 154 now; roughly legal personnel of about 45 and the appropriation was doubled the next year, I think, which gave a legal personnel of approximately 75 to 100. It was gradually stepped up to the

fiscal year 1942, at which time the appropriation was $2,325,000 and the legal personnel around 260, and then with the war there was a substantial reduction because, of course, ours was an agency which, contrary to the general trend, its activities were restricted during the war, and the antitrust laws were to a considerable extent superseded by controls and also the arrangements which were made with the War and Navy Departments that during the war certain cases would be postponed because the active prosecution might interfere with the war effort.

As a consequence, the appropriation was reduced to $1,400,000 and the legal personnel cut down to approximately 110, and it has been gradually increased since 1943.

The appropriation was about $1,600,000, I believe, when I took charge of the Division, during the fiscal year of 1944 with a personnel of 110 to 120, which has been increased to $1,900,000, exclusive of the congressional pay increases, which were effective last year.

Now, I have called those figures from memory. They are approximately correct.

The CHAIRMAN. Who appointed you?

Mr. BERGE. I am personally the President's appointee. I am the only one in the Division who is. The rest of the staff are appointed by the Attorney General, usually on my recommendation.

The CHAIRMAN. How long have you been in the Department?

Mr. BERGE. I have been there a long time, Senator. I have been there 17 years.

The CHAIRMAN. Who appointed you originally?

Mr. BERGE. Attorney General Mitchell. John Lord O'Brien was head of the Antitrust Division. I served on the staff for nearly 10 years, first as just a memorandum writer, later as trial attorney, and later as Chief of the Appellate Section, and Chief of the Trial Section, and then as first assistant to the head of the Division, and early in 1941 I was appointed Assistant Attorney General.

At that time Justice Jackson was Attorney General. I was appointed by President Roosevelt on Attorney General Jackson's recommendation, assigned to head the Criminal Division, which I headed for a little more than 2½ years.

In August of 1943 the present Attorney General, Tom Clark, was then head of the Antitrust Division, and he and I exchanged posts. I became head of the Antitrust Division.

The CHAIRMAN. Did you appoint the 175 lawyers yourself?

Mr. BERGE. No, sir.

The CHAIRMAN. Who appoints them?

Mr. BERGE. I would say that of our present staff, approximately 25 or 30 have been there for periods of 10 years or more; we term them career men.

That is, they are men who are happy and content to stay in the Federal service.

Mr. Western, chief of our appellate section, has been in the Department since 1928. He is one of the best brief writers in the Government.

Mr. Snyder, expert on petroleum matters, has been there since 1917, and the remaining number have been appointed at different intervals since 1938, when we commenced this period of expansion due to a policy change in the Government in which the policy became one of more vigorous enforcement of the antitrust laws.

So, except for 25 or 30 men, the balance have been appointed since 1938. They have been appointed by the Attorney General at the recommendation of whoever was head of the Antitrust Division.

I believe that of the present staff approximately half of them were appointed during the period when Mr. Thurman Arnold was head of the Antitrust Division, and a few were appointed during the relatively short period when Mr. Clark was head of the Division, and probably 30 or 40 of the present staff were appointed on my recommendation.

The CHAIRMAN. What is the average pay of these 175 lawyers?

Mr. BERGE. The average would be—parenthetically in terms of the old schedules before the increases were made—I would say the average would be between $5,000 and $6,000 on the professional staff. Thinking in terms of the old schedule, the top would be $8,100, but of course with the several pay increases the top actually is $9,975.

Our section chiefs receive that, and a few of our lawyers; not very many. Probably half a dozen of our top trial men receive that.

Our great shortage is in the very lowest-paid brackets. You can get in an organization like ours a great deal of work out of able young men just a few years out of school, and 5 or 6 years ago, perhaps 20 to 25 percent of our staff was composed of young lawyers receiving from $2,500 to $3,000.

I may state the lowest-paid lawyer on our staff is now receiving $3,200. The war closed the law schools and there were not many men turned out in the recent period.

That does suggest this, which it is always well to bear in mind as to all agencies, especially ours, that the same amount of money does not begin to purchase the same amount of legal service it did a few years ago.

I have been going before the Appropriations Committees; for example, I always have to point out, as compared with the prewar position at the time we received $2,325,000 in our present appropriation, the figures are not comparable because at that time we had a much lower average salary and substantially more men in the lower-pay brackets than we have now, and probably if one were to equate the present purchasing power of the dollar to 1941, our appropriation would be the equivalent then of close to $3,000,000 in present terms.

It is reflected in the fact we have approximately 100 lawyers less than we had in 1941.

The CHAIRMAN. How long have you been head of the Antitrust Division?

Mr. BERGE. Since August 1943.

The CHAIRMAN. How many cases did you institute in 1943?

Mr. BERGE. I can get that in just a second. I have the figures here of cases pending.

The CHAIRMAN. We want them by years.

Mr. BERGE. All right, cases instituted, how far back?

The CHAIRMAN. 1943, when you went in, when you became boss.

Mr. BERGE. I became boss in the fiscal year 1944.

During that year we instituted 22 cases. That was a war year.

The CHAIRMAN. All right, the next year?

Mr. BERGE. Twenty-four cases. The next year 26 cases. The present year to date, that is since last July 1, 34 cases.

Now, if we were to take last year on a calendar basis, we instituted 43 cases during the calendar year 1946.

The CHAIRMAN. You enforce the Clayton Act and the Sherman Antitrust Act?

Mr. BERGE. The Sherman Act, definitely. We have exclusive jurisdiction over that.

Many Sherman Act cases also involve questions of violations of the Clayton Act in the same case and we will allege violation of the two acts, but I think we have not brought any cases under the Clayton Act, exclusively.

The Federal Trade Commission has brought several cases under the same clauses of the Clayton Act and more or less by comity, we have left the major part of the enforcement of the Clayton Act to the Federal Trade Commission.

For example, the section under which the Robinson-Patman Act, which is an amendment; that is being administered by the Federal Trade Commission.

The CHAIRMAN. The Sherman Antitrust Act provides both for criminal and civil actions.

Mr. BERGE. Correct.

The CHAIRMAN. I am interested in knowing, in 1944, how many criminal actions you had and how many convictions you had.

Mr. BERGE. During 1944?

The CHAIRMAN. Yes; your first year.

Mr. BERGE. We instituted 11 criminal cases that year; during 1945 we instituted 8 criminal cases—no; I am sorry—during 1945, 5 criminal cases, and during 1946, 8 criminal cases.

The CHAIRMAN. How many are pending now in 1947?

Mr. BERGE. We have pending——

The CHAIRMAN. You started this year, 1947.

Senator JOHNSTON. Instituted.

Mr. BERGE. I am sorry, I cannot give you that figure.

Senator CHAVEZ. I think you said you filed 34 or 36.

Mr. BERGE. Yes; but of the cases we filed in the last year, 34, I do not have the breakdown here as between criminal and civil, but I will supply that to the committee.

I would say, roughly, 10.

The CHAIRMAN. How many men did you put in the penitentiary that you prosecuted under the Sherman Act?

Mr. BERGE. Under the Sherman Act, in the penitentiary?

The CHAIRMAN. Yes; how many men did you put in the penitentiary as a result of prosecutions under the Sherman Antitrust Act?

Mr. BERGE. None for a generation.

The CHAIRMAN. I want to know why, if you are prosecuting the antitrust statute, why nobody has been put in the penitentiary.

Mr. BERGE. I have no trouble answering that question myself. I think, frankly, we have to recognize that the community does not regard the antitrust violation as a moral violation in the same sense that they would regard embezzlement.

The CHAIRMAN. Who says that?

Mr. BERGE. The courts and juries. I mean there have not been convictions. Our problem, sir, in criminal cases, is to get convictions of businessmen who in the mores and traditions of the community are not regarded as criminals.

The CHAIRMAN. If a man stole a loaf of bread in Minneapolis, he would go to jail, but if a combination get together and fix the price of that wheat, you do not send them to jail.

Mr. BERGE. No.

The CHAIRMAN. No one before you did?

Mr. BERGE. No.

The CHAIRMAN. No one, and that has continued under the Republicans and Democrats, and yet the law provides the man shall be sent to jail.

Mr. BERGE. The law provides for a fine or prison sentence, it being optional with the court.

The CHAIRMAN. I do not want to get away from it. I am coming back to your courts.

Mr. BERGE. Yes, sir.

The CHAIRMAN. And because your Department has been operating that way when you convict the man the judge will not send him to jail. Is that right or is it not right?

Mr. BERGE. I suppose it is right. There has come to be an acceptance of the fact that in the usual Sherman Act case a prison sentence has not been considered the appropriate punishment. I would say in a case where the activities are of a racketeering nature, where there has been force and violence employed in connection with the Sherman Act violation, that there are instances in the past where prison sentences have been imposed, but we think that in the usual case our most effective relief comes from a civil remedy in

which the parties are compelled affirmatively to change their practice.

The CHAIRMAN. Let us take a few examples.

The farmers in the Northwest bought trucks and automobiles from those big automobile people. As you know, there was a conspiracy formed among them whereby the purchaser had to pay the same amount of interest.

That was before your time, but your Department brought an action and they pleaded nolo contendere and the result was in effect the Department said, "Don't do it any more."

Mr. BERGE. Yes, sir.

The CHAIRMAN. Has that not been the practice in the country for years and years, "Just don't do it any more"?

Mr. BERGE. As far as the criminal remedy goes, of course when you impose a fine, it is, I am willing to agree, a slap on the wrist as far as large corporations go, and the fine can really be deemed in the books of the corporation almost as a license fee to continue an illegal practice, and I would have to say candidly that I do not think the criminal remedies of the Sherman Act have been a very effective deterrent to the repetition of Sherman Act violations.

Take our tobacco cases. We obtained very substantial fines, amounting to a quarter of a million dollars against the major tobacco companies, on an indictment which charged the price fixing of cigarettes in a concentrated drive to put the 10-cent cigarette out of the market.

The CHAIRMAN. What good does that do? They will raise the price 1 cent per package to make up for that.

Mr. BERGE. The maximum fine is $5,000.

Senator THYE. And that fine has been imposed, and they paid the fine; is that subject to deduction from income tax as part of the general overhead?

Mr. BERGE. I should think not. However, I am not a tax expert.

Senator JOHNSTON. I can answer that in the negative. No.

Senator THYE. If that is the case the United States Treasury paid the fine, and they went on doing business.

Mr. BERGE. There are cases where I think we have got to seek criminal remedies, roughly two classes of cases, price-fixing cases.

Where you have a price fixing, we have to bring criminal action, and the courts have held that price-fixing agreements are illegal per se.

Senator CHAVEZ. But from your past experience in trying those criminal cases where you find out you cannot get a conviction, what is the use of trying them?

Mr. BERGE. We can get convictions in price-fixing cases and we generally get them, and I would point out the amount of fines we collect annually in the criminal cases is very substantial, but my point, Senator, is this, if your defendant is a large corporation, and they generally are, the financial penalty is not a very big item to them and they will spend hundreds of thousands of dollars—I know of a case where they spent $2,000,000 in attorneys' fees—to fight a fine liability at most of a few hundreds of thousands of dollars.

The real deterrent as far as criminal penalty goes is the onus of an indictment.

Businessmen, most of them, do not like to be indicted and they do not like to be charged criminally.

The CHAIRMAN. We do not like it any more than the small fellow does. Nobody likes to be indicted. That is true.

Mr. BERGE. Quite true.

The CHAIRMAN. Why should the big fellow not be sent to jail and the little fellow sent to jail?

Mr. BERGE. I am not arguing against it.

The CHAIRMAN. Is it not your job to put them in jail? Did not the Congress say that the Sherman Act for the violation of it, they can be sent to jail?

Now, I want to know why they have not been sent to jail.

Mr. BERGE. If you want me to tell you why, I think——

The CHAIRMAN. Yes.

Mr. BERGE. I think the prosecutors of the Sherman Act long before I came into office—and I accepted it because I think it is true—concluded that except in a case where there are very heinous circumstances, you cannot get a jail conviction. The disposition of juries would be against conviction.

Senator CHAVEZ. That being the case, your coming to that conclusion, and for the purposes that the committee has in mind, which is only personnel, why should you have those criminal lawyers in the Division when you cannot get a conviction?

Mr. BERGE. Do not misunderstand. I have not said I do not think the criminal penalties do not have their place. I say they have. I think if you take them out of the act, businessmen will be very much more likely to violate the act.

I would like to see the penalties increased. But if we had a maximum fine of $50,000 instead of $5,000, we could not get it very often.

The fear of the criminal penalties is the in-terrorem effect of their being there and the businessman will go to any length to avoid a Sherman Act indictment.

I do not want to name cases, but it is almost daily that parties who know there is a grand jury investigation in progress come in and plead for us to transfer it to the civil side.

They do not want to be indicted. We have many, many instances where the indictments have been returned.

Our doors are always open. We are not there to persecute people. We will listen to them.

The instances are rare—in fact, I cannot think of any at the moment—where we have dismissed a criminal suit and brought civil suit.

Businessmen do not like the onus of an indictment. It is a social stigma, and the interrorem effect of those penalties and the criminal prosecution of those practices is a deterrent, but where there are violations deliberately, willingly, and knowingly done, and where there are no mitigating circumstances, it should be brought on the criminal side.

Senator CHAVEZ. But you would not bring any other cases on the criminal side, except where you think the testimony would warrant conviction, that notwithstanding where you brought that you had sufficient evidence to bring a criminal case.

I know it is pretty hard to bring a criminal case against a corporation. You might be mistaken, but nevertheless you come to the conclusion that a criminal case is necessary, and then you come before this committee and tell them that notwithstanding that, we cannot get a conviction.

Mr. BERGE. Notwithstanding that, we do not get a conviction.

Senator CHAVEZ. You stated you did not have a single conviction in 1944.

Mr. BERGE. No; I was certainly misunderstood if I said we did not have a conviction. I certainly did not mean that.

Senator CHAVEZ. I am sorry.

Mr. BERGE. We have won most of our cases.

The CHAIRMAN. Nobody went to jail?

Mr. BERGE. The only question I was answering was whether or not we had jail sentences. I can show you—I am not too good at picking out the right figure just when I want it.

The CHAIRMAN. Take your time.

Mr. BERGE. If I can go over the transcript later, I say I can supply the figure, and I will do so.

Senator CHAVEZ. Does the department under your direction do any prosecuting?

Mr. BERGE. Yes, sir.

Senator CHAVEZ. Or is it turned over to the local United States attorney?

Mr. BERGE. No; we usually handle the actual indictment and trial of criminal cases. We have cooperation from the local district attorneys, but these cases are worked up by the antitrust staff.

Often we do not know until the final institution of the case where we will institute it, because it involves Nation-wide activity.

Senator CHAVEZ. No; we only want to discuss them only if they can be of any help to the committee in deciding whether or not you have too much personnel or not too much personnel.

Mr. BERGE. Yes.

Senator O'CONOR. I gathered, before you were about to say as to the amount of the fine, that the fines given here, if I anticipated it correctly, exceeded the amount of the appropriation.

Mr. BERGE. I did not mean to say "exceeded." They were very substantial.

Senator O'CONOR. In connection with the imposition of those fines, did your division recommend jail sentences?

Mr. BERGE. No. I think we have only recommended jail sentences in a few cases where the practices were accompanied by violence or conduct which, according to the usual standards, is highly immoral as well as technically illegal, but there has been no jail sentence imposed since 1930 when some candy racketeers out in Chicago went to jail in connection with the Sherman Act violation, but it was in a broad sense a racketeering case. It was an effort to put out of business the candy merchants who sell those nickel bars of candy three for a dime, the so-called tobacco merchant who has that price on candy, and they had an association in an endeavor to fix the price at 5 cents a bar, and they tried to get everybody into it.

Those that would not join, they would surround with tear gas and break windows and go to all limits and conduct of that sort.

We jailed them. I think that is the last jail sentence.

It would be quite a futile gesture, and I do not want to provoke an argument, but it would be quite a futile gesture in the automobile finance case, for example, to put Henry Ford, Walter Chrysler, and Knudsen in jail.

The CHAIRMAN. Your section has a suit pending against the tungsten manufacturers.

Mr. BERGE. That case is being tried right now.

The CHAIRMAN. These people are buying that at $24 a pound, and they got together and raised that to $480 a pound.

Mr. BERGE. $453, I believe.

The CHAIRMAN. And it cost $24, and not a single living soul went to jail.

Mr. BERGE. The case is being tried now. I know they probably will not go to jail.

Senator ECTON. Supposing a jail sentence were imposed, who would go to jail, the president, secretary, or the entire board of directors?

Mr. BERGE. Under the law of criminal liability, those responsible criminally are those who have personal knowledge of the activities.

In civil cases we join the officials where the theory is that the injunction is to operate in the future and control the policies of the company, but in a criminal case you could only hold responsible those who actually conceived the policy and guided the criminal act or conduct.

You might be president of the corporation, but you might be the kind of president who spends most of the time on the golf course and only comes to the office occasionally.

The fact that you are president of the company would not be any basis for criminal conviction.

On the other hand, if you were actively engaged, you would be subject to fine; and if anyone was going to jail, undoubtedly it would be those fellows who had personally been responsible for the illegal act.

The CHAIRMAN. Let us take it down in common, ordinary horse sense. We will say a fellow has 10 liquor stores in a prohibition State like Kansas. He is the president of the company, and he hires 10 fellows and 3 or 4 of them get together and raise the price.

Do you mean to say the fellow that sells the liquor ought to go to jail and not the president of the outfit?

Mr. BERGE. If the president directed the conduct.

The CHAIRMAN. Senator Ecton is very much interested in that. A man goes to play golf and charges $453 a pound for tungsten.

Mr. BERGE. There are all kinds of presidents. Some are active and some do not have anything to do with what is going on. We have evidence in a criminal case indicating an individual is without knowledge. No court in the land would allow a case to go to the jury as against an individual where we did not have some evidence against him personally; and if they did and there was a conviction, on appeal it would no doubt be reversed.

The CHAIRMAN. Would not the president know?

Mr. BERGE. I think usually they do.

The CHAIRMAN. Yes. Usually they do. If they charge $453 for tungsten that cost them $24, they would know.

Mr. BERGE. As a usual thing, presidents are included in criminal cases; but one of the Senators asked what the test was, and I said the test was not the office you held, but the knowledge you had.

Occasionally a case is received—and I think it is only fair to point this out—where there is a large conspiracy involving some loose practices, and some combination, the only responsible official in the company who knew what was going on was the sales manager. We do not like to indict the sales manager and let his superiors go, but there have been instances where we either indicted him or could not indict anybody.

But I do not like to be in the position of arguing for a soft policy, because that is not what I believe in.

The CHAIRMAN. As I understand it, you took an oath of office to enforce the Sherman Antitrust Act, and part of that is criminal. Why come before us and say you are not sending a man to the penitentiary?

Why not get rid of that penalty? You are not using it now.

Mr. BERGE. We have tried to explain it. The belief we have had, based on years of experience, was that the real effective deterrent of the criminal violation was the onus that goes with a criminal trial and conviction, and that, as a practical matter, jurors would not convict and judges would not sentence if the penalties were too steep.

That is not due to any personal whim of mine, but if it is clear we have misconstrued what Congress wants in connection with criminal penalties, I am quite confident the Attorney General would change the policy.

Most of the complaints we get, going the other way around, are complaints that we applied criminal penalties to honest fellows who really did not intend to violate the law, and since they are innocent men, they only ought to receive civil proceedings.

Senator CHAVEZ. The law imposes penalties after a conviction.

Mr. BERGE. It is in the disjunctive. The prosecutor has an option as to what penalty he will seek or he may recommend none to the judge, and it is up to the judge.

It is just as in minor traffic cases, there is discretion in the prosecuting official to ask a jail sentence, but if it is a first offender, he probably gets a small fine.

Senator CHAVEZ. I am speaking about the law itself, not the policy by which the law is administered.

The law itself, if it says a man convicted of a certain offense can be fined or sent to jail, then there is a penalty attached to the law.

Mr. BERGE. There certainly is a penalty attached to the law.

Senator CHAVEZ. But as I understood you from your experience, and due to the fact that as a general rule it might be hard to get a conviction, generally, it is better to recommend a fine.

Senator JOHNSTON. Are any penalties in the conjunctive?

Mr. BERGE. Disjunctive. If it is clear that the statute said there shall be a prison sentence and a fine we would be under the legal obligation of asking it.

Senator CHAVEZ. Or to pay a fine and go to jail, too, but in this law it is discretionary for the court to impose either a fine or imprisonment?

Mr. BERGE. Yes; and discretionary with the prosecuting officials what they will recommend. I do not know of any criminal statute, barring high crimes and misdemeanors where it is otherwise.

The penalty is only a misdemeanor and the maximum is 1 year.

The CHAIRMAN. One year in jail.

Senator CHAVEZ. Except when you bring it about by conspiracy.

Mr. BERGE. All your cases under section 1 of the Sherman Act are conspiracy cases, and agreement to violate the Sherman Act, but the maximum penalty is a year or a fine, so it is a misdemeanor. I am quite confident there is not a misdemeanor statute that does not at least give an option between a jail sentence or fine in a misdemeanor case.

Senator CHAVEZ. I am not criticizing the law itself.

Mr. BERGE. You just asked what it was. I just want to get it clear. It is optional.

Senator CHAVEZ. It is optional and in the instances you have been discussing, it has always been a fine and not a jail sentence.

Mr. BERGE. Yes, with very few exceptions.

Senator ECTON. How are proposed violations of the law called to your attention? Through complaints?

Mr. BERGE. Mostly through complaints. And something I would like to emphasize whenever I have the opportunity, is that usually Sherman Act cases are not basically a row as between Government and business, but a row between two different groups of businessmen.

Senator ECTON. I wonder if these complaints did not often originate by what—by one competitor.

Mr. BERGE. Usually. They may originate from a present competitor or a potential competitor. Very often by someone who tries to enter the business.

A brief shorthand test of monopoly is whether a man can get into a business. Or if he finds he cannot get a source of supply, then they gang up and he cannot get patents and licenses, and there are so many fields of business in this country you cannot get into. The only way you can get in is to go to the big boys and join the club.

Senator ECTON. Is that not one reason why you have to be a little hesitant to send everybody to jail?

Mr. BERGE. Possibly.

Senator ECTON. Most competitors would like to see all of their competitors in jail.

Mr. BERGE. There is a tendency to feel that way, but most complaints arise from some business source. They may be consumers who feel that they are being mulcted.

Senator THYE. How did it come to your attention in the first case you are now prosecuting that it was necessary for you to enter the case?

Mr. BERGE. Which case?

Senator THYE. The tungsten case you referred to.

Mr. BERGE. I would have to look that up. It was instituted before the war. The indictment was returned in 1940 or 1941 and I inherited it. It was one of the cases that had been postponed at the request of the Army and Navy and after VJ-day, all this happened, all those bans were lifted, and we got busy.

Senator THYE. You mean the Army and Navy requested that no action be instituted against this firm?

Mr. BERGE. No; they permitted it to be instituted, but asked that the trial be postponed.

Senator THYE. Why would they make such a request?

Mr. BERGE. Well, there were roughly between 30 and 35 cases where indictments were returned, or civil proceedings instituted shortly before Pearl Harbor. It came up even before Pearl Harbor, that in connection with the defense program many of the defendants felt they could not fairly be asked to give the time to prepare their defense and supply their officials and experts to appear as witnesses in the proceedings and they went to the War Department about it.

I was not head of the Division, but it was explained to me what happened; it was during the period I was in the Criminal Division.

There were a few cases where an informal arrangement was made to postpone trials, but the Department of Justice did not like to be in the position of just taking the defendant's word for it that it would upset their operations if they were put to trial during the war, so we reached an arrangement with the War and Navy Departments which was approved by the President that if the War or Navy Department would request it in writing, request us to defer the institution or trial of the case, we would do it on their statement that the prosecution of the trial during the war would interfere with the war effort, and there are about 30 or 35 cases in which that was done.

There were not any since I have been head of the Division where the request was to postpone the institution of the case, but there were these thirty-odd cases in which the trial was delayed.

That gave us quite a backlog of cases to be tried, which is one of the causes of the personnel shortage.

You asked the reasons. They did not have to assign reasons. That was the determination the Army and Navy reached. I know what kind of reason it was. For example, it was a cartel case, and the defendant would have to put on the stand the heads of the operating department and some of their business officials who negotiated contracts.

It was not only a matter of time taken up to testify, but in a big case they would have to spend weeks or months reviewing old contracts and go through old files in order to adequately testify.

After I became head of the Department in 1944, we instituted a suit against du Pont and the Imperial Chemical Industries of Great Britain, and there were some 2,000 patents involved in that case.

Under an agreement originally made between du Pont and Imperial Chemical Industries to divide the entire world into noncompetitive departments so there was no competition in the international field between du Pont and Imperial.

They claimed, and I am not in position to dispute it, that the trial of that case during the war would upset their whole production and operating organization.

We all know du Pont was giving a great deal of its effort to the war work.

In fact, I believe it was stated to us in that case that some of the vital contracts and papers that the defendant Imperial Chemical Industries would need were buried in caves in England to keep them from being destroyed.

This carbide case on trial now—during the war their effort was all concentrated on winning the war and the military authorities felt that an attempt to try the case would be an unnecessary distraction.

Senator THYE. Your men never made an attempt to find out why an automobile of the same horsepower and same weight is in the same price bracket as others, as well as tractors and plows.

Mr. BERGE. Senator——

Senator THYE. Your men never make an investigation to ascertain why these manufacturers could find themselves within almost the same identical price range.

Mr. BERGE. Are you not changing the subject? We were talking about the postponement of the trial.

Senator THYE. I am asking you the question, sir.

Mr. BERGE. I am sorry.

Senator THYE. All you have to do is make the answer.

Mr. BERGE. I did not understand the question.

Senator THYE. My question was simply this: Do your men go out in the field and attempt to ascertain the price of an automobile and the weight and horsepower is relatively the same and the machinery, the plow or tractor happens to be near the price insofar as the weight, size, and type of equipment happens to be?

All you have to tell me is what you do.

Mr. BERGE. We would if there were reason to believe the similarity of price was fixed by agreement.

Senator THYE. How do you happen to arrive at the conclusion that the similarity seems to indicate it requires an investigation on your part?

Mr. BERGE. The fact of similarity in price of itself would not be sufficient reason for us to investigate because, in some instances, competitive activities will result in similar prices.

Senator THYE. The thing is to ascertain whether or not—the question I am trying to find out, is there any justification for the existence of your Department under the present management and policies of the administration.

Mr. BERGE. Senator, we do not have the personnel or facilities to investigate every industry in which there is a similarity of price to determine whether that similarity is accomplished with competition or whether as the result of restraining competition, but we do investigate such similarities when a complainant submits evidence, or when we otherwise get hold of evidence other than mere similarity in price which would suggest the violation.

Senator THYE. When you say a claimant, that would mean, we will say, a buyer, a man seeking to make a purchase, found the price was just this, no matter which company or which merchant he may go to, and seek to make this purchase, and unless that man has the courage to say what I think you have entered into an agreement to fix the price, he proceeds to bring that information in to you, and only in that manner would there be any action instituted.

Mr. BERGE. No.

Senator THYE. The point was how does this happen, Mr. X and Mr. Y manufacture that merchandise, can manufacture it in every conceivable way and arrive at the same identical expense on their product. And with all of your experts and your 170 attorneys you never try to ascertain how they arrived at that identical price?

Mr. BERGE. Yes; we have taken certain industries and made economic studies for the very purpose of arriving at that kind of understanding, and it has always been done.

We have experts, and we have taken certain industries and made economic studies for the very purpose of arriving at that kind of an understanding.

We have made such studies in cement. We have made such studies in steel. We have made studies of industries in which the basing-point system operates where there is apparently a lack of price competition. But the defendants in industries where you have a basing-point system have explanations and theories not easy to counteract always.

We are testing the basing-point system now in one important case, and I think there may be others.

Now those cases were instituted by studies of our own economists, and it is a very complicated matter to understand price structures, and you have to go through all the relevant data in it and try to apprise whether or not there is similarity of price due to lack of competition or not.

On the other hand there are many industries where the similarity of price has come to our attention initially from a complainant.

I would like to make this suggestion, if I may. I hope it will help you to understand our problem.

You state it quite correctly that we have a staff of economists and a staff of lawyers, and one might from that just immediately reach the conclusion that we ought to be able to ferret out every situation of importance in the country where there is lack of competition.

I would like to suggest that in the preparation of this basing point case I mentioned, it probably took the time of six men approximately a year to analyze that data and work it up.

As I said here, we have 21 economists. We have 1 man of those 21 who is an expert on steel. We had one who was an expert on aluminum. He recently left us.

But to take up one of those industries——

The CHAIRMAN. Wait a minute. Be fair to the Senator.

Mr. BERGE. I am trying to be.

The CHAIRMAN. You have got nearly 8,000 FBI men right in your Department over there; is that not right?

Mr. BERGE. Yes.

The CHAIRMAN. You can use them anytime you ask for them from Mr. Hoover.

Mr. BERGE. We are using the FBI.

The CHAIRMAN. Then you have not got 120; you have got 8,000 men.

Mr. BERGE. To do our field investigation and secure the factual data necessary in these cases. All our field work is done by the FBI. I was talking about the analysis at headquarters where we have to apprise the significance of this data and make determinations as to whether or not there is a suit. It is one thing to compile a mass of factual data through investigation and another thing, and a much more difficult thing to decide——

The CHAIRMAN. You are answering Senator THYE's question. Just go right ahead.

Mr. BERGE. I am trying to the best of my ability to answer the questions.

The CHAIRMAN. I want to make it clear to the Senator you have got these 8,000 men.

Mr. BERGE. I do not think the FBI could allocate 8,000 men for an antitrust investigation. They have other duties.

Senator THYE. It is conceivable that your men out in the field observe these things—at least they should, or otherwise I do not know why they are there—in the event there was a question in your mind that it just could not be possible that two manufacturers or two processors could arrive at the identical figure of this commodity or of this manufactured merchandise, you might say, "Would your department, the FBI, give us a rough report of the situation?" as you either have it rumored up in this area or as you happen to pick it up. After you got that type of report it would then be possible to proceed, if you thought it was justifiable, to put your experts in there, too, to analyze the entire question.

I can readily see that would be the procedure. At least, common sense would tell me that is how I would try to arrive at some of the information.

Mr. BERGE. Senator, let me just say, we do that very often, and that there are many of our price-fixing cases which have originated after just that kind of inquiry, where we were led to be suspicious that there was something wrong, some exclusive arrangement about prices, because of the identity of price.

A fair percentage of the investigations we have made and of the cases we have brought have been cases that originated just about that way, where the appearance of the industry indicated some understanding about prices, and we made our investigation and found that there was.

I, perhaps, overemphasize it, but I merely want to suggest that identity of price does not in, and of, itself suggest a case. It does require further investigation, and we make many price investigations that do establish to our satisfaction that there is an illegal agreement, and we go ahead.

The CHAIRMAN. Are you through, Senator Thye?

Senator THYE. Yes; thank you.

The CHAIRMAN. The Federal Trade Commission conducts investigations also?

Mr. BERGE. Yes.

The CHAIRMAN. What does your department do that they do not do?

Mr. BERGE. We enforce the Sherman Act, and the Federal Trade Commission does not take any cases under the Sherman Act. We have a close working arrangement.

The CHAIRMAN. Mr. Riley, find out how many employees the Federal Trade Commission has.

Mr. RILEY. Yes, sir.

Mr. BERGE. When they develop cases that they think properly fall under our activity they refer them to us, and we refer cases to them.

I am in no position, certainly, to explain what the Federal Trade Commission does.

The CHAIRMAN. Wait a minute, Mr. Berge; you do not want this committee to understand you are so ignorant you do not know what the Federal Trade Commission does.

Mr. BERGE. What I mean to say is, I am not authorized to testify for the Federal Trade Commission.

The CHAIRMAN. We are not asking that.

Mr. BERGE. I do not want to be unfair to the Federal Trade Commission, but I want to give you my best judgment.

I think the Federal Trade Commission spends a substantial part of its efforts on two efforts that have nothing to do with our work. One is the enforcement of section 5 of the Federal Trade Commission Act which prohibits unfair methods of competition. And as a result of that the committee knows many cease-and-desist orders have been issued. Second is misbranding of products and misrepresentation of products.

We have nothing to do with that, and I think the Commission would agree that a substantial part of its effort is devoted to that.

The Commission also has a function of working out trade-practice agreements with industry. It is not my business to know how much of their personnel is devoted to that, and I do not know; but a substantial part is.

When it comes to investigations, the principal overlapping, I would say, is in Clayton Act cases. But there, if we find that they are in a particular investigation first and that the remedies under their act are sufficient, they go ahead and we devote our attention to something else.

Occasionally they pass something to us with the recommendation that it is more appropriate for us to proceed with it.

There is really not a great deal of overlapping even in our statutory duties except for the Clayton Act.

The CHAIRMAN. They have 637 employees with the Federal Trade Commission.

Mr. BERGE. May I volunteer a little statement at this point?

The CHAIRMAN. Go ahead, say anything you want.

Mr. BERGE. I just want to suggest this: That I think the history of the Sherman

Act shows you that until about 10 years ago—I do not say this in criticism of anybody. I was in the Division during part of that time. But I think up until about 10 years ago there was not any attempt by any administration to apply the Sherman Act in a broad base of industry. I think it is a fair statement to make.

The CHAIRMAN. Oh, Mr. Berge, you remember the great, beautiful headlines about Frank B. Kellogg, known as the trust buster.

Mr. BERGE. I think there is a great deal of credit to be given to the pioneers for certain outstanding cases, and I do not for a moment intend to belittle it, but I say this: That for a period of 30 or 40 years—and statistics will show this—there would be two, or three, or four large cases brought during a particular administration.

Now, I think that the Standard Oil case, and the Tobacco case, and the Northern Securities case, which were brought in the Theodore Roosevelt administration, were great cases, and they accomplished a substantial divestiture of the concentrated economic power in those industries. They also made some good law on the interpretation of the Sherman Act, but we must bear in mind that was over a period of about 7 years, and that is, after all, only three or four large cases.

Now, I found out recently, in connection with the looking over of the history of prosecutions, from 1896 until 1901 there were only three suits instituted under the act. That was the very early days of the act.

Now, as you go on from the period of Theodore Roosevelt to, say 1938, the numbers of suits that were brought did increase per administration, but a candid appraisal of the suits would indicate that many of them were not of broad national significance, just as some of our cases are not.

I am not saying it critically at all. I am giving only my personal opinion. But I think that the Sherman Act philosophy presents most Americans with a sort of emotional or psychological conflict.

We all believe in free competition. We all believe, as a matter of principle, in a free and open market. And yet there is a certain reluctance to see an all-out attempt to really make the Sherman Act effective, and I think that for 35 or 40 years we paid lip service to the ideals of the Sherman Act, and we, in practice, brought a few suits as a token to those ideals.

I think, Senator, we cannot escape that conclusion if we look at the statistics of the concentration of economic power during that period. I mean it increased. In other words, we wanted our cake and we wanted to eat it too.

Now, without trying to explain what happened, I think there were various reasons for it—and I am still giving my personal opinion—but in the latter part of the 1930's we determined to try an experiment in broader enforcement. My own explanation of it may not be any good. I will give it for whatever it is worth.

When our economy collapsed in the late 1920's and early 1930's, we were faced with a national emergency, and we turned, as one does in an emergency, to methods that were not wholly consistent with our history and tradition and our notions.

We turned to a period of control, NRA, and various other measures which went directly contrary to the Sherman Act philosophy. Whether or not that was a wise thing to do, there is no point now to debate. When a house is on fire you do not stop to adopt the most scientific methods.

The CHAIRMAN. Let us take up this "house on fire" business. On July 2, 1890, 57 years ago next July, the Congress passed the Sherman Act. Just read the first paragraph of the act, the very first paragraph of the act, gentlemen. [Reading:]

"Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal: * * * Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

So, the house has not been burning for 57 years. This was long before World War I, when they got together food combinations, as you know.

Mr. BERGE. All I am trying to say, I think we have to agree during that period, let us say, before the last depression, we did not make the section you just read very effective in American life.

The CHAIRMAN. That is why we are here. Your predecessor or his predecessor did not do it, and you are not doing it.

Mr. BERGE. I admit we are not doing it as well as it ought to be done, and it is my personal belief, and I have said so on many occasions, that we ought to give a lot more emphasis to it and bring a lot more suits—and have a lot more men and money with which to do it.

That gets down to cases, but I point out that in the Socony-Vacuum case—the Madison, Wis., oil case—back there in 1939, there were 50 lawyers on the other side and we had 6.

The CHAIRMAN. I can tell you about that. Go ahead. I did not tell you about it—you brought it up. You remember what happened when these big oil companies were indicted and right here in the city of Washington. You know what happened. They went over here after they were indicted—and this Government had roughly over a billion dollars coming—and your Department of Justice walked down here to Judge Laws 2 days before Christmas——

Mr. BERGE. You are talking about——

The CHAIRMAN. About your oil cases.

Mr. BERGE. I was talking about the one up in Wisconsin.

The CHAIRMAN. That was insignificant compared to the one you had right here in Washington. And your Justice Department signed an agreement with those companies whereby you serve 21 more. You serve them at 10 o'clock in the morning and at 2 o'clock in the afternoon they had in there their answer, the same day, about the 21st of December.

It came before the judge and the judge said, "Do you gentlemen mean you have agreed to take a plea of nolo contendere?" and two Assistant Attorneys General resigned because they would not sign it. Two of your Assistant Attorneys General would not sign that agreement, and the judge said, "Well, it is Christmas time, and it must be Christmas time when you are giving away a billion dollars."

General Gillette, of Iowa, tried to get an investigation, and I tried to get an investigation, and we could not get anywhere.

Here the other day, only about 5 or 6 weeks ago, you dismissed an oil case.

Mr. BERGE. We have not dismissed it, Senator; that was an erroneous report in the papers; we have not dismissed it.

The CHAIRMAN. Still pending, are they?

Mr. BERGE. Yes, sir.

The CHAIRMAN. But those 21 are dismissed.

Mr. BERGE. You were referring to the Elkins Act cases which involved——

The CHAIRMAN. Pipe line.

Mr. BERGE. Pipe line; yes, sir. The report the other day that was incorrect was that we were going to dismiss the American Petroleum Institute case.

The CHAIRMAN. I am referring back to 1941.

Mr. BERGE. I know it by hearsay. That was during the period I was head of the Criminal Division, and I do not know the full story.

The CHAIRMAN. They paid a fine, the Government lost a billion dollars.

Mr. BERGE. Yes.

The CHAIRMAN. What shape are the present oil cases in? Are you prosecuting them or who is prosecuting them,

Mr. BERGE. Yes. We are bringing some more cases, too. We have pending this case against the American Petroleum Institute and several hundred defendants. That is pending here in the District.

We filed within the month two major oil cases on the west coast against two of the large companies operating out there, involving their system of exclusive arrangements with service stations. I think it involves some 7,000 exclusive dealer contracts that we charged tied up and, in effect, monopolized the distribution outlets on the west coast, and we have some further cases coming up.

The only trouble, there are so many practical problems presented in this large American Petroleum Institute case, because of the vast number of defendants and the fact the suit was brought prior to the war and involves only prewar facts. There is going to be a tremendous investigatory job involved to bring that up to date. You realize that case was filed late in 1940, but we have not dismissed it.

The CHAIRMAN. It has been pending 6 years?

Mr. BERGE. Yes, sir.

The CHAIRMAN. I want to give you an example of what the common people think of your Department of Justice. Senator THYE, Senator ECTON, and I all live in the Northwest.

A farmer up there made a loan from one of your Federal agencies, a miserable loan of a few hundred dollars. He was poor and rather ignorant. And when the Government took this mortgage they said they also had a mortgage on the increase of cattle. That poor farmer sold a little during the drought in order to feed his family. They arrested him. He pleaded guilty because he had no money to hire a lawyer, and he was put in the penitentiary because he sold a calf or two. That was the Hammond case, Senator, where I think they sold two or three calves, butchered them, to feed the family.

In the second paragraph of this Antitrust Act it says:

"Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States or with foreign nations, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

In 57 years, you said a little while ago, you had not sent one man to the penitentiary.

Mr. BERGE. I did not say that. We have sent some. In reply, I believe, to Senator O'CONOR's question a little while ago, I mentioned this candy manufacturers' case back in 1930. There are several others.

I agree with you that, as a general practice, we have not, and only in a few instances were there prison sentences imposed, but I do not want to be misunderstood as to prison sentences.

The CHAIRMAN. As a matter of fact, there have not been any imposed. Why should we have this Department at all? In 57 years you have not sent anybody to jail?

Mr. BERGE. I do not think for a minute, and I doubt that you do, that the only purpose of the Sherman Act is to put people in jail.

The CHAIRMAN. Certainly it is. The Congress said if they violate that law.

I will leave it to Senator THYE; he was a governor. You had that experience, Senator, when you were Governor. You put in an ad for tires—do you remember that experience? You put in an ad for tires for the highway department, and six bids came in—$17.11, all

alike from every tire company right down to the very last penny. And when you applied to the Federal Government for help you could not get it.

Mr. BERGE. I wish that I could some way adequately tell you how many, many instances we have had of small business organizations coming in and telling us, and writing us, and thanking us for keeping them in business by suits that we have brought. I think that you cannot overlook the vast importance of our civil remedies. There has been hardly any discussion of that.

Take in the motion-picture field, all over the country there is a problem of the independent exhibitor staying in business.

The CHAIRMAN. Now we will stop right there. Take your picture business.

In Devils Lake, N. Dak., there is a fellow who had a picture business. The trust walked in, your monopoly walked in, and said: "If you do not sell out, we are going to put in a bigger picture house than you have, and we will not give you any pictures."

And in Grand Forks, a fellow, Benny Berg, now in Minneapolis, who had three theaters. The trust came in and said: "We will put you out of business." He came to our legislature and our legislature passed a law divorcing the owner of the theater business, the owner of the building, from the fellow producing and showing the film.

They took us into Federal court. We notified your Department of Justice. That trial lasted 3 weeks. The motion-picture industry came in with lawyers headed by Factor of New York, and hired a whole floor of the Gardner Hotel. We could not get one penny from the Federal Government. We had to hire our own attorneys and we did. We hired good ones.

What happened? Three judges came down and at the end of 3 weeks they convicted them. They said they could not have an injunction against our State enforcing that law.

The first thing we knew the moving-picture fellows had a case in the Supreme Court of the United States. And we had Judge Devaney—one of the lawyers from your State, Senator—and over his protest they repealed that statute.

Senator Neely promptly put in a bill in Judiciary Committee, and when we came in 1941 to pass that bill in Judiciary Committee one of your men from the Attorney General's office came in there and said, "Please, please, do not pass this statute in time of war."

And they held it up for 1 year, 2 years, 3 years—held it up 4 years.

I would like to have you tell me what difference that made to the winning of the war.

Mr. BERGE. I do not know.

The CHAIRMAN. And yet your Attorney General's office stopped us from passing that statute. And then Senator CAPPER tried it, and the Attorney General's office came in and said, "Do not pass this statute."

Mr. BERGE. Is that the divorcement bill?

The CHAIRMAN. Yes.

Mr. BERGE. I am not aware we opposed it.

Senator JOHNSTON. When you are bringing a suit, does not a corporation come to the Congress sometimes and propose legislation to take it out from under you?

Mr. BERGE. We have had that happen in the railroad field, in the newspaper field. We have had that threatened in other situations whenever we win a suit or think we are going to win one; they come in and try to deprive the court of jurisdiction by special legislation.

I do not know, Mr. Chairman, and you do know—I am not questioning your accuracy—but I do not know of any effort by our Department—and I was not involved in it—to defeat any action on that bill.

What you said about the North Dakota situation: I am sorry we could not give effective relief up there, and we have got that situation all over the country. If we were to proceed by separate legal actions in each jurisdiction where there are those practices you have mentioned in your statement, it would take more than the staff of the whole Antitrust Division devoted to movie matters alone.

The CHAIRMAN. Do you not think if you put three or four of those fellows in the penitentiary that would do more to stop it than all of the rest of the things you are talking about?

Mr. BERGE. I do not know that it would.

Senator CHAVEZ. Would that not be a real deterrent?

Mr. BERGE. Well, I think you have got to go further than just punishment.

I think you have got in this movie situation, and many other situations, a fundamental wrong in the structure of the industry that has to be remedied. I think there is where we can be most effective in antitrust actions. We have got this suit pending in New York where we are trying to tackle the problem on the whole national scale and get divestiture of the motion-picture houses from the control of the big fellows, so that every motion picture will be independent. And that is going to the Supreme Court.

The CHAIRMAN. The Attorney General's office did a marvelous job when they convicted Brown and Bioff, the labor racketeers, and did a lot of good and helped keep union labor racketeers from taking advantage of union members.

It is just as logical if you put two or three big movie fellows in the penitentiary for putting little fellows out of business in places like Devils Lake and Grand Forks; that would also be a deterrent.

Mr. BERGE. I do not like to be in a position of defending the motion-picture fellows who are defendants in these cases, because I think their practices ought to be reformed. But in all fairness, I think we have got to say this: That the control of the motion-picture theaters, the integration of the movie industry, just like the integration of many other industries, has been accomplished over the years by many, many people over a process of gradual growth and development of the business organizations.

And there is not any rational way I know of that you can assess moral guilt on a few fellows and put them in jail to atone for the economic wrong of the whole industry.

What you have got to do is by a fundamental and drastic reorganization of the industry free these fellows from control, and I would not know and I do not think we could find——

This integration of the movie industry, for example, has been going on for 20 to 25 years, and there was no attempt during that period to enforce the antitrust laws against the basic wrong. There were little suits against block booking and particular practices.

We have tried in this New York suit to tackle what we believe is the basic wrong in the industry, and if we succeed in it finally, it will take several years and a good many men and a great deal of labor to disentangle these corporate structures and get these theaters sold. Suppose you do put someone in jail. You still have got the basic wrong that the independent has to compete with his source of supply. He has got to go to one of the big five for his film or he cannot operate effectively; and it is not so simple a solution, I think, as to merely punish someone.

The CHAIRMAN. If some of the big five were in that penitentiary, do you not think it would have a salutary effect?

Mr. BERGE. Well——

The CHAIRMAN. I do not know whether you have a son or not.

Mr. BERGE. I have two.

The CHAIRMAN. Suppose he wants to go into business. He goes to the drug business. You will find two or three concerns owning three or four thousand stores, and if you try to compete they will put you out of business. The grocery business is the same way, with the A & P; and clothing the same, with Grant.

I maintain that is due to the fact that the men in your position who have the job of enforcing this law for 57 years have not done your job. That is the reason you have these great big combinations.

Mr. BERGE. Senator, I agree with your basic philosophy, that that is a job that should be done. I have no quarrel with that. You said much more eloquently than I could what I would like to say about the tendency of concentration of control to keep the little fellows and sons who are coming along out of these businesses.

You and I are agreed on that.

I want to say this: So far as the enforcement of antitrust laws goes—and I am not offering any alibi—I think it will stand a lot of scrutiny if you want to go into detail. It takes a good deal more of a legal staff—with all due credit to the great capacity of the FBI for investigating, I am not thinking about that—it takes a great deal more of a legal staff than we have or ever had.

The CHAIRMAN. You have got 175 lawyers. How many more hundred do you need in order to keep down the price of bread?

Mr. BERGE. Well, you have taken bread——

The CHAIRMAN. Yes; bread.

Mr. BERGE. You have taken a case where you have got, maybe, a separate problem in dozens or hundreds of different communities. I do not think we could bring local suits in all those communities.

One of the things we have been criticized for, unjustly, I think, is that we bring little suits. If we go after some of the big baking combines perhaps, you mean——

The CHAIRMAN. Yes.

Mr. BERGE. It would take—I am taking this hypothetical case because you suggested it. I do not mean to say, I do not know whether we have a case in that industry or not.

But suppose we have to go after some big baking combines on the notion there is a Nation-wide conspiracy to fix bread prices. An investigation of that sort of a case on a Nation-wide scale would involve—after the investigative effort has been made and reports have piled in from all over—it would involve a substantial staff of analysts for the data involved perhaps every community and would take a substantial number of lawyers to do.

Now, maybe we could do it with six or eight men, but the trouble is that you have suggested just one situation, and I assure you there are hundreds that are acute and critical, and that we simply are not able to go into. We are in that position right now, all the time. I wish you could sit in the office a few days with me and see the precise problems of this sort coming across my desk, of having to rob Peter, figuratively speaking, in order to pay Paul in the assignment of the staff.

A matter comes up, a critical new complaint which looks like we must immediately direct an investigation. Before the FBI can do the field work, we want to find out the facts; we want to analyze the complaint and direct it on an intelligent basis. Then the same men doing that have some background for a case coming for trial in New York, and we have to switch them to that. We are having to postpone cases because personnel is not available to try them.

The CHAIRMAN. In every State you have got a United States district attorney with a lot of help. Take Victor Anderson in Minneapolis. He will help you prosecute those cases down there. They are all personnel.

Mr. BERGE. We will use them whenever we can, Senator. but experience has been that United States attorneys' offices, I do not think would agree that they are overstaffed, and right now—that is in Mr. MacGregor's field rather than mine—he was telling me

he has had to reduce personnel in United States attorneys' offices for financial reasons.

One United States attorney told me—because he knew me well—was telling me of the situation where he had an order from Washington to cut off one of the two assistants—he is from a Western State and only had two—and he contended that the work of his office was such that he could not spare one assistant.

The CHAIRMAN. Your United States attorneys and your assistants can all take private lawsuits, even those engaged in the pay of the Government. Is that not right?

Mr. BERGE. I guess it is.

The CHAIRMAN. That is what the Attorney General said the other day.

Mr. BERGE. Whatever the Attorney General testified is, of course, correct.

The CHAIRMAN. That is what he said. If you kept him busy and said you needed them in this work, they could not take private cases in the meantime.

Mr. BERGE. Here is the thing, Mr. Chairman, and I respectfully call it to your attention:

In most of these cases the work of preparation of the case and listing the evidence proceeds simultaneously with the investigation, and it ties up men for periods varying from several months to several years. The United States attorneys, as their offices are presently set up, and with the staff they have, do not have men available to assign to work with us in Washington in the preparation of these cases.

Now, you may ask why cannot that work be done in the field? Well, sometimes it can, if it is purely a local situation, but the usual antitrust case involves facts garnered from all over the country.

The CHAIRMAN. Wait a minute. I am interested in what Senator THYE said about automobiles and farm machinery. Have you ever called a meeting of United States attorneys and got them together and said, "Now, you boys get together and make an investigation and we will help you"?

Mr. BERGE. I do not think we have done that specific thing. Of course we do not usually use the United States attorneys for making investigations. We usually use the FBI on that.

The CHAIRMAN. Do you know why the price of mowers and binders and drills has gone up to where the farmer cannot buy unless he has a great big crop and gets a big price for it? The price of a binder has tripled in the last 13 or 14 years.

Mr. BERGE. I can say that farm machinery is one of the things that we are going into.

The CHAIRMAN. You have had 57 years to go into it.

Mr. BERGE. You look at the personnel that we have had over the period of 57 years, and I say it is only since 1938 or 1939 there has been any sizable group. The case statistics show the number of cases instituted fluctuates in almost direct proportion to the amount of funds that we have.

Senator THYE. It would be very interesting if we might have information as of the personel that was in the Department at the times of the prosecutions which were carried out under Theodore Roosevelt's administration, and at the time Kellogg was busting up the monopolies, and what personnel you have now, because you have referred back to this specific era as the era when they busted the monopolies. It would be interesting to see that.

Mr. BERGE. Let me qualify that, sir. I referred to the oil and tobacco cases as being very significant cases. They were brought in an administration that was in office for 7 years, and they were decided about 1912, 4 years after that administration went out of office.

I am not belittling those cases, they were important. But they were two cases spread over a 10-year period, and I do not think that that is sufficient to prevent monopolies, monopolistic control of our national economy.

Now, the case statistics in that period, numbers of cases instituted, and numbers of cases instituted today, there has been almost as many—I can get the precise figures—almost as many, I think—there have been as many cases and a few more instituted since 1938 as were instituted in the whole prior history of the Sherman Act.

That is statistically correct and I can give the exact figures. In other words, in the number of filings, more were instituted in the last 10 years than the whole prior period.

Senator CHAVEZ. The fact also remains there were more trusts busted prior to that time than since.

Senator THYE. That is the question I would like to have answered where you are making that comparison; and that would be the number instituted and the number of convictions. That is the thing I would be concerned about.

Mr. BERGE. I call to your attention that the three big cases of the Roosevelt period to which you are referring as being important antitrust cases were all civil and not criminal. In those cases they sought to break them up by a decree of dissolution. The first Roosevelt trust-busting reputation was not based on criminal prosecutions, but based on civil suits. I do not know of any major criminal case in that administration.

Senator CHAVEZ. The point is, they brought relief, whether by civil or criminal action.

Mr. BERGE. I quite agree that those cases brought a sound measure of relief for a period. We are right back again prosecuting the tobacco companies for price fixing and we have numerous cases against the oil companies. It would not be fair to say that those cases produced a millennium. They did do a lot of good. I mean, they divested the single-company control of the oil industry and made it possible for numerous competing companies to come into the field.

This is a field where there has to be constant vigilance, and you will never accomplish a lasting competitive system unless you are on the job. You may in 1912 break up the oil companies and in 1935 you again have an oil monopoly.

Antitrust enforcement must be continuous, and I think those cases have accomplished substantial good, but I do not think we want to say they have broken up monopolistic practices in those industries so you do not have to worry about them any more.

Senator CHAVEZ. That is it.

Mr. BERGE. If the Government prevails on the present oil case, I will not be satisfied that will break up the monopoly as a whole. You will have to get busy on others.

Senator JOHNSTON. As the world's wealth drifts into the hands of the few, you are going to have it more and more. Is not that true?

Mr. BERGE. It is my own feeling that the period ahead is a very critical one, and that the vigorous enforcement of the antitrust laws is essential if we are going to preserve a private competitive economy. I think this economy logically continued will in time destroy any opportunity for the small or independent or competitive business, and when you get that situation your political liberties also are in danger.

My own view is that the efforts that we are able to put into these today is not adequate for what is needed to reverse the trend toward concentration, and to really keep a free competitive market in this country.

But I would like to get in, if I may, since we are talking about what has been accomplished and can be accomplished. I think a lot has been accomplished, but I do not think nearly enough, and since we have given due recognition to old suits, I would like to mention one or two recent ones I think we can claim justly have freed particular industries for competition.

I think our aluminum case has accomplished a lot. It was a long hard-fought case. We lost it in the district court. The court made factual findings that were favorable to us in some respects and unfavorable in others, but concluded as a matter of law it did not constitute monopoly under the Sherman Act because it was a natural normal growth and was not based on predatory practices or illegal acquisitions; sort of a case of getting control of the industry by lawful and normal means.

We disagreed with that finding. We felt there were some predatory practices, and not entirely lawful practices, but over and above that we felt the extent of domination and control of Alcoa over the industry was in and of itself illegal.

When that finally was decided by the appellate court, the Circuit Court of Appeals of the Second Circuit, they reversed and held in our favor. They did not reverse the findings, and that makes it a stronger case. They held, even though the acquisition of the power was not in itself illegal, that the power was; that the control over the industry was a violation of section 2 of the monopoly section of the act, and as a normal result of that a dissolution of Alcoa should be brought about.

The case had been closed in 1940. The record had been closed; it had been tried. And it was 1945 when it was finally decided by the appellate court.

They took notice during that interim period a lot of plants had been built by the Government. In other words, the record was "stale," as we lawyers say.

They said, in effect: "We will postpone final judgment on whether dissolution of Alcoa is necessary or not until we see whether competition is effectively created out of the war plants disposal program."

Now that gave the Government a club, so to speak, which has been wielded pretty effectively. The war plants did not go to Alcoa, and there are at least two integrated competing companies in the field and many more fabricating companies. I think that we can say, as a result of the Alcoa case, that a competitive condition has been established in the industry.

Now, the final fate of Alcoa is still undetermined. The case is still pending in the lower court, and at some reasonable time in the future Alcoa will try to make a showing that sufficient competition has been reestablished in the industry, and whether or not the Government can agree on that will be determined on the facts then. We are not willing yet to agree to it. But the case is still pending and will pend, I am sure, until such time as sufficient competition has been established; or, if it is not established, or the competitors collapse, we still have that weapon of dissolution over Alcoa.

One other instance, the Hartford-Empire case. That was a big patent-abuse case. All of the patents, or substantially all, covering the processes and methods for making bottles were held by a single patent-holding company. They held the patents on the manufacture of the machinery and on the processes for using it, and everything, and they licensed those patents to certain manufacturing companies and had a policy of licensing so as to avoid competition, and, of course, they collected royalties from the patents.

The record in that case had many instances in it where independent business wanted to go into the business of making bottles and could not get a license to operate under the patents, all of which this company held, because they did not want any more competition. They did not want to have more competition with their present licensees.

We alleged a conspiracy between the licensees and the patent-holding company to monopolize the manufacture of bottles, and it was a tight monopoly, and that is a big business. There are a lot of bottles made

and used in this country, and these fellows had the whole control of it.

Well, we had a trial on that out in Toledo, and we got a judgment that breaks up that control and provides that the patents must be licensed to applicants for reasonable royalties. There is now a position where new business can get into that industry.

I could go on with others.

We have got cases pending against 61 of the 100 largest corporations in this country, I think the figure is.

Within the last 10 years we have brought action against 61 of the 100 largest.

The CHAIRMAN. All civil actions?

Mr. BERGE. No; both criminal and civil. It is both, Senator. I have not that breakdown.

Well, General Electric is being tried on a criminal indictment today.

The trial is in process in New York—the Carboloy case.

We indicted Standard Oil of New Jersey, and Bausch & Lomb, and numerous others.

The CHAIRMAN. When did you change your policy to bring criminal instead of civil actions?

Mr. BERGE. We have not changed the policy.

The CHAIRMAN. Well, you have not put anybody in jail. You have a similar policy today as when you started.

Mr. BERGE. The test, of course, of whether or not the action should be civil or criminal is not, in our minds, whether or not we should put the people in jail.

The CHAIRMAN. Is it not up to Congress? When they passed this statute they said these fellows should be put in jail. Why should you or anybody else say, "We are not going to enforce the criminal end of it"? Congress has talked about these criminal cases since 1890.

Mr. BERGE. In order to make that the clear mandate of Congress, that language, as I would interpret it, would say "shall impose both fines and imprisonment on conviction."

The CHAIRMAN. You know better than that.

Mr. BERGE. No.

The CHAIRMAN. You cannot name a single statute, aside from treason, that says you shall do that.

Mr. BERGE. No; but in all these criminal statutes——

The CHAIRMAN. It says "fine or jail" in all of them.

Mr. BERGE. Precisely; and when Congress says that, it does not mean jail and no fines. It means, I take it, what it says—that the courts have the option of jail sentences or fines and that prosecutors have also.

Senator CHAVEZ. That is right; it is up to the court.

Senator JOHNSTON. Will you read that first section? Does it say "or both"?

The CHAIRMAN. Yes; "or both."

Senator CHAVEZ. But whenever Congress or a legislature passes a law and defines an offense, and sets out what shall be the offense, and then sets out penalties, it is not up to the prosecution to impose that penalty.

Mr. BERGE. Let me make one thing clear. Perhaps—I am afraid I have not. I would say in the majority of cases we do not make any recommendations as to the penalty. Where a criminal trial——

Senator CHAVEZ. I know it is a practice of the courts to inquire of the prosecution.

Mr. BERGE. Often they do, and often they do not.

Now, it is not our mandatory duty to make any recommendation at all. And some courts want recommendations, and some courts do not. Now, surely, there is nothing in the statute that requires us to recommend a jail sentence or any sentence.

Senator CHAVEZ. I am trying to differentiate between the recommendation of the prosecutors of the Government and the law itself. Of course, I know the practices of the average court. Even for murder they will ask—unless it is mandatory—they will ask the prosecutor what they think and "have you had this fellow investigated?"

Mr. BERGE. That is right.

Senator CHAVEZ. You seem to be confused with the idea of the duty of the court in passing judgment and the duty of the prosecution in enforcing a law. The Sherman antitrust law was a creation of Congress; created by Congress. It happens to be the duty of the Department of Justice to enforce that law if it has been violated.

The law says that for such an offense, if a conviction takes place, the court, not the prosecutor—not the prosecutor—can fine him or send him to jail. There is nothing wrong with that. Nearly every statute has that same thing. But the question of the law is, itself, the duty of the Department of Justice.

Mr. BERGE. Yes; but, Senator, I do not mean to be asking you a question. I am trying to make sure I understand in order to make my own response.

I would not take it from what you said, that it means it thereby becomes the duty of the prosecutor to ask for a jail sentence.

Senator CHAVEZ. Not necessarily; no.

The CHAIRMAN. Is it not peculiar that law has been in existence 57 years and apparently nobody has been put in jail. The price of everything is up out of sight; gone hog wild.

Mr. VOGEL. In the 57 years you have operated this department, the fact remains, today your problem is very much larger than it has ever been before?

Mr. BERGE. Right.

Mr. VOGEL. Then one or two things is wrong: Either your Sherman Act is not stopping this practice, or else your Department is undermanned to such an extent you have too big a problem for your Department to handle; or the convictions you have made in the past have been no deterrent in stopping the practice.

Mr. BERGE. I will tell you what I think. I do not think basically there is anything wrong with the Sherman Act. I think if it is vigorously enforced on a broad front it could be more effective than it has been in deterring this concentration of control, and that we are all concerned about.

Mr. VOGEL. It has not been effective.

Mr. BERGE. It has not been; and the reason, in my judgment, we have never had a sufficient staff with which to do it.

Mr. VOGEL. That is what this committee is interested in.

Mr. BERGE. I can give plenty of footnotes on that if we want them.

I recited again, in shorthand fashion, this law which concerns all of American industry, with a few exceptions—I mean particular industries that are regulated—but it covers a larger scope than, say, the Federal Communications Act, or Securities and Exchange Act, or the Interstate Commerce Act. And, yet, notwithstanding that wide scope, up until the time I came into the Antitrust Division, there were only about 24 or 25 lawyers on the staff, and then when that force commenced to be increased in 1934 and 1935, for several years a substantial number of the manpower were used in other duties than enforcing the Sherman Act.

We had on our laps then the enforcement of NRA and the enforcement and prosecution part of the AAA and other regulatory statutes of the emergency period.

So that I think it is safe to say that up until about 1938 there were not more than 35 to 40 lawyers engaged in this policing job for the whole United States.

Now, as I have indicated earlier, we commenced increasing the staff in 1938, built it up to a high point in 1942, and it slipped back during the war, and we are trying to build it up again.

Senator THYE. You said you had the enforcement and prosecution under the AAA?

Mr. BERGE. We did not have all of it.

Senator THYE. What would be the prosecutions under that particular act?

Mr. BERGE. Well, for example, I remember that lawyers from the staff of the Antitrust Division on occasions—I never handled any of it—lawyers from the staff handled some of these cases in the lower courts that involved the constitutionality of the NRA and AAA. The Schechter case was handled by a member of our staff in the lower courts.

Senator THYE. The prosecutions under the AAA would be a question of where someone had filed inaccurate figures on acreage or something of that kind.

Mr. BERGE. There were all kinds of forms that the legal actions took, and I have not firsthand knowledge or recollection of it. For example, the tax case that finally went to the Supreme Court, the Butler case, we did not handle that.

I recall this—that members of our staff, quite a few of them, at one time were engaged in enforcing the milk orders, the orders under the AAA program for the control of milk. There was a big case up at Boston that involved the constitutionality of the milk order that four or five men were on. That was back about 1937 and, of course, that was after the original AAA was held unconstitutional. I think that was under the Agricultural Marketing Act.

I merely point out, until about 1937 or 1938 we had, first, a small staff; and second, a substantial part of that staff was on other duties than antitrust enforcement.

Beginning with 1938 we were able to subordinate those other duties. We still have a few, such as routine defense of orders of the Interstate Commerce Commission and the Secretary of Agriculture's orders under the Packers Act. We do not spend much of our time on that, only having two or three men on that kind of activity.

Mr. VOGEL. You admitted you are unable to handle the situation as it is now?

Mr. BERGE. Yes.

Mr. VOGEL. There may be a difference of opinion as to the reason for that. But as head of that department, could you present to this committee your ideas of what is necessary to make this department effective? Can you do that? That is what this committee is interested in.

Mr. BERGE. Yes; I am glad to, and glad you asked me to do it. In doing it, I fear I will sound like a bureaucrat asking for a larger staff, a role I do not relish.

I am not anxious to administer, for the sake of administration, a larger staff than we have. We have enough headaches with the present staff.

Mr. VOGEL. I think the committee would give you several days to get that written proposal to them.

Mr. BERGE. I think that, simply stated, it comes down to this: Of course, there has got to be efficient administration. If we are not doing the best we can with the funds we have, that is one thing, and I will come to that later.

We have taken various steps to tighten and strengthen our administrative organization. No organization is ever perfect, but we are doing the best we can. We are making very careful studies to eliminate duplication, waste, and inefficiency in the assignment of the men in the administration of our field offices. We are reducing, and bringing some of our field men into Washington because we think it will save money.

You have got a problem there. For example, if you have a lot of litigation in Chicago, there is a certain amount of expense involved in maintaining a field office there. On the other hand, it saves certain expenses through elimination of travel and per diems of men who have to be sent out there. It is a question of administrative expert judgment on getting the maximum of efficiency out of the assignment of the men, and questions like saving travel and per diem and all of that.

It is a question of wise administrative judgment.

We are doing the best we can to tighten those inevitable problems that sometimes arise in administering a large office.

Mr. VOGEL. Did you ever think of the question that possibly your penalties have not been sufficient to do the job? That is, the penalty of $5,000 was not a deterrent, and possibly a jail sentence might produce something that had not been produced in 57 years.

Mr. BERGE. Of course, we have considered it. But, as I told you and whatever my judgment is worth—I may be wrong—but I am sure if we are given a mandate that Congress wants jail sentences we will go out and try to get them. We have not understood that was what was wanted. It had been our judgment that was not.

Mr. VOGEL. It has not been successful.

Mr. BERGE. I do not think so. This is a matter on which judgment can differ. I do not think the basic trouble is that we have not put people in jail. I think the basic trouble is we have not instituted proceedings against many large industries where practices ought to be corrected, like in Alcoa and the Hartford Empire cases, more like several we now have pending. Farm machinery. There are so many industries we know we ought to go into. And, without mentioning names of complainants or industries, we had a group in this week that have a very trying situation that needs correction.

The adequate investigation of this case will take a substantial force of the FBI, which I assume can be supplied, but before that is done we have got to analyze a lot of complicated data that they have put down on our desks to determine whether the general charges they make warrant investigation.

The reaction of the committee here is very interesting to me, because we are so often charged with harassing business and persecuting, and all of that. We expect the brickbats, and we are prepared to take them, but this is the situation:

We do not want to just put a crew in the field on something that may be patently flimsy, or something that just amounts to waste of Government funds, in investigative efforts just because a fellow comes in the office and say he has got a case that should be investigated. In other words, we cannot order 10 FBI men into the field because some fellow with a private grudge wants this thing investigated. We have got to exercise our judgment intelligently.

We have got to analyze this stuff and prepare carefully FBI instructions and send people into the field. If this makes a case it is something my guess would be would take 10 lawyers to prepare and try. That came in within the last 2 weeks, and I am trying to get men off these other things for that. That is one instance.

The CHAIRMAN. Except you said the Federal Trade Commission worked with you. They have 637 men; your Department 334; FBI 8,000. You have got 48 district attorneys and assistants; that is 500 more. In the whole Department of Justice you have got 23,668. That makes a total of 32,805. How many more do you need to regulate the price of farm machinery?

Mr. BERGE. The only thing of all those figures you gave me we have is the Antitrust Division.

The CHAIRMAN. All you have to do is ask Clark or Hoover and they will give you more lawyers or investigators.

Mr. BERGE. The FBI will give us investigators, that is true; but not 8,000. Is that not the total?

The CHAIRMAN. Yes; but they will give you 500 or 300.

Mr. BERGE. I have no complaint as to the number of investigators they will make available to us.

The CHAIRMAN. Tell this committee how much more personnel you need to see the farmers can get farm machinery at decent prices.

Senator JOHNSTON. What happened to the fertilizer case some years ago?

Mr. BERGE. That was tried in North Carolina, was it not?

Senator JOHNSTON. Richmond, Va., I believe.

Mr. BERGE. I thought it was at Asheville. That has been so long ago. I think that is the case in which we got convictions and fines, but we have some investigations in the fertilizer industry going on now. I would have to check back on the records to give you it exactly.

Senator JOHNSTON. That is close enough.

Mr. RILEY. Have you got a copy of next year's budget with you that we could put in the record at this point? Would it reflect the number of persons by break-down?

Mr. BERGE. I have the marked copy I was going to use in my testimony tomorrow before the subcommittee but I can supply you a copy.

Mr. RILEY. Maybe you could read out a few high spots.

Senator CHAVEZ. Only as far as your section is concerned.

Mr. BERGE. That is just antitrust. We had $1,900,000 last year, and the request that went to Congress is $2,500,000. That is an increase of $600,000 for the coming year.

Senator CHAVEZ. Would that reflect on personnel? How much additional help could you get?

Mr. BERGE. It would depend, of course, on the salaries at which we hired them, and there is a certain flexibility in that.

Senator CHAVEZ. Incidentally, what are the mechanics that you use in order to hire a real good man for the Department? Do you go through Civil Service?

Mr. BERGE. Yes; except that the civil-service registers have been so depleted in recent years the temporary arrangement has existed where we found qualified men outside civil-service registers, Civil Service would examine their qualifications and certify them for temporary appointment. That is how we got along during the war.

Senator CHAVEZ. Would you classify your position first or would you get the person first?

Mr. BERGE. If we had the money to hire additional personnel and did not have a vacancy we would have a new position set up for him. If we had a vacancy at a salary level in which he would appropriately fall we would just put him into the vacant position. We have a lump-sum appropriation for the Antitrust Division, and we can make our own allocation on it, as between travel and other things.

If, for example, our estimate to Congress was so much for salaries and so much for travel and so much for court reporting, and so forth, and if we found midway in the fiscal year that we could get along with less travel, we could put more on salaries.

Senator CHAVEZ. Do you pass on the salaries yourself? I mean the Antitrust Division.

Mr. BERGE. Yes; that is, we pass on whether or not the particular applicant is qualified for a position at a certain salary, but that is subject to review by the group in the Department who administer civil service. If, for example, I should have the bad judgment to recommend a boy just out of law school for $5,000, that would not go through.

There is a scale of salaries as related to experience that applies in the lower brackets. That is, a fellow so much out could not be made more than so much, and with 2 years' experience, so much. And when you give a boy a few years of experience it does become a matter of judgment.

Of course a very good man of unusual capacity might, after 5 or 10 years, warrant your highest salary, and another with 30 years might not warrant more than four or five thousand dollars.

It is subject to review in the Department and by the Civil Service Commission as to the qualifications of the men.

Now, at the present time we can only make war-service appointments, and, as a practical matter now, that means we cannot make any. We had to take back about 138 antitrust men we had in the armed services. That was about half of our total personnel.

Senator CHAVEZ. Have they been returned?

Mr. BERGE. I would say close to 100 of them are back. I think 85 is the correct figure. There will be a few more come back, not very many. Most of the balance went into other fields when they returned from the services. You see, those men are entitled to their jobs back.

Now, if we were able to take additional men now—which we are not because we are just within balance on our budget and have not funds between now and July 1 for additional men—but if we were, my understanding is that we would have to give the position to men with veteran priorities. Maybe we could make a temporary war-service appointment for some special job, but, as I understand it, we would not be free to give a permanent appointment to someone from outside, even though a good man.

Senator CHAVEZ. Provided the servicemen had the qualifications?

Mr. BERGE. Yes; but if one has not another one has, and I suspect that the situation at the present—it will no doubt iron out in a year or so—but I think the way things are at the present time, we could not put on for permanent appointment an outside civilian, maybe war service, but only for a few months.

Senator JOHNSTON. You have a lump-sum appropriation. Can you carry over from one month to another, or does it stop if you do not use it during the month?

Mr. BERGE. I think it is allocated on a quarterly basis, Senator. I think we can spend our whole appropriation any time within the fiscal year. I may make some technical inaccuracies, but I am trying to state it the best I can. Just so we come out at the end of the year in balance, we are all right as far as the law goes.

I think they have imposed from the Budget Bureau some regulations that so much of our funds are allocated to us on a quarterly basis, in order to prevent irresponsible spending of all your funds in the first part of the fiscal year. They check on us constantly to see we are not out of balance. We were a few months ago as a result of letting people go.

Mr. RILEY. Do you get any fund allotments from any other agencies?

Mr. BERGE. Not as a regular thing, but there is one exception I should mention right now. We recently took on the responsibility of preparing a reparation case before the Interstate Commerce Commission. You may recall that some Members of the Senate, I believe Senator TAYLOR, and I think others, requested that, or consideration be given. This was taking action against the railroads to recover overpayments made on wartime transportation for the Government.

Without going into detail, the procedure on that is: We instituted our reparations suits before the Interstate Commerce Commission which determines whether or not the rates paid through those emergency negotiations were reasonable rates, and then the extent to which overpayments were made, and there is a procedure for a judicial review of the Commission's findings.

Now, the amounts overpaid are variously estimated and the total is from $1,000,000,000 to $2,500,000,000. We do not know how much is involved in that. A tremendous amount of effort has gone into it and we have borrowed a lot of men from other agencies.

Mr. RILEY. On a reimbursable basis?

Mr. BERGE. Mostly on that basis.

Since that had to be undertaken promptly—there is a question whether the statute of limitations may not bar some of these claims if we do not get them in in a hurry, and we had to move promptly and did not have the staff for it. We got some men on a reimbursable basis which temporarily helped put the budget out of balance.

Then we got an allocation, I think $50,000, for the present quarter—that would be the third quarter of the fiscal year from January 1 to April 1—to take on some men especially for this reparations work, and I believe we are asking a deficiency appropriation for the fourth quarter to carry that through. That work will have to be paid for next year, as I am told, out of the $2,500,000.

Senator JOHNSTON. I think that case should be completed as quickly as possible.

Mr. BERGE. Yes.

Senator JOHNSTON. Not only because of the statute of limitations, but because billions of dollars are tied up for the railroads and they cannot pay out dividends, and some are in receivership.

Mr. BERGE. I understand that. The legal importance is to get it in before the statute runs out, but it is highly desirable all around, both from the railroads' and our standpoint to get it determined.

Senator CHAVEZ. When you say you get your funds in a lump sum, are you talking now about the Antitrust Division?

Mr. BERGE. That is all I am talking about.

Senator CHAVEZ. Do you get it directly or go to the Department of Justice, who in turn allots it to the Division quarterly, or in whatever form they do?

Mr. BERGE. Personally our staff does not administer the custody of any funds or the keeping of books. We have a central accounting office in the Department which keeps the books and tells us if we are in balance or out of balance, and handles the payment of checks and contracts for the court reporting and the like. But they have no discretion by law, it is our money. They have no discretion to allocate it to another division of the Department.

Senator CHAVEZ. That is the point I wanted to make. Do the other divisions work under the same system, for instance, the Lands Division?

Mr. BERGE. I do not think so. I think there is a difference.

Senator THYE. Mr. Berge and Mr. Chairman, I think this is a question wholly concerned with the audit division of his division, or audit director, and I think you could get a much quicker reply to that question if he was permitted to ask his auditor.

Senator CHAVEZ. The point I was trying to make was this: Whether or not other divisions were lump sum and could transfer some of their funds to your division.

Mr. BERGE. I understand not, but I think on this I am subject to correction. I think the other legal divisions of the Department are covered in a general Department appropriation with a congressional allotment in the general appropriation to the different divisions, and that there is some option, at least there used to be when I was head of the Criminal Division. We had a 10-percent latitude, and could transfer up to 10 percent to another division.

I understand that does not apply to the Antitrust Division. I tried it and could not do it.

Senator CHAVEZ. What I had in mind was the Lands Division. During the war they were very busy, condemning lands and acquiring lands for the War Department, clearing titles, and so forth.

Mr. BERGE. They were.

Senator CHAVEZ. They are not so busy now, and I wondered if some of those funds could go to your division.

Mr. BERGE. Senator, I explored that possibility, because we wanted to keep from having to let any more people go, and we could not get it.

So far as this coming year, while I am not familiar with the detail, I am sure with this pressure for economy and cutting out any unnecessary people, that the Bureau of the Budget in its estimates—and if they have slipped anywhere the House committees will see to it that any division, like the Lands Division, or any other, they will cut that down if possible. In other words we cannot assume that in the coming year there will be funds available in another division for transfer to us. I am quite confident in that.

Mr. RILEY. It has been approximately 15 percent tolerance in the past, Mr. Chairman, between bureaus.

Mr. BERGE. Here is the thing, if you will indulge me this. We all must agree, and I certainly do, that it is highly necessary to economize whenever it can be done, and we all want it for our own welfare and the country's to balance the budget as soon as possible. I do not like to be in the position of a bureaucrat who says, "I am an exception," but I think this policy of antitrust enforcement is one that the country wants and needs during this period.

I think it is an exception, and with the views I hold, I think that is a period not only when antitrust should not be cut but when the activities should be expanded, and I hope that the enforcement is not prejudiced by insufficient staff and funds because of the keen necessity to balance the budget and cut expenditures, an object with which I am in sympathy, and am firmly for it.

The CHAIRMAN. Senator Johnston, you did not get an answer to your question about that suit you inquired about?

Senator JOHNSTON. The fertilizer case?

The CHAIRMAN. Yes.

Mr. BERGE. I would have to dig up the exact facts. That was about 1938 or 1939. My recollection is it was prosecuted in Asheville, N. C., and we won it and got some fines, but I cannot give you any more detail than that from memory.

The CHAIRMAN. What proportion would you say were consent decrees in the cases that you brought?

Mr. BERGE. I would guess that, in our civil cases, about 1 out of 3 results in a negotiated settlement. Some of the best relief we have got sometimes has been in consent decrees.

Senator JOHNSTON. How close do you get to the suit generally before you get a compromise?

Mr. BERGE. There is no generalized answer to that, Senator. I can give you this. There are instances where the decree proposal is made before we file the suit. They know we have been investigating them and they come in.

The CHAIRMAN. They say, "We have stolen, robbed the people out of $5,000,000,000, and now we will pay you $5,000".

Mr. BERGE. Of course the consent decree is a question of what sort of affirmative relief will be given.

The way that would arise would be, for example, if we claimed that they were restricting their patents, that they had some restrictive provisions in licenses that were illegal and they will come and say, "We thought it was legal," but if we do not think so they want to bring themselves within the law and will give us any decree we want, and they do not want to fight the case and do not want the expense, and we just write our own ticket.

There have been instances when we enter the decree the same day we file the suit. That is not very often.

Other times immediately the suit is filed they come down and want to settle. Other instances are settled on the threshold of the courthouse.

Senator THYE. Then it is a $5,000 fine?

Mr. BERGE. There is no fine.

Senator THYE. Where is the penalty?

Mr. BERGE. In court, an injunction, but——

Senator THYE. I mean in the case settled right on the courthouse doorsteps.

Mr. BERGE. A consent decree is entered. The only difference between a consent decree and a decree after judgment is, in the one case the parties agree in advance to the relief we want, and sign a judgment and say, "We consent to the entry of this judgment."

In the other case, the case is tried and then the court orders that judgment.

Senator THYE. What are the penalties?

Mr. BERGE. Senator, only half of the Sherman Act is concerned with penalties. In equity suits it is not a question of penalty at all, injunctive relief only.

Senator THYE. You get the injunctive relief, but you could almost go back and say Senator Langer was entirely right. The public has been fleeced of $5,000,000,000. I use that word because I know no other expression to cover it quite so well. And maybe they are told, "You shall not and cannot do this any more." And the individual or individuals guilty will say, "We will not ever do this again," and they go their way. Is that the situation, or are there means in which the Federal Government proceeds to impose a penalty because they were found to be in violation and this is what they have done to the public in general?

That is the question I am concerned about. Where is the punishment?

Mr. BERGE. If you just have a civil case, there is not punishment. I suppose I may be quite wrong. I suppose that the purpose of this whole act was not necessarily to inflict punishment; yes, where necessary for an effective deterrent, but the purpose of the whole antitrust business was to preserve and create conditions of free competition in an industry.

The CHAIRMAN. What does that say in the first two paragraphs? [Handing Sherman Act to witness.]

Mr. BERGE. The first two paragraphs are the criminal paragraphs and section 4 says——

Senator THYE. Which paragraphs have you the responsibility for?

Mr. BERGE. The whole act.

Senator THYE. Now, you have found him guilty, and he gets up on the courthouse steps and knows that he is soon going to be inside, and he says, "I am sorry. I am guilty." What do you do then?

Mr. BERGE. Senator, there are civil remedies in the act as well as criminal remedies. It is my own judgment in many instances civil action is more effective in continuous policing of an industry than criminal, because civil means injunctions continuously over their heads.

Senator THYE. If that gentleman knows he may be able to plead he is sorry when he gets on the courthouse steps, he always knows if he gets into trouble and you get him there, he will say, "I am sorry," and you let him go; and the next fellow will know that is the practice.

Mr. BERGE. No; no.

Senator THYE. That is what you have primarily said here.

Mr. BERGE. No.

Senator THYE. I am trying to get this thing straight.

Mr. BERGE. Senator JOHNSTON asked me about negotiations for a consent decree, and I said sometimes the decree was tendered immediately before suit was filed and other times just when about to go to trial. Consent is only in relation to civil injunction cases.

The fact that the parties do not assume as a matter of course they can get a settlement on the courthouse steps is proved by the fact in most cases they do not. In most cases they do go to trial.

I take it we could agree the Government brings an injunction suit to secure civil relief. Just take for example, certain illegal provisions in a patent license agreement, and we want to have those stricken from the agreement and have the court say they will have none similar in the future.

Now, they finally decide the week for the arraignment or the week before the trial they are willing to give us that relief. Then there is nothing to fight about. We get without trial what we get if we went through with it. I contend it is much sounder administration and economy to take those settlements when you can get them than to put the Government and the parties to long trial maybe to secure the relief you can get by settlement.

Mr. VOGEL. When you have a case you decide in your own department whether it will be a criminal or civil case?

Mr. BERGE. Right.

Mr. VOGEL. If you decide on a criminal case, you try it, and the penalty is not to exceed $5,000.

Mr. BERGE. Right.

Mr. VOGEL. Or a prison term which you have asked for?

Mr. BERGE. Yes.

Mr. VOGEL. Secondly, in a civil case you bring, you think they are violating certain things under the antitrust laws, and you state what those violations are. They come in then before the case is tried, and they admit those things, or if they go into court the court gives an injunction saying they must change that method of business, and they change that method of business, or they agree with you before you go to court and they sign with you that they will cut out that practice. What is there after that to see that they do that?

Mr. BERGE. Yes——

Mr. VOGEL. There is no penalty involved at all in that civil action?

Mr. BERGE. We must all be clear, and there can be no dispute about it. The purpose of a civil action is not punishment. The purpose is to reform the practice. The legal effect of a consent decree is precisely the same as the legal effect of judgment after trial. Once we sign this agreement and go into court and it is entered in the court of judgment, and thereafter it has the same effect as the decree after trial.

Mr. VOGEL. Then if they violate that, it is a matter for the court to decide.

Mr. BERGE. It is subject to contempt proceedings.

Mr. VOGEL. That is right.

Mr. BERGE. Of course, there are penalties for contempt.

The CHAIRMAN. How many contempt proceedings have you brought since you have been in office?

Mr. BERGE. I cannot give you the number right offhand. We have brought quite a few, one within the last month. I had better not name the company unless I am sure I am right; one of the cash register companies—I had better not. We brought several contempt proceedings within the last year.

The CHAIRMAN. What did the judge fine them for contempt? How much?

Mr. BERGE. Not as much as we asked.

The CHAIRMAN. What did he fine them?

Mr. BERGE. In this particular case we asked for the maximum, which was—well, I cannot give the exact figure. He let them off too easy.

Senator THYE. What would that be.

Mr. BERGE. He left them off for $2,500 fine.

Senator THYE. And you asked $5,000?

Mr. BERGE. We asked $5,000. This particular one was not one of our biggest cases.

The CHAIRMAN. I am interested in the question I think Senator THYE asked. If they pay that $2,500 can they take it off their income tax?

Mr. BERGE. I do not think so.

Senator ECTON. Senator JOHNSTON told us a while ago Internal Revenue would not allow it.

Senator JOHNSTON. In my opinion they cannot.

The CHAIRMAN. Can they take off their attorneys' fees, where they hire all these lawyers?

Senator JOHNSTON. That is a hard question to answer, for this reason: They put it in as part of the costs of the corporation, and whether in this particular case or that, sometimes you have a time cutting them off. Attorneys' fees are allowed as deduction for income tax but not for that particular case.

Senator THYE. I think we would have to have that question answered by the internal-revenue people. It is just a question that came to my mind.

Mr. BERGE. Could I just supplement the answer I made to one of the questions about consent decrees? I feel it is good economy to get them when we can. Whether or not we get the best settlement is a matter of judgment in each particular case, and I am willing that the record in each case should be examined. I think lots of times you get better results out of negotiations than out of court.

Senator THYE. The fact of the matter is, I do not think the settlement was intended when Congress passed the act. All Congress had in mind when they passed the act was protection to the public against monopolies and groups of people agreeing to do a certain thing in a certain way, and so Congress passed the act, and then the penalties were agreed upon in order that they in some manner could police the industries so that the industries would restrain, or refrain, from such action.

The fact of the matter is that in the event they are all treated in a similar manner and if found to be guilty—and it may involve a million dollars—and yet if that little penalty of $5,000 is the only penalty, the only other question is whether they were found guilty or not, and if they can say at the courthouse steps, they are sorry, they will not do it again, this is not even recorded against him as having been guilty. And if they have only posted a $5,000 fine, they pay the fine and it does not mean a thing to them financially.

The CHAIRMAN. Senator, you missed the greatest part of the penalty to our friend here, and that is that it hurts their social standing.

Mr. BERGE. To a lot of people that is pretty serious.

Senator THYE. If the same gentleman or corporation executive was compelled to spend 1 year in prison and have it on his record, believe me, they would not be putting themselves in a position to have to talk themselves out of it on the courthouse steps. They would know before they got involved.

What I am getting at, it has been proven here this morning it is somewhat of a farce, somewhat of a farce. If they can get by with a penalty of anywheres from $2,500 to $5,000 only, where it involves millions of dollars, possibly, or come to an agreement on the courthouse steps with you, it is pretty much of a farce. And it shows that there has not been the policing that the act was intended to bring about.

Mr. BERGE. May I just make a few comments. As far as the expression "On the courthouse steps," I do not want any unfortunate implications to be drawn from that. I have confined that to civil cases, and I think the argument the Senator is just making goes against the whole civil process.

Senator THYE. Then it is your error of classification, you have placed it.

Mr. BERGE. That raises the question of which presents the more effective remedy in particular cases. I will say this: I think it is unfortunate, but in many, many instances where we request the maximum fines, they are not imposed.

The conclusion from it is that except in cases where you have price fixing or other wanton and willful conduct—and most of the cases are cases which involve intricate contracts and corporate set-ups that require affirmative relief to solve.

I think in most situations the equity remedy is more effective to secure relief, and I say the reason it has not been more effective in impact on the total economy is because we have not been able to bring enough suits. If we had more Aluminum, and Hartford Empire, and more like the old Standard Oil and the Tobacco cases, which were equity suits, we would get somewhere.

I am not saying we should not bring criminal actions. I am saying my judgment is in your average complicated corporate set-up more effective relief is civil relief. There are other situations where we should bring both kinds of relief.

I have one thing that would not meet all of your objections, but part of them. On the matter of adequate fines. You may all disagree about these fines, you may think they are inadequate, as I do myself, but we cannot be blind to what actually takes place in the mind of a court when it has one of these cases before it.

My experience, and I would be less than candid if I did not bring it to your attention, is that the courts are very loath to impose even the maximum fines we have now, because there is some feeling, which I do not share, but nevertheless there is something about a Sherman Act violation that is a little nicer than the ordinary kind of crime and we cannot be tough with the kind of defendant we have in Sherman Act cases.

Now, how do we get around that and have an effective penalty? It is not because the court is afraid to extract money from the average corporate defendant. He knows they can afford to pay it, and knows the lawyers before him are drawing more in a single day than the maximum fine he could impose.

So when he decides to make it $2,000 instead of $5,000 it is not because he does not want to impose the burden but because there is a feeling in the minds of many people, including judges, that criminal fines are not quite the kind of punishment these defendants ought to have. I just say that as a fact you cannot ignore.

There have been suggestions made that the law be amended to provide for civil penalties.

Now, in this strange folklore we have in the law, we call one civil and another criminal and the difference in words makes a difference in the way it is recorded. A civil penalty and a criminal fine are the same thing in terms of money out of your pocket, but there is a great reluctance on the part of most people to want to pay any kind of a fine where they will have to cough up a criminal penalty, and there is a reluctance on the part of the judges to impose them.

Now, there was a proposal at one time, not pressed very hard and it did not get far before Congress, but it was proposed while Arnold was head of the Antitrust Division to add to the act provision for civil penalties making a $50,000 maximum for civil offense. I remember hearing Arnold argue, some courts would impose civil penalties where they would not impose fines. I think there is something to it.

If you want to make a real effective financial deterrent, one that will pinch, but which we can get a civil penalty might be effective.

I venture the suggestion and with due deference, I may be wrong. But it is my belief that if you raise the criminal penalty, say to $50,000 maximum, we probably would not get it from the judges.

Senator O'CONOR. Are you in favor of that civil penalty?

Mr. BERGE. Personally, I am.

Senator O'CONOR. I cannot find myself in agreement on that. Do you think that fair, if a number of men are in conspiracy of restraint of trade to deprive people of the necessities of life, to invoke a civil penalty? It apparently sweetens the thing up because the people are of reputedly high standing. Do you think that is the ultimate aim of justice, which ought to be to ferret out the crime regardless of whom committed by and impose adequate penalties. As a matter of fact if it is done consistenly, a series of actions, he can be fined each time. So you are not limited to $5,000.

Mr. BERGE. Let me put it this way. I do not think people should be treated differently because of wealth or social position. I would agree wholeheartedly with that. I think the test should be the type of offense involved. Without saying I agree with it myself, I think that is a general feeling. When you take the matter of mulcting people of $5,000,000 that is true.

In some Sherman Act cases, I hate to say this, I am talking like their defense counsel, but nevertheless I want to tell you what their reaction is and there may be certain justification in some cases. Certain practices in industry I cannot say are altogether wrong, mala in se as distinguished from mala prohibita. A lot of things are wrong because the law says they are.

We have to have traffic lights in order to make driving safe, but it is not morally wrong to go through a light like it is to steal.

A lot of Sherman Act violations are probably in that category. For example, an industry has been operated according to a certain close pattern. I am a little fellow and do not want to violate the law and do not know much about law, and I want to enter this industry and in order to do it I have to play ball with the crowd, eitner keep out of the industry or else go in on their terms and take one of these restrictive patent licenses and agree not to sell the stuff in certain territory. That whole system of doing business is wrong. But you cannot say that everybody who subscribes to it is a criminal that ought to be in the penitentiary. And there are a lot of Sherman Act violations of that category.

I would say that the distinction perhaps between treating certain Sherman Act violations by civil penalty and treating other kinds of violations by criminal penalty is not because Sherman Act defendants are wealthy or belong to clubs or because they are a different class of people, but it would be a recognition on the part of Congress that there is a certain difference in the moral element of the offense that is involved in many Sherman Act violations.

It is not always the big fellows. We try to concentrate our fire on the big fellows, but it is not all the big fellows.

For example, there are little industries where there are bad restrictions. I might mention, I see no reason I should not—take this artificial limb case. There was a bad situation, no question about it. In the price fixing on artificial limbs and the agreement about the type of limbs there was some bad practices. We brought a criminal suit not because the fellows were small but because there was straight price fixing in it and definitely bad practices, but they were small fellows, and it was not a case of us selecting some little fellow to say that we wanted to prosecute. There was great pressure on us to bring suit, especially from the veterans' group.

And yet some of these manufacturers of artificial limbs who are party to the conspiracy only operated in a single room with one or two employees. I do not think they should be sent to jail, but I think some sort of a criminal fine was appropriate there.

I mention that to point out if there had been a civil-penalty-approved provision, it might have been invoked and they would have had maybe gotten larger penalties although they did a lot of crying. The $1,000 on a lot of them was enough to put them out of business. We remitted a few fines, I think, where we were satisfied that was the case.

But I think what we are against is restraint of trade or monopoly practices which keep the independent fellows out of the industry, and we are against them whether or not the people participating in them are big shots or little fellows, except, other things being equal, we would concentrate our fire on the big fellows because the economic effect of a large conspiracy, say in a basic industry like aluminum, might be greater than one in artificial limbs. But there are some instances where we have to proceed too in small cases.

I do not think there is utterly no merit in the suggestion that some Sherman Act offenses do not have that element of wickedness and wrongdoing even though technical crime. I think sometimes the violators are very wicked in their actions and should be prosecuted criminally and should get the maximum we can get, and I do not think $5,000 is enough in some of those cases.

If we want to be realistic though, and say we ought to penalize them $50,000 instead of $5,000 in order to get an effective deterrent, the chance of getting the $50,000 is a lot better if we take a civil penalty.

But I still say that the greater economy in our cases, in my judgment, comes in those situations where we get affirmative relief through civil action.

I might just remind the Senators that while it is true that sections 1 and 2 of the act provide criminal penalty, section 4 equally important, provides for equity relief.

The CHAIRMAN. You know better than that. Why try to tell us something like that? Take an ordinary man selling liquor out in Montana. He is not treated like the bankers, he is put in jail, and belongs there. You cannot try that with an injunction suit.

Mr. BERGE. I would not say.

The CHAIRMAN. You are a well-known, outstanding lawyer here. You know an injunction suit ought to be brought where people have been fined and put in jail, and then you get your injunction suit just like where a man is in Montana or North Dakota selling liquor violates that kind of a law. Any lawyer who has gone through any kind of college knows that. I am not going to sit here and have you tell this committee that kind of stuff because it is not true and you know it is not true.

Mr. BERGE. I am sorry, Senator.

The CHAIRMAN. Do not try to tell this committee that kind of rot. In section 6 it provides for seizure of property by the Government. I challenge you to name one case.

Mr. BERGE. Right offhand, some sardine cases.

Senator THYE. I wish you had left that out. That sounds ridiculous.

Mr. BERGE. Let me tell you of that. The seizure provisions have usually been brought in respect to cases where there are foreign defendants and seizure is necessary in this country to get jurisdiction. The sardines were necessary because the defendants were Norwegian and Swedish importers, and it was necessary to get jurisdiction over the concerns.

Senator THYE. I believe that question was answered because they were Scandinavians.

Mr. BERGE. I would be glad to have stricken from the record any mention of sardines.

Senator THYE. I agree with him.

Senator CHAVEZ. Mr. Chairman, it is now a quarter after 1.

The CHAIRMAN. Suppose we meet—how about Saturday morning at 10 o'clock?

Mr. VOGEL. The Senator from New Mexico has some gentlemen here.

Senator CHAVEZ. I have a witness from New Mexico. He cannot stay very long.

The CHAIRMAN. How about 3 o'clock this afternoon?

Senator CHAVEZ. Mr. Sanders, when do you think you want to go on.

Mr. SANDERS. I am here at the pleasure of the committee. I have my reservations back leaving here at 11:40 tomorrow morning by plane.

Senator CHAVEZ. Would it be possible to give him a little opportunity this afternoon? It is in reference to that Lordsburg matter.

The CHAIRMAN. How about 10 o'clock tomorrow morning?

Senator THYE. I could not be here.

The CHAIRMAN. How about 2 o'clock this afternoon? All right, Senator ECTON?

Senator ECTON. I will be here soon after.

Senator THYE. How long will it take?

Senator CHAVEZ. Not very long.

Senator THYE. Why not call him now and take another 15 or 20 minutes, then we can recess or adjourn.

The CHAIRMAN. Call Mr. Sanders and you interrogate him.

Senator CHAVEZ. Yes, sir.

Will you state your name for the record?

Mr. LANGER. It is true, Mr. President, as the distinguished Senator from Kentucky [Mr. BARKLEY] said a few days ago, that very few were arrested, but the cold-blooded fact remains that not one single one was sent to jail.

May I not say, Mr. President, that the reason why a veteran cannot today open a grocery store, cannot go into the banking business, cannot go into any business which the great trusts control, is that the antitrust statutes were not enforced by men who held the office of Attorney General before Tom C. Clark?

I rise today, Mr. President, to express my full belief in the honesty and the integrity and the full capacity of the man now holding the office of Attorney General of the United States.

In that connection I ask unanimous consent to place in the RECORD a speech delivered by Mr. Clark before the National Association of Manufacturers, Fifty-first Annual Congress of American Industry, on December 5, 1946, in New York City. I ask every Senator to read this, because in it the Attorney General gave notice that the time had come in America when the cartelists and the monopolists could no longer control the common people of this country. I ask that it be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

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

Mr. Chairman, I am convinced that the ultimate welfare and security of our people depends upon the pioneering spirit of our industries.

Therefore, I appreciate deeply this opportunity to address this gathering of American businessmen. You and your association—as Americans and as men—have a real rendezvous with destiny in these times.

They have talked in the past about times which stir the hearts of men.

These times stir our hearts—our minds—all of our ingenuity and that latent fire which we call patriotism.

Industry has become our shield in war and our design for living in peace.

You are wrapped in the skein of American history.

A few nights ago I was studying some of the background of management and labor.

This was in connection with the coal litigation now before the court of the District of Columbia and with which you are familiar.

I ran across some history of your organization, in which the association was in 1907 engaging in a tariff debate—a most important issue then before the country.

It is recorded by your secretary of that date that "fully 40 percent of the membership of the National Association of Manufacturers were heartily in favor of tariff reduction."

At that time such a position was tantamount to business treason.

It took much of personal courage for that 40 percent to buck the 60 percent and to go all out for tariff reduction.

But they were exhibiting the old-fashioned American characteristic of thinking for themselves.

They knew the Wall Street adage that "A bull can win and so can a bear, but a hog always loses."

At that time great changes had taken place in the American scene—a vast upheaval all the way from the end of the Civil War.

The forces which brought about this revolution were not in the realm of politics, but in business.

The Goliaths of business, Rockefeller, Carnegie, Vanderbilt, Gould, Armour, and others, were riding the crest of opportunity and were blueprinting the future of the Nation from their baronies of steel, oil, and finance.

In a few decades their holdings were scattered over the land.

The iron bands of their railroads bound the industrial life of the Nation with inflexible strength and carried their goods everywhere in the country.

Overseas, in the markets of Europe and Asia, began to appear goods bearing tags setting forth some fateful messages for the world trade: "Made in Philadelphia," "Boston made," or "From the mills of Chicago."

The flow of goods was at first a small trickle, almost an affront to the power and pride of Manchester and Leeds, of Lyon and Frankfort.

But the goods were found to have honest value in them; and, too, they embodied true American ingenuity.

The outlook for the future was made bright by the industrial revolution, but this industrial development must be keyed to social needs.

Ah, that was the rub.

Only a few were reaping the great benefit of this vast movement into world markets.

Some thousands were sharing the wealth, and thus lived from the rich men's table.

But millions were engaged in producing the wealth and were barely gaining living wages.

The measure of success in this "Gilded Age" was only in the number of dollars a man could amass.

Politics had become the handmaiden of big business.

Corruption was rife in the body politic.

The moral crusade that brought the antislavery amendments had been supplanted by a game of "multiplication, division, and silence," not only among politicians but among public officials and business leaders.

Then came Theodore Roosevelt.

On February 19, 1902, Attorney General Knox announced he was filing a compliant under the Sherman Act to dissolve the Northern Securities Co.

This company was born the year before in the struggle of Hill, Harriman, Morgan, Rockefeller, and Kuhn-Loeb to control the railroad network from Chicago to Seattle.

The fight ended in a draw, so the contestants very politely organized the Northern Securities Co., with a capital of some four hundred million dollars, and divided the stock among them.

Nice going, they figured, until the Attorney General showed up.

The ticker tapes sang out a sad story of Senator Sherman's law of 1890.

It had been filed away, except when it was occasionally used against labor unions.

United States Steel's billion dollar empire, likewise formed in 1901, was in for attack, which resulted some years later in the famous case of *U. S.* v. *U. S. Steel Corporation.*

A series of consolidations and amalgamations followed.

In 1904 Roosevelt declared that no free people could tolerate the "power conferred by vast wealth."

The Government must be endowed, he said, with "a still higher power" in the interest of the people.

If the courts ruled against national regulation an amendment to the Constitution was necessary, he insisted.

His fight was successful in the courts, but little was accomplished to break up the control the trusts had acquired by 1904 over 40 percent of the manufacturing capital in the United States.

Even the stock market crash of 1903 did not destroy this strangle hold; but it, together with the depression of 1907, placed a temporary brake on further combinations and consolidations.

By 1909, 200 corporations owned one-third of the nonfinancial institutions of the country.

In the Taft administration the Sherman Act was again put on the shelf.

World War I prevented its wide use in the Wilson administration.

The postwar period of the twenties again saw consolidations and amalgamations.

The war was another great stimulus to business.

Businessmen were eyeing each other with a view to getting bigger and better business deals under way by bigger and better amalgamations.

The trend, despite public feeling that the big trusts had been broken, was still toward advantages for the big fellows.

In 1909 the large manufacturers had on their pay rolls some 15 percent of all employees in manufacturing industries.

In 1919 this number had almost doubled.

Merger after merger was put through until the crash of 1929.

The reports of the TNEC show that 45 companies owned 92 percent of the transportation facilities of the Nation; 40 utility concerns owned 80 percent of the facilities; 20 banks held 27 percent of the total loans; 17 life insurance companies carried 81.5 percent of all life insurance assets.

Again, in 1939, small business (firms employing 500 or less) accounted for 52 percent of total manufacturing employment.

In 1944 this figure had declined to 38 percent.

Did you know that in 1944 firms employing over 10,000 employees accounted for over 30 percent of total employment in the Nation?

Over a half million small businesses disappeared entirely during the war.

As for them, the atomic bomb itself could not have been more destructive.

From June 1940, through September 1944, the Government awarded $175,000,000,000 of contracts to 18,539 firms—and here is the important part—two-thirds of this stupendous total went to the 100 largest firms; in fact, almost one-half of the value of the contracts went to the 30 top corporations.

The top five received more than one-fifth of the total.

One alone copped $14,000,000,000, approximately 8 percent of all contracts during the war period.

If we consider facilities for manufacture, the total in the Nation was about $40,000,000,000; of this amount 250 corporations owned about $25,900,000,000.

The war added about $26,000,000,000, with the Government advancing about $18,000,000,000 of this amount.

These same 250 concerns operated for the Government $8,900,000,000 of federally financed projects which are earmarked as usable in the postwar period.

Take the financial aspects of our present economy.

Run down the list of these 250 giants and you find that 30 of the largest ones, which control almost one-third of the Nation's manufacturing facilities, are dominated or controlled by five banking groups.

Each one of those banking groups heads up in New York, except one. It is in Cleveland.

As I see it, our progress is the sum of the progress of the individuals that make up our society.

When individual progress is retarded, national progress is prevented.

We either walk forward—fall back—or take root in proportion to the advancement, retreat, or indolence of the sum total of individuals making up our country.

Character building, like production, is done by piecework.

Freedom of opportunity is the great American heritage.

Every man has the right to start his own business—put his ideas and his money together.

He is limited only by his industry, his imagination, and his daring.

But he is entitled to know that the "dice are not loaded"—that his competitors will not be permitted to combine to destroy him; that the free market we speak so much about is not rigged against him.

This is deep-rooted American tradition.

It is not politics—it is far above that—it is the American way of life.

Free enterprise has no party affiliations nor does it have any party affinities.

It is bipartisan.

Business now has its freedom from controls.

These wartime controls were necessary for the gearing of our economy into total war production.

They were troublesome not only to government but to you as businessmen and to the individual citizen.

Upon the removal of these controls, your responsibility increases.

You—business—must not substitute selfish controls for legislative control.

There are some people who would scuttle our way of life.

They cry the loudest for free enterprise and opportunity.

What they want is freedom for their own activities; freedom to destroy not only their competitors but our democracy.

They want freedom for guaranteed profits and safe markets; freedom from competition; freedom to be the hogs of monopoly; freedom to fix prices; freedom to control production, patents, labor; freedom to divide markets; freedom to carry a business blackjack in a community where all others go unarmed.

These are not freedoms at all.

They are industry licenses.

Now, mind you, they are not backed by any law—nor are they issued by any arm of Government created by the Congress. No—

They are issued by an industry to those who dominate it.

In the foreign field we call them cartels.

The diplomacy of dollars.

Treaties never passed upon by the Senate of the United States but more enforceable than those that are.

They spell life and death to industry—life to those lucky enough to be signatories; death to those not strong enough to inscribe.

In the domestic field they are monopolies.

It is your responsibility to help prevent this destruction of the American way of business.

If you fail to assume that responsibility fully and discharge it, you will force upon the American people a lower standard of living—you will pave the way for additional failure in the workings of democracy.

Free enterprise fosters, encourages, protects a free democracy.

As Walter Lippmann has said, "The system of free enterprise has never meant, except to those who ignorantly or for selfish reasons misunderstood it, a general license to private interests in the presence of a helpless national government. This view is * * * but a kind of nihilism. * * * It is necessary to have strong government and firm laws and a continual and progressive program of public action to establish a free economy and make it work."

This does not mean government by injunction.

We do not intend to have government by court edict—with witch hunts and all the attendant trappings.

But we shall secure for Government all of its rights, contractual as well as statutory.

The law shall be enforced, whether it be with regard to business, and that includes management and labor—or the common thief who steals from his government.

As to the Sherman Act, I still say, as I did in 1945, "We in Washington know the state of honest uncertainty that sometimes assails the American businessman in determining his status under the antitrust laws."

As I have in the past, I invite you to bring in your problems.

We, of course, cannot solve them because that is your lawyer's job but we will throw what light we can upon them.

That calls for cooperation.

In this way, we can hope to dissipate some of the doubt and uncertainty as to the antitrust laws that are themselves deterrents to initiative and enterprise.

This policy goes for labor, too.

Management and labor should not sit back and depend on Government always to carry the ball.

You should know more with regard to the problem than anyone.

Why not advance some suggestions?

Constructive ones, of course.

We should do more thinking about the problem and less crabbing about the Government being "tough" on the one hand, or an "appeaser" on the other.

Surely labor, management, and Government can solve it.

May I add, at this point, another storm warning in the concentration of economic power in too great amounts.

I believe it to be hostile to our democratic ideals.

I am not a man who believes that to be big is reprehensible in business, but I am certain that business can be too big for the good of the Nation.

There is a line of demarcation which should be observed.

Certain nationally operated firms make it a point to be represented on the community level by small businessmen, thus keeping up the tradition of opportunity for all.

Others stamp out competition from one street corner to the other with the ruthlessness of a dictator.

You have all seen this happen—in the great cities and in the little towns.

The right to start a business is inherent in our American ideals.

We teach it in the schools and we should practice it in later life.

The small business is the beginning and the backbone of all business for it is here that the lessons of thrift, hard work, and probity are learned.

The antitrust laws, which I am sworn to uphold like all other laws, were enacted for the protection of business, and its enforcement, night and day, is a charter of business freedom.

It prevents trusts from towering too high over the economic pattern of the Nation.

It has not prevented some injustices, but it has been a restraining measure wherever it has been applied.

I will make this charter, with your assistance, something of which business can be proud, so that there will be profit and opportunity for all.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the RECORD Mr. Clark's speech delivered before the American Society of Bakery Engineers on the 10th day of March, 1947.

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

It is a pleasure and privilege to be with you today.

I look at this large gathering, all devoted, in varying capacities, to the production of bread and bread products.

The thought is in my mind that it must be very satisfying to be dealing—actually—with what has been called, from time immemorial, the staff of life.

You are the technicians, chemists, and general production men—in short, those in the bakery industry entrusted with the actual development and production of bakery products.

You represent the small retail bakeries which produce and sell the breads, cakes, and cookies that constitute a temptation to the homeward-bound householder.

You represent the large institutions, with many branches, from which flow the breads that appear in our grocery stores or are delivered to our doors.

You actually make the bread that is our staff of life. We others merely talk about it.

We, of my generation, when we think of bread, think of baking days at home with our mothers or grandmothers mixing the doughs in the kitchen, the children hanging around for trimmings.

We think of the breads as they came from the family ovens and appeared on the family tables.

This old household manufacture has largely vanished. Like everything else in modern life, machinery has revolutionized the old customs.

We are glad of this. How much drudgery are the women of our Nation saved through all these marvelous mechanical devices!

The fact that your society was organized in 1924, witnesses the fact that for a quarter of a century now, and at an ever-increasing pace, life is becoming a matter of organization and machines.

Today, specialization is everywhere. Individuals, with similar skills and problems, organize into associations. These associations grow in proportion to the growth of the basic activity they represent.

The Department of Justice is no exception.

In the earliest days of this Nation the Department was not a Department, but an office: Edmund Randolph, of Virginia, was the first Attorney General.

His compensation was the modest sum of $1,500 per year. He was expected to furnish his own quarters, fuel, stationery, and clerical help.

By 1818 Congress had provided $1,000 for employment of a clerk, and by 1819, $500 for office rooms, stationery, and incidental expenses.

It was not until 1861, after the Attorney General and his staff had occupied a succession of temporary quarters, that a suite of rooms was provided for them in the newly completed Treasury Building.

Today the Department is a huge machine.

The Attorney General has many aides. The Solicitor General and the Assistant Solicitor General, and seven Assistant Attorney Generals. He has the Directors of the Federal Bureau of Investigation and the Federal Bureau of Prisons. He has the head of the Office of Alien Property, the Pardon Attorney and the Commissioner of Immigration and Naturalization. He has administrative and executive assistants.

He is further assisted by 93 United States attorneys and their assistants and clerical employees who operate in the field, and by 93 United States marshals and their deputies and clerical employees. In addition there is the personnel in the field offices of the Federal Bureau of Investigation and the field service of the Bureau of Prisons and the Immigration and Naturalization Service.

The personnel of the Department reached its peak during the war crisis. It is now returning to peacetime standards.

We have here the problem that faces all organizations, whether of business or government.

We must prevent size and centralization from obstructing individual initiative and from losing sight of the end product. You must make and bring your bread and bakery products to the very tables of your customers. We must bring justice to the very lives of our customers—the American people.

Let me give you a bird's eye view of our Department.

It is the Department's primary responsibility to enforce Federal law, to represent the Federal Government in the courts, and to act as legal adviser to the President and to the heads of various departments of Government.

The Attorney General, however, is not legal adviser of the people of the United States in the sense that any who asks may obtain an opinion.

Daily I receive letters from citizens. Recently we had a letter from a woman who said she was about to be evicted from her home. She wanted to know whether her landlord could do that to her.

Another person writes in that his neighbor looks suspicious, he may be a seditious individual.

If a complaint seems justified we seek to investigate it. If, on the other hand, it is a request for advice, we usually are not in a position to answer it because, as I have said, the Attorney General is adviser only to the President and heads of Government departments.

The criminal division, headed by an Assistant Attorney General, has the responsibility for investigating and prosecuting Federal offenses. Its field is the Federal field, which it covers through seven sections: an Administratice Regulation Section; a Civil Rights Section; an Internal Security Section; a War Fraud Section; a General Crimes Section; an Appeals and Research Section; and a Foreign Agents Registration Section.

It is a large and highly diversified division; yet the primary responsibility for enforcement of Federal statutes lies, however, with the United States attorneys and marshals. The Criminal Division, in addition to many other activities, advises and counsels with them in connection with the many investigations, grand jury proceedings, preparation of indictments and trial procedure.

The work of the Criminal Division rests upon investigation.

As you know, the agency for the investigation of crimes in the Department of Justice is the Federal Bureau of Investigation.

Under Mr. J. Edgar Hoover, the Federal Bureau of Investigation has successfully demonstrated that it is possible to have an effective investigative agency in a democracy without having a gestapo.

This was proven under conditions of great difficulty during the war, when the country had to be protected from its many enemies, while, at the same time, the civil rights and liberties of individuals were not invaded.

You are aware of the brilliant successes of the Federal Bureau of Investigation in connection with the apprehension of the German spies who landed on our shores from a submarine during the war.

You are perhaps familiar with the many situations—robbery, kidnapping, extortion, theft of cars, embezzlement, white slave traffic, bribery, the violation of election laws, the violation of antitrust and antiracketeering laws—the investigation of which is the responsibility of the Bureau.

Mr. Hoover's summary of statistics for the fiscal year 1946 gives an idea of its work: Convictions, 11,873; actual, suspended and probationary sentences, more than 26,624 years; fines imposed, $1,449,668; savings and recoveries, $167,035,267; fugitives located, 10,990; stolen autos recovered, 11,458.

You know too the vital work the Bureau has done with its centralized system of fingerprint records and its advanced techniques of crime detection.

You are probably less aware of the collaboration between the Bureau and members of State and local police departments.

The National Academy, organized by the Federal Bureau of Investigation many years ago, trains enforcement officials from the States and municipalities, graduating some 270 students a year.

These graduates go back to their towns and cities and train their fellows.

In 1946 over 1,300 separate schools for enforcement officials were sponsored by local police departments in cooperation with the Federal Bureau of Investigation. These schools in 1946 trained in the neighborhood of 67,000 enforcement officials.

The National Academy and these local schools are a splendid illustration of how a national problem can be solved through the collaboration of the Federal and State and local governments.

Because of collaboration, as with the many other activities of the Bureau, you as citizens, located in your towns and cities around the country, are the immediate and direct beneficiaries in the safety, order and justice obtainable in your communities.

There are two other divisions of the Department which, I thnk, will be of particular interest to you.

The Lands Division exercises supervision over litigation and other matters arising in the Department involving the public lands, public works, Indian affairs and real property of all kinds owned by the United States.

During the emergency and war periods, and solely for defense and war projects, over 6,000,000 acres and more than 37,000 parcels of land not measured in acres were acquired by the Government.

In the States of Tennessee and Washington alone more than 350,000 acres were acquired for experimental work on the atomic bomb.

Large acreages were obtained for bombing ranges to test the atomic bomb and other new projectiles.

Rights-of-way for the "Big Inch" pipe lines extending from Texas to the eastern seaboard were procured in order to speed eastward the flow of petroleum.

The Antitrust Division strikes more closely home to the business community than perhaps any other division.

It is the American philosophy that competition creates the need for better products—the fight for markets creates value.

Progressive abandonment of free and competitive enterprise leads, we believe, to Government domination of business.

Rigid control and sanction over cartels were the forerunners of Hitler. Mussolini erected a Fascist corrupt state upon the foundation of gigantic industrial combinations. These things will be fresh in your minds.

You also know the story of the monopolist. The Department of Justice through its Antitrust Division has taken vigorous action against, to only name a few, the Tobacco Trust, the Railroad Trust, and the Aluminum Trust.

We have other battles before us.

As technicians you will have a particular interest in the effect of trade restrictions on invention and discovery, which is also this Division's province.

The introduction of fluorescent lighting was retarded—the revenues of the power companies were at stake.

That more electric lamps could be sold, the manufacturers built them with shorter lives.

Vitamins were kept from the needy, because patents for producing vitamin D by ultraviolet ray came into the hands of a foundation located in the butter-producing area. The holders of the rights to the violet ray method denied licenses to producers of oleomargarine, so largely used among the poor.

The list is long and not pleasant to read.

The Sherman Act is rightly known as the magna carta of free enterprise and the bill of rights of business. It is the function of our Antitrust Division to enforce the Sherman Act and a number of kindred statutes.

As industries continue to grow and consolidate, these laws become more and more vital. We shall continue to enforce them vigorously.

More important to your industry, the Antitrust Divison has a Small Business Section to which I wish to call your particular attention.

It was reestablished in conformity to the declared policy of President Truman in a message to the Congress on the state of the Nation.

No. 2 on the President's list of five major policies was "restriction of monopoly and unfair business practices; assistance to small business and the promotion of the free and competitive system of private enterprise."

The work of the Small Business Unit is unique in the field of Government. It acts on behalf of this large and important segment of American business—to which, in many of its aspects, the baking industry belongs.

The complaints of small business are handled by our Small Business Unit. It acts as the small buinessmen's advocate. Complaints are treated entirely in confidence. Even in efforts to obtain relief, the name of the complainant is never disclosed without specific consent.

The Small Business Unit has close working arrangement with the Office of Small Business in the Department of Commerce. Cooperation between these two agencies has brought about an unusually comprehensive type of service on more than one occasion.

We welcome your problems and will do our best to help you solve them.

We have also done pioneering in the field of collaboration between the State and local governments and Federal administrative agencies.

There seem to be only three choices for governmental machinery in these chaotic times: Dictatorship—the tightly centralized system of Communist and Fascist governments; the modified socialism of Great Britain; or, for our choice, the democratic federalism which is the pride of America.

One constant criticism of our dual system is that it cannot achieve the reputed efficiency of the controlled systems.

The problem of making our system of Federal Government and 48 sovereign States work effectively became acute in 1940, when the war was obviously approaching. It was necessary to develop, on a collaborative basis, a program of State legislation which would stimulate the largest degree of participation by the States in the national war effort.

Accordingly a conference of some 250 State and Federal officials was convened. It deliberated for several days and produced a program of 7 pieces of State legislation which were widely enacted by the States.

Since that time we and other Federal agencies have worked closely with the Council of State Governments—the official representative organization of the States—and its important drafting committee of State officials. Over the years the new machinery has produced, on a joint Federal-State basis, well over 100 proposals for State legislation—first in the field of national defense, then to implement the war effort, and now, in these uneasy days of peace, to strengthen ourselves as a nation.

Among these 100 proposals is the model State bill relating to the enrichment of white bread and flour, with which you are familiar.

I have seen the resolution adopted by the Associated Retail Bakers of America, which endorsed and reemphasized the association's earlier approval of "enrichment of appropriate baking products with vitamins and minerals."

It also approved "the model State flour- and bread-enrichment bill as a model for consideration by the bakers in, and local associations for, a particular State."

I note that the approval of the model bill was not to imply "a policy for or against having any enrichment legislation, that being a matter for consideration by the industry in each State."

This is as it should be.

I know we are all agreed that there are too many laws; that the enactment of a law is no panacea; and that the best results are those achieved by noncompulsion.

I know we are agreed also that the casting back of responsibility both for decisions as to policy and the manner of executing policy, to those who are the closest to the problem itself—the grass roots, as we say—is the unique and essential characteristic of our American dual system of government.

This enriched bread bill represents, as do all the proposals in the annual Federal-State programs, a fusion of views among all interested parties—Federal, State, and nongovernmental—a sound way, I'm sure you will agree, to develop any kind of proposal.

Your own baking representatives played an important part.

The model bill was approved by all concerned, including your representatives, who were thus enabled to deal with a single text, to have their views incorporated in the text, and to support a single text, should they so desire.

When the Council of State Governments took the bill to the States they did not say: "Here is a bill. It is your duty tn enact it."

They said the contrary. The reports on suggested State legislation, containing this and other proposals, state, and I quote: "The study of these proposals and their introduction into the State legislation, where appropriate, is recommended. * * * They constitute no more than suggestions as to the problems posed. They should * * * be introduced only after ample consideration of local conditions * * *."

This is universally understood.

I think you will agree that the approach is sound.

Under the Federal-State mechanism which we and the States have developed, the Federal agencies and the States own representatives join in saying to the States—as did your national organization to you: "Here is the problem. Its solution is necessary to the welfare of the Nation. But the how of the solution is up to you."

The world is in a perilous and disturbing state.

The growth toward complexity which is reflected in all business and Government activities is moving us in a direction the end of which we cannot see.

The atomic bomb and all that it implies is a component part of this tide.

When I get worried over the state of the world, I like to reread the words of Mr. Justice Holmes, which I will now read to you. It was in 1913 that Mr. Holmes in a speech before the Harvard Law Association of New York said these prophetic words:

"For most of the things that properly can be called evils in the present state of the law I think the main remedy, as for the evils of public opinion, is for us to grow more civilized.

"If I am right, it will be a slow business for our people to reach rational views, assuming that we are allowed to work peaceably to that end.

"But as I grow older I grow calm.

"If I feel what are perhaps an old man's apprehensions, that competition from new races will cut deeper than workingmen's disputes and will test whether we can hang together and can fight; if I fear that we are running through the world's resources at a pace that we cannot keep. I do not lose my hopes. I do not pin my dreams for the future to my country or even to my race.

"I think it probable that civilization somehow will last as long as I care to look ahead—perhaps with smaller numbers, but perhaps also bred to greatness and splendor by science. I think it not improbable that man, like the grub that prepares a chamber for the winged thing it never has seen but is to be—that man may have cosmic destinies that he does not understand.

"And so beyond the vision of battling races and an impoverished earth I catch a dreaming glimpse of peace.

"The other day my dream was pictured to my mind. It was evening. I was walking homeward on Pennsylvania Avenue near the Treasury, and as I looked beyond Sherman's statue, to the west the sky was aflame with scarlet and crimson from the setting sun.

"But, like the note of downfall in Wagner's opera, below the skyline there came from little globes the pallid discord of the electric lights.

"And I thought to myself the Gotterdammerung will end, and from those globes clustered like evil eggs will come the new masters of the sky.

"It is like the time in which we live.

"But when I remembered the faith that I partly have expressed, faith in a universe not measured by our fears, a universe that has thought and more than thought inside of it, and as I gazed, after the sunset and above the electric lights, there shone the stars."

Mr. LANGER. Mr. President, I also ask to have printed in the RECORD the address prepared by the Attorney General for delivery before the Associated Industries of Massachusetts on the 24th of October 1946.

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

Free enterprise is the American way.

In Massachusetts, your heritage of freedom stems from the Pilgrims who rebelled at restraint. And in my State of Texas, the plainsmen knew the free life.

Freedom of opportunity is the great American heritage.

In our free enterprise system, every man has the right to start his own business. He has the right to put his ideas and money together, to take a chance on making money or losing it. He is limited only by his imagination, his industry, and his daring. But he also has the further right to expect that the market will not be rigged against him and that his competitors will not be permitted to combine to destroy him.

This is deep-rooted American tradition. It is our duty, our privilege, to guard and to defend it.

We Americans believe that the free enterprise system is the best way to encourage and to develop new industries, to advance art and science, to raise the American standard of living, to distribute the most goods to the greatest number of people at the lowest cost, and to assure the preservation of our democratic form of government. We have never waivered in this belief.

The antithesis of free enterprise is State ownership. Progressive abandonment of free and competitive enterprise leads to Government domination of business. We have seen tragic examples of this.

Rigid control and sanction of cartelization were the forerunners of Hitler.

Powerful business combinations headed by small groups needed only indoctrination to become the backbone of the Nazi war machine. By reason of their long practice of stifling free enterprise they were ready for and grasped the evil Nazi philosophy.

Mussolini erected his Fascist corporate state upon the foundation of giant industrial combinations.

These alien philosophies are abhorrent to us. Yet they arose in countries which had operated on a competitive system basis.

There are other economic philosophies which differ from ours. But the world is large and we can all live in peace together as United Nations.

Our own path is plain. We must not permit the economic system in which we believe, our system of free enterprise and opportunity with its attendant civil rights, to deteriorate. We must not allow it to be robbed of its vitality and of its blessings. Assaults upon it by the selfish must be withstood.

There are those who would scuttle our way of life. These greedy men clamor loudest for free enterprise and opportunity. Actually, they mean freedom for their own activities—freedom to drive competitors from the market place. These men would have freedom for guaranteed profits and safe markets with none of the risks inherent in our capitalistic system. They would have freedom to insulate their business from the uncertainties of competition and freedom to gorge themselves with monopolistic profits.

These are not the freedoms to foster and protect in America. They are not freedoms at all. They mean only license—license to carry a business blackjack in a community where other citizens go unarmed.

These men would play the game of restrictive agreements, agreements which fix arbitrary and unreasonable prices for the goods which they sell, agreements which divide markets in which their goods are sold, agreements which divide fields of production and sale, and agreements which suppress technological advance and new products.

Let me tell you just how their system operates.

The story of the monopolist who corners the market is an old one; it is familiar to you all. The Department of Justice has fought the Oil Trust, the Tobacco Trust and the Railroad Trust and has recently won the battle against the Aluminum Trust. The title "Trust Buster" is well earned.

But the monopolist constantly seeks new methods of tying up markets. Cornering and controlling markets, production, prices, and inventions are no longer done openly. Secret agreement is now the device. Telephone conversations and club luncheons have replaced agreements and memoranda of understanding.

Price-fixing agreements by which goods are sold at artificial and exorbitant prices are common. Housewives, storekeepers, wholesalers, and even manufacturers are forced to pay tribute to producers of goods and hoarders of materials who have conspired in secret to make helpless buyers pay monopoly prices. These prices include the unseen tax of the monopolist, the extra charge which the monopolist takes unto himself by reason of his preferential position, a preferential position engineered in secret to mulct the public.

The monopoly tax is levied by the private Government of the monopolist. It has no legal sanction and the unfortunate taxpayer has no right of appeal.

This monopoly tax has been reliably estimated to reach many billions of dollars annually. It is money which could have bought more radios and clothing, automobiles and housing. Many times, it is money which could have bought food.

The price fixing agreement is sometimes clothed in the garment of illegal patent-license agreement. It may also appear in the guise of trade-mark agreement. But it must be recognized as the same purse-bleeding agreement of the same price fixers.

The American people demand that these vultures be stamped out of the market place.

The secret agreement has also been employed to parcel out exclusive areas for the production and sale of goods. This agreement is known as the division-of-territory agreement. This is the scheme of two or more conspirators. They see no advantage in fighting for the whole market since such a fight may result in lower prices to the consumer and less profits to them. Accordingly, they cut the pie neatly into portions. Each conspirator then gets a piece for his very own. In this piece or exclusive area, only he can produce and sell. His conspirators have agreed to stay out of this area and he, of course, has agreed to stay out of their areas. Each trading area is then at the complete mercy of the monopolist who controls it. The consumer finds no competition between producers and is compelled to pay whatever price the monopolist cares to charge. This always includes the monopoly tax.

The evil of division of markets also embraces our foreign trade. Industry after industry is subject to export restraint. Whole continents have been delivered as exclusive marketing areas. These cartelists, and we can so dignify the monopolists when they act in combination and in concert with others, have erected supergovernments. They refer to their restrictive agreements as treaties. There is no senate, no representative of the consumers, to approve these treaties. The cartelists are sovereign in themselves and owe allegiance only to their profits. They know only the diplomacy of the dollar.

Their policies are planned to withstand the effects of the rise and fall of nations. This is clearly revealed in cases brought by the Department of Justice against American companies in league with the German dye trust, I. G. Farbenindustrie. Nations conquer or are vanquished, but the monopoly profits of the private economic empire continue.

There are also the secret agreements which divide fields of production and sale. By these devices the conspirators divide the pie not geographically but according to product. They may all operate in the same area but restrict themselves to specific operations or products. No one dare enter the field granted to another.

Such was the case in the glassware industry. Here the conspirators created exclusive fields in which each acquired a monopolistic and noncompetitive position in the production and sale of a particular type of glassware. The buyer found a complete absence of competition in each field.

You have also heard stories about the suppression of inventions and the smothering of discoveries.

You know about the match trust and its miracle match which could light 1,000 times but which never reached the market. No conventional monopolist would think of allowing such a match to reach the consumer. The consumer might be benefited, but match sales would be drastically reduced.

The introduction of fluorescent lighting was retarded. Here power-company revenue was at stake.

Again, so that more electric lamps could be sold, the manufacturers built them with shorter life.

Vitamins have been kept from the poor and the lame. Vitamin D is a boon to children with rickets who suffer from malformation due to defective bone metabolism. Rickets are most prevalent with the poor. The poor are also the largest consumers of oleomargarine.

Some years ago patents for producing vitamin D by ultraviolet ray came into the hands of a university foundation located in a butter-producing area. The sole right to use this artificial method of producing vitamin D in foods belonged to the foundation.

The foundation denied licenses for irradiating oleomargarine with vitamin D to manufacturers of oleomargarine because the patent holder was, as the inventor said, unsympathetic to oleomargarine.

Monopolists think of their profits first and of the people last.

These are but a few of the practices engaged in by the monopolists who would tear down our free-enterprise system while they declare their love for the American way of life.

Fortunately these men are in the minority.

I wasn't always Attorney General Clark. Once I was just Attorney Clark, one of the lawyers in the Department of Justice.

In later years, it was my privilege to be Assistant Attorney General in charge of the Antitrust Division. I speak, therefore, from first-hand experience in antitrust work when I say that these men are in the minority.

On the whole, the businessmen of America, of which this association is very representative, play the game squarely. They give the other fellow a chance and are willing to pass on a reasonable portion of their gains to the buying public.

That is the way the fair American shoe manufacturer and the fair American textile machinery manufacturer operate.

It is the way laid down by the founders of this country. It is the way crystallized by the provisions of the Sherman Act.

In giving us the Sherman Act, a Congress more than 50 years ago reaffirmed by statutory enactment the American principle of freedom of opportunity in a competitive system. Since the beginning of the century, the Democratic and Republican Party platforms have repeatedly pledged adherence to these principles.

The Sherman Act is rightfully known as the magna carta of the free-enterprise system and the bill of rights of business.

The Sherman Act asserts the principle that in a free market, enterprise and initiative shall have the opportunity to compete without fear of restraint by combination, and without fear of reprisal by monopoly methods.

The Sherman Act asserts the principle that the ultimate interests of the entire economy and of all the people will be best served by freedom of opportunity to introduce new ideas, new goods, and new services, and to enter the market and compete on equal terms.

In the famous Trenton Potteries case, the Court found the congressional intent in enacting the Sherman Act to be: "based upon the assumption that the public interest is best protected from the evils of monopoly and price control by the maintenance of competition."

The events of recent years have amply demonstrated the wisdom and foresight of the Congress which wrote this charter of economic freedom.

An astounded world watched our industrial machine pour forth the goods and matériel which overwhelmed the enemy.

Many nations in a weary world look for succor to our Government and our system of free enterprise and free opportunity and would emulate that which has brought to us the greatest standard of living known to any people of the world.

I have just returned from a Europe sick from many ailments. Very apparent is the disease that comes from industrial combination and cartelization.

It is a hateful disease which must not infect us. Our job at the Department of Justice is to protect the American economy from contagion.

The Department of Justice must preserve our economic freedoms and the civil rights which flow from them by enforcement of the Sherman Act.

The Department of Justice is the public protector. It is the law department of the greatest clients in the world—the United States of America and its people.

Many antitrust actions start from the people. Complaints are received by the Department of Justice every day.

One may be from the machine-tool manufacturer who finds all his suppliers of ball bearings lined up against him offering bearings at identical prices.

Another may be from the tobacco farmer who finds himself confronted with the same prices and buying conditions from all the big tobacco companies.

Another may be from a municipality which is planning to build a school but finds that all contractors operate through a bid depository and decide among themselves who shall be the successful bidder and at what price the successful bid shall be made.

And still another complainant may bewail the fact that overstocked suppliers have agreed to withhold their goods from the market to create a scarcity with consequent higher prices or to put him out of business.

If, after investigation, it is determined that the complaint is well-founded, the Department of Justice moves swiftly.

Where it is plain that the offender clearly intended to violate the antitrust laws, criminal indictment is immediately sought.

Let me say very clearly that the Department of Justice does not seek to punish for the sake of punishment. It does not carry on a vendetta with the businessman. It seeks only to deter the violation of our basic economic law.

The civil action is used to obtain affirmative relief.

Large fines do not correct a situation which has already become fixed. Fines have proven to be merely license fees. We must insist upon and secure jail sentences. The maximum of 1 year in jail for every violator would be most helpful. It is our purpose, in proper cases, to attempt to secure such sentences.

Where an illegal business structure exists, we may ask that it be dissolved if it is indicated that this is the way to remedy the wrong.

Where a corporation uses its subsidiaries, divisions, or plants in violation of the antitrust laws, we may ask for what in legal language is known as divestiture. This means separating the subsidiary, division, or plant from its parent toward the end that two competitive units will appear in place of the single structure which acted in violation of the antitrust laws.

We must untrack the trend toward concentration of economic power.

The Smaller War Plants Corporation recently issued a report to the Senate Small Business Committee. The report decries the trend toward mergers and acquisitions which was accelerated during the war and which must be prevented and reduced in stature.

The report concludes that antitrust, small business, and surplus-disposal programs are the remedies indicated.

The Antitrust Division of the Department of Justice has long maintained separate sections dealing with small-business problems and surplus property disposal.

I should like to make another point clear about the Sherman Act and its enforcement.

We know that because of the broad language of the Sherman Act, violation of its terms is sometimes unpredictable although the Supreme Court is making clearer and clearer the bounds of proper activity. Nevertheless, should a specific program be contemplated and should the planners be fearful that it violates the law, the Department of Justice is prepared to discuss it.

The American businessman who wants to play the game according to American rules has nothing to fear.

We are now going back to the old rule book.

For five weary years, business has complained of the OPA and price control.

It has begged for the return to the economies of supply and demand.

Well, it is just about here.

Business will be on its own.

There will be no Government to whip and to blame.

It is expected that business will accept the responsibility of the free market.

It is expected that business will not substitute private price control for Government regulation.

The average American—the elevator operator as well as the apartment-building owner, shoe-store salesman, and the chain-store operator—has been protected from runaway prices under Government control.

They are entitled to expect fair and reasonable treatment with the removal of Government control.

This is now the obligation of business.

To shirk this obligation is to betray a trust imposed on business by the removal of control.

It is to shirk a responsibility to the public and to the free enterprise system.

The removal of price control places the free-enterprise system on trial.

The American businessman has a personal and vital interest in the preservation of the American system of free enterprise, free opportunity, and free men.

His future as an independent businessman depends upon vigorous, night-and-day enforcement of the antitrust laws.

We call out, then, to businessmen like you to help us.

For it is with your continued support and assistance in enforcing our basic economic law that the American business scene will remain free from enterprise and open for opportunity.

Mr. LANGER. Mr. President, I likewise ask unanimous consent to have printed at this point in the RECORD the address by the Honorable Tom C. Clark delivered at the annual conference of the National Association of Attorneys General on the tideland oil controversy.

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

THE TIDELAND OIL CONTROVERSY

In order to understand the question which the Supreme Court is now called upon to decide, it is necessary to distinguish between three classes of land beneath navigable waters. In the first place, there are the inland waters, which include rivers, lakes, bays, and estuaries, as well as "tidelands," or the lands between ordinary high and ordinary low-water marks. Then there is the marginal sea area, which under the present international policy of the United States, is that part of the sea within 3 miles of the shore measured from the ordinary low-water mark or the seaward limit of a bay or river mouth. Lastly, there is the area seaward of the outer limit of the marginal sea, which, of course, is not involved, as such, in this controversy.

The pending suit does not involve any bays, rivers, or other inland waters, nor does it involve the tidelands. It is limited solely

to that portion of the ocean embraced within the marginal sea.

It is the contention of the Government that no State littoral to the oceans ever had or now has any proprietary interest in the marginal sea lands and therefore no State ever had or now has any power to grant rights to remove petroleum or other minerals from these lands.

The States rest their case upon the reasoning that when the original States separated from the Crown of England they became individual sovereigns, and, because the Crown at common law owned the submerged lands, the original States, as an incident of sovereignty, succeeded to such ownership. The States further maintain, to quote from the brief of attorneys general filed with the House Judiciary Committee a few months ago: "The original States did not surrender their lands beneath tidal waters and navigable waters to the Federal Government either by the Constitution or otherwise."

These propositions are fallacious as may be seen from the decision of *United States* v. *Curtiss-Wright Corp.* (299 U. S. 304). The opinion in that case points out that by "the Declaration of Independence 'the Representatives of the United States of America' declared the United (not the several) Colonies to be free and independent States"; and, quoting again, "the powers of external sovereignty passed from the Crown not to the colonies severally, but to the colonies in their collective and corporate capacity as the United States of America. Even before the Declaration, the colonies were a unit in foreign affairs, acting through a common agency * * *." Quoting again "when, therefore, the external sovereignty of Great Britain in respect of the colonies ceased, it immediately passed to the Union," and again, "* * * the Union * * * was the sole possessor of external sovereignty * * *"; "The States were not 'sovereigns' in the sense contended for by some."

As a final quotation, and one which refutes the contention of the States that the Federal Government did not acquire ownership of the marginal sea because the States did not expressly grant it by the Constitution: "It results that the investment of the Federal Government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution."

If anything is beyond doubt in this controversy, it is that the principal basis for the creation and the continued recognition of the marginal sea belt theory is the security and defense of the national sovereign. An examination of any work on international law, or of the writings of any publicist, will clearly demonstrate the correctness of this statement, so I shall not further develop the subject.

Since the development and acceptance of the concept of the marginal sea, it has been continuously identified with the external powers and national interests of the United States. This is evidenced by the numerous instances in which the executive branch of the Federal Government, in conducting our external affairs, has had occasion to reconsider the status of the marginal sea, particularly its extent, in relation to questions which have arisen between the United States and foreign nations. That such instances will continue to occur seems certain, especially since, notwithstanding the concern of the United States to maintain the principle of the freedom of the seas, there exist strong reasons for extending our territorial jurisdiction beyond the present three-mile limit.

The marginal sea having been created and continued in the field of international affairs for the reasons stated, it would seem only natural that title to the underlying lands should be in the Nation rather than in the political units making up the sovereign state recognized by other nations. Not only are the powers of our Federal Government supreme in the field of national security and defense but they are also supreme in the fields of international relations, foreign commerce, immigration, and import duties and customs. The only powers which the individual States of our Union may exercise in the marginal sea area are those of a local or municipal character as distinguished from powers in the field of international affairs. It would, therefore, seem that title to the marginal sea lands would more appropriately follow as an attribute of sovereignty of the Nation rather than as an attribute of sovereignty of the individual States.

It has been strenuously asserted by the States that the issue of ownership has been determined by the Supreme Court of the United States a great many times. It is the position of the Department of Justice that there has been no case decided by the Supreme Court where ownership of the marginal sea lands was involved.

Practically all of the cases cited in support of the States' claims pertain exclusively to inland waters. Three cases touch upon the subject in a somewhat broader manner, but are, by no means, in point upon the question of the ownership of the marginal sea lands.

In my view, there is no clear and conclusive authority which disposes of the case either way and we must therefore proceed to obtain such a determination.

May I say at this point that the established rule that States own the lands under navigable rivers and bays is in no way incompatible with the proposition that the Federal Government owns the lands underlying the marginal sea. Rivers and bays are within the physical body of a State. This reasoning, and its historical background, was made clear as early as 1793 in an opinion by the Attorney General in the Delaware Bay case (1 Op. Atty. Gen. 32).

The marginal sea, however, is governed by entirely different considerations. It is not within a State, in the physical sense, and its primary justification is the security and defense of the United States.

Of course, there are other points which are material and important to this general issue, but time limitation precludes a present discussion of them.

A number of you from inland States signed the memorandum filed with the House Committee on the Judiciary. It is thus apparent that you are concerned about the possible effect of this suit upon the beds of lakes, rivers, and bays. As I have said, the suit will have no effect upon those lands, nor will it have any effect upon titles to the beds of the Great Lakes.

My understanding is that the Great Lakes are considered inland waters and no contention has ever been made by anyone that a marginal sea exists there. The present suit, therefore, raises no question as to the title of the lands beneath the Great Lakes.

I understand that it has been suggested that we should have joined other States with California in the Supreme Court suit. In filing the action in the Supreme Court against the State of California alone, there was, of course, no intention to discriminate against that State. There are many other coastal States of the Union as well as thousands of individuals and corporations who assert claims in the marginal sea area under authority of the States. The decision of the Supreme Court, we hope, will settle the question as to all the coastal States of the Union.

Another reason we have not joined other States in the proceeding is that there is serious doubt whether under the rules relating to joinder they could be make joint parties. No other State except California is involved in the production of oil in the marginal sea off the California coast and it would appear, therefore, that no other State could be joined in an action relating to that area. On the other hand, if other areas were included in the action the State of California would not be involved as to those areas.

I have no doubt that many of the States will take advantage of the rules of the Supreme Court permitting the filing of briefs as friends of the Court. The Federal Government will welcome your assistance to the Court in that manner since its interest lies in securing a correct decision and every aid to the Court should be available for that purpose.

Regardless of whether you agree with what I have said, I hope that you are convinced that the suit which I authorized to be filed in the Supreme Court has been brought in good faith in the sincere belief that the question is still open and ought to be settled.

Mr. LANGER. Mr. President, I have received consent to have printed in the RECORD the testimony of Mr. Wendell Berge, and I call the attention of the Senate to the fact that after Mr. Berge testified before the committee of which I am chairman on the 13th day of February last, after he got through being cross-examined, after he got through admitting that for all the years he has been in the Attorney General's office as the head of the Antitrust Division not one single person has been convicted and sent to jail, he went from that office over to the office of the Attorney General and within a few hours handed in his resignation.

Mr. President, I ask unanimous consent that at this point in my remarks my separate report as a member of the subcommittee of the Committee on the Judiciary, entitled "Investigation Concerning Failure of Attorney General and the Department of Justice To Act With Respect to Alleged Irregularities in Missouri Democratic Primary Election," be printed in full.

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

[Separate report of Senator WILLIAM LANGER, member of Subcommittee on S. 116, Committee on the Judiciary, "Investigation concerning failure of Attorney General and the Department of Justice to act with respect to alleged irregularities in Missouri Democratic primary election"]

Because of the grave importance of the charges against the Attorney General of the United States reflected in this resolution, I have read the testimony with unusual care. Certain facts stand out with startling clarity. One is that the Attorney General has been terrifically burdened as an aftermath of the war. The record shows that there are about 100,000 cases a year in the Department of Justice for his supervision (record, p. 74). As a result the Attorney General must of necessity place Assistant Attorneys General in charge of the various divisions, including the criminal division which had charge of prosecuting election frauds including the Kansas City election.

The head of any governmental department is properly held responsible for the actions of his department and for the efficiency of his assistants; but, having been myself attorney general for the State of North Dakota during the period of World War I and experienced with the duties of attorney general in a single State both during and after the war, I can well understand the multitudinous and varied matters that project themselves into the office of the Attorney General of the United States.

It is with this background that we must consider the approach of the Kansas City

case to the attention of the Department of Justice. Because of the possible involvement of the President of the United States, the Attorney General must have known how highly important this election was—not only to the Republican and Democratic Parties, but to the people of the country at large. In my opinion, for such reason it would have been the part of wisdom for the Attorney General to have undertaken charge of that complaint himself rather than to have delegated the authority to an assistant, even though the latter course would have been in conformity with the usual practice. The record shows (p. 53) that the policy followed by the Attorney General was established by former Attorney General Robert Jackson on the recommendation of the Honorable Maurice Milligan, the United States district attorney at Kansas City, who himself in 1936 prosecuted the Pendergast machine for election frauds and who prosecuted Pendergast himself for income-tax violations—(record, p. 53). Mr. Milligan, under Attorney General Murphy, was responsible for the adoption of the policy which required specific authority from the Attorney General and the initiation of a preliminary investigation where vote frauds were claimed in violation of Federal statutes (record, pp. 54 and 65). The Department of Justice followed that practice in this case. In my opinion, however, for reasons stated, the Attorney General should have himself taken personal charge of this investigation. However, I can readily conceive that during these months there were many problems facing him—strikes (including the legal proceedings involving the mine workers), important litigation involving billions of dollars (such as the notable tidelands suit), lynchings in the South, serious immigration problems, important war assets investigations, claims against the Government—that he could have in all honesty felt were so important to the people that they required his general supervision to the same extent as that required by violation of civil rights statutes, including election irregularities.

From the Attorney General's testimony (record, pp. 74 and 75), he evidenced the fact that in his judgment this case should be handled as any other regardless of the individuals or personalities involved.

In addition to the foregoing, the State of Missouri was undertaking a serious investigation of its own through the county grand jury which returned indictments against 78 persons because of these self-same election irregularities. Criticism has been leveled at the Attorney General because the Department of Justice did not step in and seize the ballots, some of which were stolen. Had he done so, the charge might well have been made that the Department of Justice was trying to get physical possession of the ballots for sinister purposes by impounding them and preventing their use by the county grand jury.

The Attorney General did order the Federal Bureau of Investigation to make a preliminary investigation; and unquestionably that being a preliminary one was subject to the same type of instructions as had been given in all other election cases. The testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation, so states. (Record pp. 50–55). Here are his words:

Mr. HOOVER. No. I would not consider that in any way out of line, because that has been the practice in practically all of the preliminary investigations of election frauds. We have received many cases where they outline specifically whom to interview and exactly what steps we are to take.

"Senator FERGUSON. Under these instructions?

"Mr. HOOVER. Under these instructions. That is correct."

In a communication of June 18, 1947, addressed to the subcommittee, Mr. Hoover has set forth his views specifically. His impartiality and integrity are well known to all the Senate and to the American people. He would know better than perhaps any other whether there was partiality or favoritism or deliberate disregard of duty on the part of the Attorney General of the United States. He states in his letter, "I think that in all fairness both to the committee and to the Attorney General, I should elaborate upon the specific items which appear to be in issue." He says, "The fact that we were ordered to make a preliminary inquiry in this case was not unusual. In the summer of of 1941 Mr. Maurice Milligan, who you will recall prosecuted the original Kansas City vote fraud case in 1936, as a special assistant to former Attorney General Robert H. Jackson instituted the policy that unless advised to the contrary in election fraud cases, preliminary inquiry was to be made only upon Departmental instructions, after which the facts were to be submitted to Departmental attorneys who would study the facts for decision as to further action. This same policy is followed in other classes of cases." He further states, "I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department of Justice, I have had the opportunity of working with him in innumerable cases and I am glad to state that he has not in any way taken any action to prevent any investigation being conducted to its logical conclusion."

In determining whether more investigations should be undertaken, let us look at the record. At the present time there have been instituted the following investigations in the Fifth Congressional District in Kansas City, Mo.:

1. An investigation by the Kansas City Star with two experienced reporter-investigators and over 30 assistants. They have interrogated more than 8,000 people.

2. An investigation by a committee of the House of Representatives.

3. An investigation by the grand jury of Jackson County, Mo., which has returned 78 indictments.

4. An investigation under the direction of Richard K. Phelps, who was a former United States attorney in the western district of Missouri, and was chief assistant to Maurice Milligan in the prosecution of the Kansas City vote fraud when 250 persons were convicted.

5. A Federal special grand jury has been summoned to inquire into this matter. This committee has already taken the testimony of J. Edgar Hoover, Director of the Federal Bureau of Investigation; Daniel Milton Ladd, Assistant Director; Attorney General Tom C. Clark; Sam M. Wear, United States attorney, Kansas City, Mo.; Albert J. Reeves, Albert Ridge, J. Collett, all United States district judges for the western district of Missouri; and Allen Stokka, an employee in the office of Senator KEM.

It is difficult to overemphasize the importance of maintaining our elections free from fraud and corruption. However, I cannot in good conscience hold that the foregoing will not fully insure adequate protection of all civil rights, including those guaranteed under our Federal constitutional statutes to our citizens.

I can therefore see no need for further expense and effort.

I have always favored State law enforcement where the interests of the citizens could be adequately protected.

In addition, I have the strongest belief in the integrity and the honesty of the Attorney General of the United States. All of the testimony presented in this record has not changed that opinion. Had his work allowed it, I believe that he could have better served the people by giving more of his personal attention to the direction of this matter, but I can better understand his difficulty in not so doing considering the other burdens he bears in the performance of this high office, especially in these unusual times.

I have never willingly confused criticism of a man's judgment with questioning his integrity.

I think that at no time in our history is it more important to refrain from unjust criticism, especially involving charges of lack of integrity, than today. Not only do I feel that another investigation added would produce no good; I fear it would do harm. There are stern duties facing the Attorney General of the United States in protecting the people from other wrongs. I refer particularly to protection against plundering cartelists, racketeers, and their brethren.

The Attorney General some months ago brought to his side a new Assistant Attorney General, John F. Sonnett, who has announced for the first time since the passage of the Sherman Antitrust Act of 1890 that corporations and individuals that violate the antitrust laws are going to be arrested and prosecuted in the same manner as other criminals. This, to my mind, is one of the very important duties resting upon the Department of Justice. It has been the failure of all Attorneys General, Republican and Democratic, since 1890 to sternly enforce antitrust laws and to seek terms in prison for those involved therein. This lack of law enforcement has led to abuses in the formation of billion-dollar trusts, cartels, and monopolies.

These for a long period have borne down and burdened the American people. Never was it more important than today that these antitrust laws be rigorously and effectively enforced. We owe this to all our citizens, to the veterans returning from the war, to start businesses of their own, and to others who have suffered by having competition stifled in private enterprise to such an extent that it has made it almost impossible for a small businessman to hope to compete with these vast aggregations of wealth. If our entire way of American life is to be preserved, these duties must be performed, and I have full confidence that the Attorney General will carry them out faithfully, vigorously, and effectively. It is strange, indeed, that immediately after he, for the first time in the history of the United States as Attorney General, announced that these monopolists and cartelists would be prosecuted and jailed when found guilty that he should be harassed by an investigation of this type. Nothing would give more comfort or more smug satisfaction to the heads of these giant cartels and combinations than to see the efforts of the Attorney General of the United States thus diverted from them, while they continue their practice to the detriment of millions of wage earners and millions of housewives trying to squeeze out an existence on a budget rapidly diminishing from day to day.

There are many people, according to the views expressed by the Senator from Nevada, who will feel that a continuation of such investigation and pressing of these charges are political, and that those that make them have an eye to the election just around the corner; that they are made more to influence election results than to contribute to the common welfare of the people.

The Attorney General has demonstrated that he is no respecter of persons, parties, or groups.

He has proved his mettle. Witness his impartial record, whether sending prominent men of his own party to jail or battling for the common people by sternly enforcing all laws, civil and criminal, whether saving billions of dollars in oil lands or protecting the rights of the humblest citizen, regardless of race, color, or creed.

Finally, other issues facing us are of such vast importance, the people of the United States expect the undivided attention of their Senate to solve them. With the whole world prostrate, with the eyes of millions of starving people in other countries looking anxiously and hopefully to us for help and guidance, with the President of the United States confronted with one bewildering public problem after another, with the whole system of economy and our way of life being challenged here and abroad and perhaps being weighed in the balance—in these very critical days, I cannot faithfully under my oath ask this Government to expend its energy, time, and money on an investigation of this sort.

If we ever could have risked the danger of being charged with playing politics—even risk the danger of being suspected thereof—we cannot do so now. The perilous times in which we live demand nothing less than our very best. We are compelled by a common interest of survival to stand shoulder to shoulder and make our Government succeed. We certainly must not discourage those bearing these heavy burdens. For such reasons, I regret—very sincerely regret—the necessity of differing with one of my colleagues in voting against this resolution.

WILLIAM LANGER,
Senator from North Dakota.

Mr. LANGER. Mr. President, I ask unanimous consent that the letter of J. Edgar Hoover, a man in whom I believe the people of America have as much confidence as in any other man, originally addressed to my distinguished colleague, the junior Senator from Michigan [Mr. FERGUSON], be printed in full.

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

DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATIONS,
Washington, D. C., June 18, 1947.

Hon. HOMER FERGUSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Since reviewing my testimony before your committee of the Kansas City election situation, comments have been made indicating that portions of my testimony have been misinterpreted and I think that in all fairness both to the committee and to the Attorney General, I should elaborate upon the specific items which appear to be in issue.

As you will recall, the departmental instructions ordering the preliminary inquiry specified specific persons to be interviewed and stated that in addition other employees of the Kansas City Star were to be questioned. As I pointed out in the latter part of my testimony, the some 30 Kansas City Star investigators were not interviewed inasmuch as we had secured their statements from other employees of the Kansas City Star and it was not believed by the agents conducting the inquiries that any purpose would be served in personally contacting these investigators whose statements were incorporated in our report. However, at the very beginning of my testimony, I indicated to the Committee that we had interviewed only the specified persons and had not gone beyond this inasmuch as we were not instructed to do so. As indicated, this was later clarified and the testimony as revised, deleting the phrase "and no one else" on page 58, and the phrase "we were not told to interview them" on page 66 expresses the true facts in the matter.

The fact that we were ordered to make a preliminary inquiry in this case was not unusual. In the summer of 1941 Mr. Maurice Milligan, who you will recall prosecuted the original Kansas City vote fraud case in 1936, as a special assistant to former Attorney General Robert H. Jackson instituted the policy that unless advised to the contrary in election fraud cases, preliminary inquiry was to be made only upon departmental instructions, after which the facts were to be submitted to departmental attorneys who would study the facts for decision as to further action. This same policy is followed in other classes of cases.

With regard to the Mumford memorandum referred to before the committee, I wish to advise that I used the word "restricted" in my longhand note on the memorandum as a definitive term of my own to determine whether the Bureau's inquiry had been limited to specified interviews. I did not intend my inquiry as an indication that I had any question in my mind that an ulterior motive had actuated the Attorney General or the Department of Justice with respect to the scope of the preliminary inquiry ordered under the established policy.

I think in all fairness I should make the observation that in the years the present Attorney General, Tom C. Clark, has been associated with the Department of Justice, I have had the opportunity of working with him in innumerable cases and I am glad to state that he has not in any way taken any action to prevent any investigation being conducted to its logical conclusion.

I trust that the foregoing may be helpful to you and the members of your committee in clarifying any misinterpretation which may have arisen with respect to my testimony.

With expressions of my highest esteem and kind personal regards,

Sincerely yours,

J. EDGAR HOOVER.

SUGAR QUOTAS

Mr. CHAVEZ. Mr. President, I have taken very little time of the Senate. I feel that I should impose on the Senate only when I have something to contribute in the way of information. However, there is in certain pending legislation something which has been bothering me. I beg the indulgence of the Senate for only a few brief moments while I make a short statement of what I have in mind.

Mr. President, directly the Senate will consider either House bill 4075 or Senate bill 1584. The bills are better known as Sugar Acts of 1948. In general the overall objective of the proposed legislation would be effectuated through the establishment and use of quotas under which the United States market would be divided among the various domestic sugar producing areas and certain foreign producing areas which have historically supplied the domestic market. I have no hesitancy whatsoever in telling the Senate that I feel that the general objectives of the proposed legislation are correct and that such a measure should be enacted into law as soon as possible. However, there is one new provision in the bill which I feel has no place at all in this class of legislation. The main purpose of the legislation is the stabilization of the sugar industry for the next 5 years. Specifically referring to the provision which I have in mind, I call attention to section 202 of the proposed law, subsection (e), which reads as follows:

SEC. 202 (e). If the Secretary of State finds that any foreign country denies fair and equitable treatment to the nationals of the United States, its commerce, navigation, or industry, and so notifies the Secretary, the Secretary shall have authority to withhold or withdraw any increase in the share of the domestic consumption requirements provided for such country by this act as compared with the share allowed under section 202 (b) of the Sugar Act of 1937: *Provided*, That any amount of sugar so withheld or withdrawn shall be prorated to domestic areas on the basis of existing quotas for such areas and the Secretary shall revise such quotas accordingly: *Provided further*, That the portion of such amount of sugar which cannot be supplied by domestic areas may be prorated to foreign coutnries other than a country which the Secretary of State finds has denied fair and equitable treatment to nationals of the United States.

When I first read the language of section 202, subsection (e), I wondered why the Committee on Agriculture on the House side or the Committee on Finance on the Senate side put in a provision that is political in its nature and has nothing whatever to do with the stabilization of the sugar industry; hence, I went to the reports accompanying H. R. 4075 and Senate bill 1584. In the general statement in one report I find the following explanation:

Section 202 (e) is a new provision under which the Secretary is authorized to withhold or withdraw any increase in the quota for any foreign country over that provided for such country under the Sugar Act of 1937 upon a finding and notification by the Secretary of State that such ccuntry denies fair and equitable treatment to nationals of the United States, its commerce, navigation, or industry. In the event that any quota, or any portion thereof, is withheld or withdrawn pursuant to this section the amounts so withdrawn are to be allocated proportionately among the domestic-producing areas, and if the domestic areas are unable to fulfill such amounts so allotted by the Secretary to foreign countries which do not deny fair and equitable treatment to nationals of the United States.

It has been brought to the attention of the committee that there have been instances where nationals of the United States have been unable to collect pecuniary claims from foreign governments notwithstanding the fact that, in many instances, the validity of such claims has been acknowledged by, or adjudicated in the courts of, such foreign countries.

It is the intent of the committee—

That is the Committee on Finance on the Senate side, and the Committee on Agriculture on the House side—

that the nonpayment of valid claims which have been adjudicated or acknowledged by foreign countries shall constitute unfair or inequitable treatment within the meaning of section 202 (e). Representatives of the State Department appearing before the committee concurred in this construction of the language of section 202 (e).

It does not say that they agreed on the policy of the language, but that they concurred in the construction of the language of section 202, subsection (e).

From this explanation it appears that the committees handling the legislation have gone into international politics—in this instance to such an extent that I believe it would be to the interest of the Senate and the world at large that I make a brief comment on what I feel will be the reaction throughout the world, and especially in Latin America. If section 202, subsection (e) is allowed to stay in the bill and it becomes the law of the land I am afraid the good-will policy will go out the window, or at least our sincerity will be doubted. No one can take issue with the committee that foreign

governments should pay their just debts, and whatever country the committee had in mind in this instance should be no exception. However, a country such as ours, now leading the world, having fought two wars in order to protect the dignity of the nations and people of the world, should not use coercive or compulsory legislative methods to obtain results that can be obtained as well with dignity and justice and with the sincerity of purpose that this country has shown Latin America for years.

Long ago this country announced the sound idea that it was opposed to the use of force, be it military or economic, to obtain the payment of claims or debts. In the not far distant past England and the then Germany tried to use naval and military force to collect debts in Venezuela, and an American President and an American Secretary of State told those two countries that the United States would not tolerate such action.

For many years, what was known as dollar diplomacy seemed to be the policy that prevailed, especially in Latin America, but thank goodness that we had such Secretaries of State as Elihu Root and Cordell Hull who decided correctly that that was not the way in which a big country, such as ours, should deal with its neighbors. Hence, the good-neighbor policy came into being; and it has been a good-neighbor policy. Our standing in Latin America has been improved to such an extent that when this country found itself at war, practically every nation in this hemisphere, large or small, rich or poor, declared war against our common enemy and contributed what little it had for a common purpose. In this land, when we are preaching to and convincing the world as to our sincerity of purpose, when we want the basic rights of every nation in Europe, Asia, or elsewhere to be respected, are we now going to use arbitrary legislation and act in a unilateral manner in deciding justice? That is contrary to all our concepts of dealing with other nations. Whatever claims there are, be they pecuniary or otherwise, can be adjudicated by dealing with the nation affected in a correct way, but not by using the power of might against the other country's welfare. This action, in my opinion, not only violates the good-neighbor policy but it is contrary to all of the resolutions, conventions, declarations, and principles that have been adopted and subscribed to by the countries of the Western Hemisphere, including our own. It is a serious matter, fellow Senators, more serious than can be visualized at the moment. That section gives aid and comfort to whatever enemies we might have in any place in the world.

During the discussion of the tax bill I heard our minority leader make an impassioned speech to sustain the President's veto. He told us of this Nation's noble efforts, to which I subscribe, in trying to lead the world into peace, self-respect, and dignity amongst nations. He indicated that he was worried because there might be a different philosophy prevailing in other parts of the world.

Keep section 202, subsection (e), in this bill and let it become law and it will become the subject of the most vicious propaganda in the Western Hemisphere that we shall ever see. This section will undermine any visit by public officials, or any conference, be it held in Buenos Aires, be it held at Rio, be it held at Washington, or be it held in Chapultepec.

In 1936 there was a conference held at Buenos Aires which was called a "Conference for the Consolidation of Peace." The fundamental principle reached at that conference was included and ratified in the Act of Chapultepec in 1945. The conference at Chapultepec was attended by the then chairman of the Committee on Foreign Relations of the Senate [Mr. CONNALLY] and the former Senator from Vermont, our good friend, former Senator Austin.

Purposes and conclusions reached at Chapultepec were good will and hemispheric solidarity.

But under the proposed Sugar Act by the section that I have referred to, we do away with all of those sound principles and tell a foreign country we shall forget open conciliations and forget unrestricted arbitration or the application of international justice. We are not going to let the other country have her day in court. We shall be claimant, judge, jury, and executioner.

I do not know the claims that American nationals have against foreign countries, with the exception that I know some constituents in my home State have some Russian bonds and they cannot get a dime. I say, with the exception of Finland, European countries have paid us very little on account of World War I. Any country in Latin America or elsewhere that owes money to American nationals should pay them. Those countries possibly owe their own nationals more than they owe foreign nationals. Is it proper, is it right, is it in keeping with what we are trying to do for the world, to force any country by unilateral law to pay claims which we, acting alone, say must be paid or else? Will we be consistent if we include section 202 subsection (e)?

I want the Senate to think it over seriously. I want it to think it over when we make another loan to Greece, or to Turkey, or to England, or to Holland.

If this provision is included in the bill it is my opinion that there will be no need for a Rio conference. Countries will say, "Now you do it to sugar, next it will be copper, then lumber, then manganese, and then will come hides, quinine, sugar or coffee." Yes, I want each and every country to pay the debts that they owe the nationals of this country but I do not want my country to go back to the idea of "dollar diplomacy" to collect such debt. I do not think that American people want it done that way. Let us do it with dignity and self-respect, and be worthy of respect and might.

Can might be right?
Then tear the page from our Columbia's story
Of heroes dead of every age
Who died to weave her glory.

Let us think this over before we let this section stay in the proposed legislation.

Mr. MILLIKIN. Mr. President, I have great respect for the opinions of the distinguished Senator from New Mexico [Mr. CHAVEZ]. I do not regard this as an appropriate occasion on which to debate the sugar bill, but I assure my colleagues that the matter will be fully set forth and, I feel, fully justified when we reach the debate on the subject.

ORDER OF BUSINESS

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHITE. Mr. President, I understand that the pending business is the calling of the calendar?

The PRESIDENT pro tempore. The Senator is correct.

Mr. WHITE. If the Senate should now recess, would the calling of the calendar still be the pending business on the assembling of the Senate tomorrow?

The PRESIDENT pro tempore. It would be.

CONTINUATION OF PREMIUM PAYMENTS FOR COPPER, LEAD, AND ZINC

Mr. McCARRAN. Mr. President, I am advised that this afternoon the House of Representatives passed House bill 1602, providing for the continuation, for a period of 2 years, of premium payments for copper, lead, and zinc. The Congress cannot afford to adjourn until it has assured that this Nation will be amply protected by having made available to it from the world the all-essential metals—copper, lead, and zinc. The subject was covered in a bill which I had the privilege of introducing some months ago and which has been pending before the Committee on Public Lands. It is a companion bill to the one introduced by the brilliant young Representative from Nevada, CHARLES RUSSELL, in the House of Representatives. I am now advised that the House has passed a somewhat different bill from the Russell bill which I introduced in the Senate. Be that as it may, I am very much in favor of the immediate passage of the House bill. I hope that we may have from the Committee on Public Lands speedy action on the House bill, so that the Senate may have before it that bill before it adjourns and that we may be sure, in this hour of world trouble, that there will be an ample supply of the all-essential metals covered by the legislative measure.

Mr. HATCH. Mr. President, the Senator from Nevada [Mr. McCARRAN] just requested a statement, as I understood him, from the Committee on Public Lands. The Senator from Colorado [Mr. MILLIKIN] is in the Chamber, and I hope that he will make a statement on the subject.

Mr. MILLIKIN. Mr. President, the senior Senator from Nevada [Mr. McCARRAN] spoke of the urgency of premium price legislation relative to copper, lead, and zinc. I am very happy to say that the policy committee of the majority side has listed that proposed legislation as among the legislative matters which are at all events to receive action. I am assured by the chairman of the Subcommittee on Mines and Mining of the Public Lands Committee that the measure which has come from the House will

be processed promptly and will be reported to the Senate promptly. So I feel that we shall have action taken on it in the immediate future.

Mr. HATCH. Mr. President, judging from what the Senator from Colorado has said, I think we may count upon it as a certainty that action will be taken on this matter before final adjournment.

Mr. MILLIKIN. So far as I can see, action will be taken on it before adjournment.

Mr. McCARRAN. Mr. President, I am indeed happy to hear the Senator from Colorado state that the bill to continue the premium prices on copper, lead, and zinc will receive or has received attention from and by the Committee on Public Lands.

Let me say that my interest in that action is extremely serious because this country may at this very moment be in a position when it will be called upon very shortly to utilize all its natural resources and facilities, and certainly there is nothing more important for the defense of a nation than copper, lead, and zinc. Therefore, both Democrats and Republicans who are looking to the national defense should see to it that there is encouragement for the production of these metals here at home.

MANAGEMENT OF RESTRICTED LANDS OF THE CROW TRIBE

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents," which was to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, any Indian who is the owner of an allotment or of other trust or restricted land under the jurisdiction of the Crow Indian Agency in Montana, after filing notice of intention with the superintendent or other officer in charge of the Crow Indian Reservation, may lease without restriction, and collect the rentals therefrom, except as specified in this act, any part of his allotments for farming or grazing purposes: *Provided, however,* That this authority shall not extend to any Crow Indian who has pledged the income from such land or has executed a power of attorney or other authorization for the leasing of such lands and the application of the income therefrom in consideration of a loan from the Crow Tribe of Indians or the United States: *And provided further,* That the provisions of this act shall not repeal or modify any of the provisions of the act of June 25, 1946 (Public Law 441, 79th Cong., 2d sess.).

SEC. 2. Lands or interest in lands belonging to more than one Indian through inheritance or otherwise may be leased by the holder or holders of a majority in interest, but any such lease shall provide that the holders of any interest therein shall receive their proportionate share of the total compensation. Leases of inherited and devised allotments or other restricted lands may be made by the superintendent when (a) the heirs or devisees of the deceased owners have not been determined, (b) when the land is not being used by any of the heirs or devisees and the heirs have not been able within a 30-day period to agree upon a lease, and (c) when there exist claims for indebtedness against the land allowed by the Secretary of the Interior.

SEC. 3. Lands or interests in lands belonging to minors or to persons non compos mentis may be leased or permitted by the parent, legal guardian, or natural guardian.

SEC. 4. All leases and permits authorized by this act shall be made on forms approved by a majority vote of the Crow Tribal Council, and shall be effective and valid only after they have been recorded at the Crow Indian Agency.

SEC. 5. The Secretary of the Interior is authorized and directed with the consent and approval by a majority vote of the Crow Tribal Council to make rules and regulations for the purpose of conservation, including the operation and management of grazing units on the principle of sustained yield, the limitation of the number of livestock to the estimated carrying capacity of the designated range units, the full utilization of the range, the prevention of soil erosion, and like purposes. To carry out these purposes, the Secretary of the Interior, or any officer designated by him, is hereby authorized and directed to establish on the Crow Indian Reservation land use districts, zones, or units: *Provided,* That 65 percent in acreage of the Indian landholders within such district, zone, or unit shall consent in writing to the establishment thereof for a specific term not to exceed 10 years. All leases or permits within any such district, zone, or unit authorized by this act shall specify the district, zone, or unit in which the leased or permitted lands are located, and no such lease or permit within any district, zone, or unit shall be valid for any purpose or use except as authorized in the designation of the district, zone, or unit.

SEC. 6. The Secretary of the Interior or his designated representatives, after the establishing of any such district, zone, or unit, is authorized and directed to issue permits on range units with the consent of the majority of landowners in interest in such district, zone, or unit, after public advertising for competitive bidding. The permittee shall make payment of grazing fees direct to landowners who are authorized to receive direct payments by this act. If any Indian owners of lands or interests in land shall fail or refuse to authorize the issuance of a permit on his land to the successful bidder, the permittee shall pay to the Superintendent of the Crow Indian Agency for the credit of the landowner grazing fees at the rate established for the unit by a vote of the majority of the Indian landholders within said district, zone, or unit: *Provided,* That nothing contained herein shall preclude an Indian landowner within such district, zone, or unit from using his own land and supplementing thereto by leasing additional lands for all grazing purposes.

SEC. 7. No lease or permit authorized by this act shall be made for a longer term than 5 years.

SEC. 8. All leases made pursuant to the provisions of this act shall not be transferable or subject to assignment or subleasing, except with the consent of the Indian lessee. No permit made pursuant hereto shall be transferable or subject to assignment without the consent of a majority of the Indian landowners within the area covered by the permit sought to be transferred or assigned.

SEC. 9. All leases under this act shall be recorded at the Crow Indian Agency, and shall be subject to public inspection during the regular hours of the said agency.

Mr. BUTLER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses 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. CORDON, Mr. ECTON, and Mr. HATCH conferees on the part of the Senate.

INTERSTATE TRANSPORTATION OF BLACK BASS AND OTHER GAME FISH

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 682) entitled "An act to regulate the interstate transportation of black bass and other game fish, and for other purposes," which was, on page 6, in line 2, to strike out "purposes.", and insert:

purposes.

SEC. 10. The provisions of this act as relating to game fish shall not apply to steelhead trout (salmo gairdneri) legally taken in the Columbia River between the States of Washington and Oregon.

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

The motion was agreed to.

THE DREDGE "AJAX"

Mr. MAGNUSON. Mr. President, on July 17, 1947, the Senate passed Senate bill 885, dealing with the dredge *Ajax.* That bill thereupon was transmitted to the House of Representatives. On yesterday, the House, instead of acting on the Senate bill, passed its own bill, House bill 4229, which was transmitted to the Senate today.

I ask unanimous consent that House bill 4229 be read twice, considered, read the third time, and passed.

There being no objection, the bill (H. R. 4229) to provide that the Canadian-built dredge *Ajax* and certain other dredging equipment owned by a United States corporation be documented under the laws of the United States was read twice by its title, considered, read the third time, and passed.

THE VETO OF THE TAX BILL

Mr. MYERS. Mr. President, those sitting in the galleries who listened to the debate last week on the President's veto of the tax bill must have thought, as they heard the speeches made by Senators who advocated that the veto be overridden, that our whole economy would be endangered if the tax bill did not become law.

A recent editorial which appeared in one of Pennsylvania's great metropolitan dailies, the Pittsburgh Post-Gazette, gave a complete answer to such fallacious reasoning. This editorial demonstrates the exact contrary to be the fact, and contends that the veto was dictated by realities at home and abroad. The editorial also expressed the hope that the veto would be sustained, and it very effectively pointed out the folly of cutting taxes when we are engaged in an ideological war with the totalitarian power of eastern Europe.

But more important is the answer which the editorial gives to the threat that there will be no foreign relief unless there is tax relief. The answer of the

Post-Gazette to this serious threat is as follows:

Perhaps the most alarming fact about this do-little Congress is its unawareness, for the most part, of the nature and scope of the world problem and our relation to it. Thus, we are sickened to hear of a growing sentiment in the House that without tax relief there will be no foreign relief. No more dangerous assault than this could be made on our national security.

Mr. President, I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

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

THE TAX BUNGLE

President Truman's veto of the second tax bill should not have surprised anyone. He had no reason to change his stand of 1 month ago that the Republican measure was "the wrong kind of tax reduction at the wrong time."

The Republicans can be expected to make election capital of the President's twin-tax vetoes. But their case is thin. From the first, this bungling Congress seized on the budget with political thoughts uppermost. Before studying where cuts might reasonably be made, the House talked about slashing six billions and the Senate four and a half.

But, to the present, Congress has been able to reduce the total budget by only a small fraction—and even this amount is likely to be canceled by redemption of veterans' terminal-leave bonds. With little regard for the public debt and with no regard for our commitments in Europe under the Marshall plan, Congress have twice plunged ahead with tax relief which, if we are to look to our best interests, cannot now be.

The latest Falk foundation-sponsored report on the national debt notes: "Practically all schools of thought agree that the time to reduce debt is when business and employment are active and national income is high. * * * Moreover, debt retirement in times of prosperity tends to act as a break upon overexpansion and inflation. By both of these tests we should be reducing the debt now. Under today's conditions the rules of sound debt management require a resolute paring down of Government expenditures and giving debt retirement first call on budgetary surpluses."

This last is the point: Congress has done anything but resolutely pare down Government spending. Indeed, it has been so busy counting its unhatched tax chickens that today, with adjournment 1 week away, only 4 of 12 departmental money bills have been approved.

Certainly a sensible approach to the tax problem would include a study of the sprawling executive branch, with a view to its reorganization, and a rigid adherence by Congress to the principle of adjusting taxes to expenditures. Most of all, during this boom period, any surplus should go first toward retiring the debt.

Outstanding in both bills, however, was the almost suicidal folly of cutting taxes at a time when we are engaged in an all-out political war with Russia. We have grasped the nettle of a divided Europe, and at our urging 16 nations on the continent are now studying their needs and assets.

We have pledged to aid them in their efforts to rebuild themselves. We have done so for the enlightened purpose of restoring that healthy trade on which our own prosperity depends, and in order to avoid paying billions upon billions in the future as the price of having now abandoned Europe to the Soviets.

Perhaps the most alarming fact about this do-little Congress is its unawareness, for the most part, of the nature and scope of the world problem and our relation to it. Thus, we are sickened to hear of a growing sentiment in the House that without tax relief there will be no foreign relief. No more dangerous assault than this could be made on our national security.

Mr. Truman's latest tax veto was dictated by realities both at home and abroad. Apparently, the little men in the House, who voted to override him, cannot see this. Happily, there are enough big men in the Senate, where the veto was sustained, who do see it.

NEEDS OF THE NAVAJO INDIANS

Mr. WATKINS. Mr. President, I have prepared for delivery an address on the needs of the Navajo Indians, and I had hoped to deliver the address in this Chamber, for the information of the Senate. However, I do not wish to take the time of the Senate to deliver the speech; and therefore I ask unanimous consent to have it incorporated in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. It will be printed in the RECORD as a statement, if there is no objection.

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

SPEECH OF ARTHUR V. WATKINS ON NAVAJO INDIANS

On the first day of June in 1868, the Government of the United States made a peace treaty with the Navajo Indians. This treaty specifically obligated our Government to assist the Indians in making economic and social adjustments in an area which the United States willingly conceded to them. Prior to the ratification of this treaty, we had gradually forced the Navajo Indians into an area comprising approximately 15,000,000 acres located in Arizona and New Mexico and Utah. The great proportion of the Navajo people live in New Mexico and Arizona, a small number are living in the State of Utah. The land on which they now live is the most seriously eroded section of land of its size in the United States. The area, however, is beautiful, and constitutes a tourist's paradise. There are some mountains, but most of the country is a colorful, unproductive desert land.

I regret that this group of original Americans has been the object of carelessness on the part of the United States Government. During the past 15 years, conditions among the Navajos have consistently deteriorated from year to year. During the time we were engaged in a great drive to make people of the world believe we were working for the common man, we were unwittingly starving people in our own midst.

The promised assistance to the Navajo Indians has never completely been forthcoming from our Government. If economic readjustment programs now under way among foreign people are as ineffective as has been our rehabilitation of the Navajo Indians, we will never adequately solve our problems.

I have listened to a great many pleas within the Senate that have indicated the great need for assistance to people in other parts of the world. Furthermore, we have many organizations in the United States devoted principally to securing aid from this country for respective groups suffering difficulties in other parts of the world. Let me make myself clear—I am in favor of our doing everything we can to aid other people insofar as such aid is effectively administered and does not unduly undermine the economic system of this country.

Today I want to leave with the Senate a statement concerning the Navajo people, who are still "half citizen, half foreign" and are so economically and socially poor that their ranks are torn by disease, malnutrition, and educational deficiencies.

SUBSTANDARD ECONOMIC ENVIRONMENT

It should be kept in mind that substandard economic environment has made it impossible for the great majority of the Navajo tribal members to provide the necessities of life. The average income in 1940 for the Navajo people was about $82 per person, compared with a national average of almost 10 times as high. In 1944 Navajo income had increased to almost $200 per person. I am informed, however, that average income is now declining as we enter the postwar era. Many Navajo men who served in the armed forces and worked in war plants are now returning to the reservation. Employment conditions on the reservation are such as to make it impossible to absorb the available manpower.

TUBERCULOSIS IS RAMPANT

With further reference to the plight of the Navajo Indians, permit me to call your attention to the fact that 3,000 to 4,000 Navajos have tuberculosis—that is eight times the tuberculosis rate found in the United States generally. There is only one tuberculosis sanatorium operating on the reservation, with a capacity of 100 beds.

HIGH INFANT MORTALITY

Infant mortality for the United States is 44 per 100,000 population, and 110 for all Indians. The Navajo infants die at the rate of 318 per 100,000, or eight times that of the United States' average. Over one-half of all Navajo deaths occur among children under 5 years of age.

Let me quote from Facts About the Navajos, 1947, by George A. Boyce, Director of the Navajo schools:

"Eye defects, defective hearing, venereal disease, and other physical defects run very high. Measles and other epidemics sweep the schools frequently. Among preschool age children, measles often runs into penumonia or other serious complications because temperatures run up to 105 degrees and home care of the sick is very poor. Only one hospital has isolation facilities for diseases. People sick in their hogans have not a single field doctor or nurse.

"Cases of diphtheria, smallpox, and typhoid fever which are preventable, break out intermittently. Because of the limited medical service, only a small percentage of the people is able to get immunizations.

"In the reservation schools, there are about 4,500 children in attendance but only one school has a nurse. When the children get sick, the teachers do the best they can in providing nursing care.

"The Navajo Tribe employs one dentist. The Government employs one dentist full-time and one part-time for the Navajo country. This is less than three dentists altogether for 55,000 persons spread over 30,000 square miles .

"Since 1941, five of the small hospitals on the Navajo have been closed. Five of the remaining six hospitals have only one doctor. Consequently, thousands of Navajos are a hundred miles from the nearest doctor. This is too far to go except for broken bones or extremely serious illness, and often there is not room after the patient gets there.

"In short, the Navajo people are among the sickest in the Nation, with the least amount of medical service. A sick people cannot be a productive people. Much remains for the Government to do in providing health education, in reducing preventable disease, in reducing the infant mortality, and in protecting both the Navajo people and the surrounding public from tuberculosis and other contagious diseases. More doctors and nurses are desperately needed for this task."

NO FEDERAL OR STATE ASSISTANCE

The Navajo Indians do not receive Federal or State assistance under the Social Security Act either in Arizona or New Mexico. No institutions exist for the care of delinquents, the crippled, the deaf, blind, or otherwise handicapped persons. There is no State or Federal aid for dependent children and consequently many orphans and other dependend children are very seriously neglected. The Navajo people have about half enough to eat and their diet includes pinion nuts, wild peaches and home-grown products.

DIET LESS THAN 1,200 CALORIES

It is estimated that the individual diet averages less than 1,200 calories daily. The cost of food consumed would total about $1 per week per person. Many Navajos have less than this amount upon which to live. Consequently, they have the highest death rate in the United States.

There are over 55,500 Indians living in an area suitable to support slightly over one-half of that number. There are very few settlements in the Navajo country; consequently it is difficult to locate schools and it is a problem to get the children into schools. The Navajos are a sheep-raising people and therefore must follow the flocks over the grazing land. They move from summer to winter hogans about every 6 months. This mobility makes the location of 9-month day schools difficult to determine. At the present time boarding schools appear to be the answer to this problem.

DENIED RIGHT TO VOTE

Incidentally, and extremely important in my mind, is the fact that Navajos, including some 3,000 returned veterans, are denied the right to vote both in New Mexico and Arizona. The denial of voting rights rests on wardship, literacy, and tax regulations.

I briefly point out the economic position of the Navajos inasmuch as their poverty is a disgrace to the American people and is the cause of impaired health and subjects them to a very inadequate educational system. The Navajos economy is not one that makes easy the solution of the school and health problem.

FAIL TO LIVE UP TO TREATY

Under treaty obligation, the United States Government agreed to provide 1 teacher for every 30 Navajos of school age and to construct necessary plant facilities. The extent to which we have failed to live up to this agreement is apparent when we note that present educational facilities care for approximately 6,500 Navajos out of a potential school attendance of 20,000 Navajo children of school age. The total estimated capacity of Federal schools is slightly over 5,100. Missions and public schools bring the total capacity for Navajos to about 6,500 pupils. Thus, 13,500 Navajo children cannot attend school. I am informed that there are 47 Navajo schools, but at the present time over 12 of these are closed down.

ILLITERACY IS HIGH

A few more figures will show that the Navajo area is one of the dark spots in America insofar as education is concerned. Illiteracy is very high. Seventy-five percent of the Indians on the reservation cannot read or write. Compare this condition with Negro illiteracy of 16.1 percent; foreign-born whites 9.9 percent; and the native white illiteracy of 1.5 percent. The median number of years of school completed by all persons in the United States is 8.4, while Navajos probably average 0.9 of 1 year.

Information available indicates that there has been very little expansion in Navajo school capacity during the 10-year period ending in July 1946. Likewise, the average daily attendance in schools has not shown any great variation for the past 10 years, although the number of children of school age is growing rapidly. During the 1945–46 year, the Federal Government day and boarding schools on the reservation had a combined enrollment of 4,720 pupils. Federal Government day and boarding schools off the reservation reported 388 enrollees. Mission schools on and off the reservation enrolled 777 Navajo pupils. State schools were providing educational services for approximately 650 pupils.

From the limited information I have presented, it is apparent that within the confines of our own country exist a people whose needs are equal to and surpass the needs of many foreigners for whom we hear so many eloquent appeals.

The total amount available for all Navajo activities in the fiscal year ending 1945 exceeded $10,000,000. This amount includes earned Navajo income, as well as gratuity grants from the Federal Government. Nevertheless, as has been indicated, the Navajo per capita income is critically inadequate.

FEDERAL EXPENDITURES FOR EDUCATION

Let me present a year by year report of expenditures on the Navajo Reservation for education over the past 10 years as reported by the Federal Government:

TABLE I.—*Appropriations and expenditures for education on the Navajo Reservation during period 1937–47, and average daily attendance in the schools*

Year	Number of schools	Funds appropriated	Funds expended	Average daily attendance
1947	47	$1,509,617		
1946	43	1,083,608	$1,267,705	3,723
1945	43	959,630	1,221,194	3,939
1944	55	1,054,755	1,214,896	3,725
1943	55	1,070,980	1,008,536	3,639
1942	56	1,142,855	1,018,785	4,493
1941	56	1,143,680	1,077,016	4,329
1940	54	1,154,030	1,110,776	4,192
1939	56	1,246,655	1,123,666	3,416
1938	57	1,272,955	1,151,878	2,796
1937	56	1,210,250	1,217,51[illegible]	3,487

The figures just presented indicate that the average daily attendance for all Navajo schools over the past 10 years has been approximately 3,773. If the same average is maintained for daily attendance during the fiscal year just ending, there will have been an expenditure of $400 per student. Over the past 10 years we have averaged approximately $300 per Navajo pupil per year based on average daily attendance.

Furthermore, if we were to take the total of money expended during the last 10 years on education on the Navajo Reservation, the average expenditure per student would be far greater than the average amount expended on students throughout the United States generally. For example in the school year 1944–45 the United States average daily attendance in elementary and secondary schools was 19,671,398 pupils, with an average expenditure per pupil of $125.41. I call this to the attention of the Senate in order to show that even though the number of Navajo students attending school is comparatively very small, the average expenditure per student by the Indian Office considerably exceeds the average expenditure per student throughout the United States.

FOOD PART OF COST

It would appear that the type of education provided for these Navajos who do attend school should be of extremely high quality insofar as expenditures are concerned. This, however, is reportedly not the case. Much of the purported per capita cost is for food for the Indian student.

STUDY IS NECESSARY

Conditions on the Navajo Reservation are such as to require much more money in order to maintain schools equal to the rest of the United States. The wide discrepancy between the amount needed to educate a Navajo and to educate other citizens of the country is so great that a complete study of Indian education should be made.

It can be easily seen that if the other 13,500 Navajo children are to be placed in school at a yearly cost of $300 to $400 per student, the cost on the Navajo Reservation alone would be tremendous. If the 13,500 Navajo children now denied education are to receive a minimum of school training we must appropriate an additional $5,000,000 directly to the Navajcs.

I am not presenting these figures as a basis upon which to argue for reduction of expenditures on Navajo education. On the contrary, I am convinced that this Government is obligated to do more for the Navajo Indians, but I am concerned with the heavy expenditures per pupil as compared with average per pupil expenditure in our public schools.

RECEIVE SMALL COMPARATIVE SHARE OF MONEY

Even though per pupil expenditure as based on average daily school attendance is high, other phases of Navajo economy have received comparatively small amounts of money. Reliable sources of information reveal that the Navajo Indians number approximately one-sixth of the total Indian population of the United States living on Indian reservations, but they receive about one-twelfth of the Indian Office appropriation. On a per capita basis, in 1940 the Indian Office averaged $126 yearly expenditure per Indian. The Navajo yearly expenditure was $64.

In the field of relief, in 1944 the Indian Office spent an average of $2.60 per California Indian in addition to the benefits the California Indian received under social security. In the same year, the Navajo Indians not eligible for social security benefits averaged 50 cents per capita for relief from the Indian Office.

The following figures from the fiscal years 1938 through 1945 will give some insight into Navajo expenditures:

TABLE II.—*Appropriations for the Office of Indian Affairs together with appropriations for the Navajo Indian Agency for selected years*

Fiscal year	All agencies	Navajo
1938	$43,092,691.00	$3,954,150.00
1940	44,263,905.60	3,919,145.00
1941	45,409,363.00	3,514,668.00
1942	48,941,061.53	3,670,750.51
1943	40,669,671.48	3,007,644.69
1944	31,775,143.70	2,871,196.70
1945	35,246,325.23	2,925,395.27

Money spent on the Navajo reservation has consistently decreased since 1938. Emergency expenditures also have decreased with curtailment of the CCC and other Federal agencies.

HAVE OBLIGATION TO NAVAJO

I feel that our obligation to the Navajo Indians is much greater than our obligation to feed and care for people not living within our country. Nevertheless, our obligation to the Navajos has a parallel obligation to the American taxpayer. We should make sure that every dollar expended is effective in promoting the advancement of the Navajo Indians. It is possible that much of the money which should be going directly to help the Indian is being siphoned into unnecessary personnel and Bureau expenditures. It is likely that a more fair distribution of Indian Office appropriations may be needed.

The conditions on the Navajo Reservations are serious and from a study of available information it appears that a complete study of that reservation should be made by the

Congress of the United States in conjunction with the States of Arizona and New Mexico.

I am amazed at appeals which come to me requesting support for foreign peoples who are comparatively in better economic condition than the Navajo people. I am in favor of diverting some of the requested aid to underprivileged American people, the Navajos.

LEGAL GUARDIAN OF GLENNA J. HOWREY

Mr. WILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert "$1,000"; and the House agree to the same.

E. H. MOORE,
JOHN S. COOPER,
J. HOWARD MCGRATH,
Managers on the Part of the Senate.

JOHN JENNINGS, Jr.,
ALBERT L. REEVES, Jr.,
FADJO CRAVENS,
Managers on the Part of the House.

Mr. WILEY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

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

Mr. HATCH. Mr. President, will the Senator explain the report?

Mr. WILEY. It is a report on a bill as to which the Senate allowed $500 and the House allowed $1,500; and the conferees have agreed on $1,000. It is a private bill.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

ORDER OF BUSINESS

Mr. WHITE. Mr. President, I move that the Senate stand in recess until 12 o'clock noon——

Mr. WILEY. Mr. President, will the Senator withhold the motion and yield to me, for a moment.

Mr. WHITE. I yield.

Mr. WILEY. There is a private immigration bill which the House has passed and has sent to the Senate, and which the Senate Judiciary Committee has reported.

Mr. WHITE. Mr. President, there are numerous bills in a similar situation.

Mr. WILEY. This measure is an immigration bill which calls for special treatment.

Mr. WHITE. Treatment on the bill is not required tonight; is it?

Mr. WILEY. I think it would be better if the Senate were to dispose of the bill at this time. Therefore I wish to ask unanimous consent for that purpose.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Is not the pending business the calendar, by unanimous consent?

The PRESIDENT pro tempore. The Senator is correct.

Mr. WHERRY. It would be necessary to displace that order to get the unanimous consent requested by the Senator. Cannot the Senator take the matter up tomorrow, before we proceed with the calendar?

Mr. WILEY. Of course I could take it up.

The PRESIDENT pro tempore. The Senator could take it up if he could get the consent of the Senate, and not otherwise.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Might not the Senator from Wisconsin finish his statement as to what the bill is about?

The PRESIDENT pro tempore. The Senator from Maine has the floor. Does he yield further to the Senator from Wisconsin?

Mr. WHITE. I decline to yield for that purpose.

Mr. WILEY. Very well.

RECESS

Mr. WHITE. I renew my motion that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 1 minute p. m.) the Senate took a recess until tomorrow, Wednesday, July 23, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 22 (legislative day of July 16), 1947:

UNITED STATES MARSHAL

Charles M. Eldridge, of Rhode Island, to be United States marshal for the district of Rhode Island, vice Neale D. Murphy, resigned.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.

To be colonels

Lt. Col. Manly Broadus Gibson, Coast Artillery Corps (temporary colonel).

Lt. Col. John Harold Keatinge, Field Artillery (temporary colonel).

Lt. Col. George Allan Miller, Infantry (temporary colonel).

Lt. Col. Stockbridge Carleton Hilton, Field Artillery (temporary colonel).

Lt. Col. William Russell Philp, Field Artillery (temporary colonel).

Lt. Col. George Anthony Horkan, Quartermaster Corps (assistant to the Quartermaster General with rank of brigadier general).

Lt. Col. Charles Herman Unger, Cavalry (temporary colonel).

Lt. Col. Vennard Wilson, Cavalry (temporary colonel).

Lt. Col. Lewis Anderson Page, Infantry (temporary colonel).

Lt. Col. Alexander Oscar Gorder, Infantry (temporary brigadier general).

Lt. Col. Geoffrey Marshall, Chemical Corps (temporary colonel).

Lt. Col. Edward Maynard Fickett, Cavalry (temporary colonel).

Lt. Col. John Francis Roehm, Field Artillery (temporary colonel).

Lt. Col. Milo Victor Buchanan, Infantry (temporary colonel).

Lt. Col. Wilbur Reece McReynolds, Quartermaster Corps (temporary colonel).

×Lt. Col. Howell Redd Hanson, Field Artillery (temporary colonel).

Lt. Col. George Robert Hayman, Field Artillery (temporary colonel).

Lt. Col. Howard Everett Camp, Field Artillery (temporary colonel).

Lt. Col. James Couzens Van Ingen, Signal Corps (temporary colonel).

Lt. Col. Fred Currie Milner, Adjutant General's Department (temporary colonel).

Lt. Col. Charles Frost Craig, Infantry (temporary colonel).

×Lt. Col. Lloyd Smith Partridge, Field Artillery (temporary colonel).

Lt. Col. Karl Eugene Henion, Infantry (temporary colonel).

Lt. Col. Russell J. Potts, Infantry (temporary colonel).

Lt. Col. William Hoover Craig, Infantry (temporary colonel).

Lt. Col. Levi Monroe Bricker, Ordnance Department (temporary colonel).

Lt. Col. James Gaulding Watkins, Field Artillery (temporary colonel).

Lt. Col. Christopher Columbus Strawn, Quartermaster Corps (temporary colonel).

Lt. Col. William Fulton Magill, Jr., Infantry (temporary colonel).

Lt. Col. Alfred Joseph de Lorimier, Cavalry (temporary colonel).

Lt. Col. Everett Busch, Quartermaster Corps (temporary colonel).

Lt. Col. James Taylor, Infantry (temporary colonel).

Lt. Col. Frank Joyce Pearson, Infantry (temporary colonel).

Lt. Col. Peter J. Lloyd, Infantry (temporary colonel).

Lt. Col. Theodore Morton Cornell, Infantry (temporary colonel).

Lt. Col. Paul Vincent Kellogg, Quartermaster Corps (temporary colonel).

Lt. Col. Herbert Ludwell Earnest, Cavalry (temporary major general).

Lt. Col. Charles Spurgeon Harris, Coast Artillery Corps (temporary colonel).

Lt. Col. Arthur Richard Walk, Infantry (temporary colonel).

Lt. Col. Leslie Egner Toole, Infantry (temporary colonel).

Lt. Col. Paul Wolcott Rutledge, Coast Artillery Corps (temporary colonel).

Lt. Col. Ray Tyson Maddocks, Cavalry (temporary brigadier general).

×Lt. Col. Cecil Leland Rutledge, Infantry (temporary colonel).

Lt. Col. John Orland Lawrence, Cavalry (temporary colonel).

Lt. Col. John Johnson Albright, Infantry (temporary colonel).

Lt. Col. Alexander Adair, Infantry (temporary colonel).

Lt. Col. Harry John Collins, Infantry (temporary major general).

Lt. Col. James Van Valkenburgh Shufelt, Cavalry (temporary colonel).

Lt. Col. Henry Paul Hallowell, Infantry (temporary colonel).

Lt. Col. Hobart Raymond Gay, Cavalry (temporary brigadier general).

×Lt. Col. Thomas Jeffries Betts, Coast Artillery Corps (temporary colonel).

Lt. Col. Buhl Moore, Field Artillery (temporary colonel).

Lt. Col. Mordaunt Verne Turner, Cavalry (temporary colonel).

Lt. Col. Norman E. Waldron, Quartermaster Corps (temporary colonel).

Lt. Col. Adrian Robert Brian, Infantry (temporary colonel).

Lt. Col. Burton Loren Lucas, Infantry (temporary colonel).
Lt. Col. Morris Clinton Handwerk, Coast Artillery Corps (temporary colonel).
Lt. Col. George Stephen Wear, Infantry (temporary colonel).
Lt. Col. Walter Throckmorton Scott, Infantry (temporary colonel).
Lt. Col. John Wilson O'Daniel, Infantry (temporary major general).
×Lt. Col. John Gilbert White, Field Artillery (temporary colonel).
Lt. Col. Stanley Joseph Grogan, Infantry (temporary colonel).
Lt. Col. Leonard Roscoe Crews, Coast Artillery Corps (temporary colonel).
Lt. Col. Warner Beardsley Gates, Air Corps.
Lt. Col. Thomas Bennett Woodburn, Adjutant General's Department (temporary colonel).
Lt. Col. Charles William Higgins, Coast Artillery Corps (temporary colonel).
Lt. Col. Stanley French Griswold, Infantry (temporary colonel).
Lt. Col. Edmund Jones Lilly, Jr., Infantry (temporary colonel.)
Lt. Col. Charles Edward Dissinger, Cavalry (temporary colonel).
Lt. Col. Cornelius Edward Ryan, Infantry (temporary brigadier general).
Lt. Col. Thomas Francis Bresnahan, Infantry (temporary brigadier general).
Lt. Col. Samuel White, Field Artillery (temporary colonel).
Lt. Col. Gilman Kimball Crockett, Infantry (temporary colonel).
Lt. Col. Wallace Alan Mead, Infantry (temporary colonel).
Lt. Col. Evans Read Crowell, Coast Artillery Corps (temporary colonel).
Lt. Col. Robinson Earl Duff, Infantry (temporary brigadier general).
Lt. Col. Irvine Callander Scudder, Infantry (temporary colonel).
Lt. Col. James Chester Bates, Coast Artillery Corps (temporary colonel).
Lt. Col. Harry Edmund Pendleton, Coast Artillery Corps (temporary colonel.)
×Lt. Col. Paul Samuel Beard, Finance Department (temporary colonel).
Lt. Col. Edwin Allan Smith, Infantry (temporary colonel).
Lt. Col. Floyd C. Harding, Quartermaster Corps (temporary colonel).
Lt. Col. James Montagu Adamson, Quartermaster Corps (temporary colonel).
Lt. Col. Frank Albert Allen, Jr., Cavalry (temporary colonel).
Lt. Col. Bernard Franklin Hurless, Infantry (temporary colonel).
Lt. Col. Guy Orth Kurtz, Field Artillery (temporary colonel).
Lt. Col. Louis Joseph Compton, Field Artillery (temporary colonel).
×Lt. Col. Arthur Breckinridge Wade, Field Artillery (temporary colonel).
Lt. Col. John Hurst Rodman, Infantry (temporary colonel).
×Lt. Col. Thomas Wade Herren, Cavalry (temporary brigadier general).
Lt. Col. William Emanuel Goe, Quartermaster Corps (temporary colonel).
Lt. Col. Alexander Bull MacNabb, Cavalry (temporary colonel).
Lt. Col. William Leonard Ritter, Infantry (temporary colonel).
Lt. Col. Kendall Jordan Fielder, Infantry (temporary colonel).
Lt. Col Hugh Donald Adair, Infantry.
Lt. Col. Joseph Robbins Bibb, Field Artillery (temporary colonel).
Lt. Col. Russell Conwell Snyder, Field Artillery (temporary colonel).
Lt. Col. James Tolmie Watson, Jr., Signal Corps (temporary colonel).
Lt. Col. Eugene Hill Mitchell, Infantry (temporary colonel).
×Lt. Col. John Wesley Russey, Field Artillery.
Lt. Col. James Dennett McIntyre, Ordnance Department (temporary brigadier general).
Lt. Col. Bryan Lee Milburn, Coast Artillery Corps (temporary colonel).
×Lt. Col. Nyal L. Adams, Coast Artillery Corps (temporary colonel).
Lt. Col. Virgil Norberto Cordero, Infantry (temporary colonel).
×Lt. Col. Walter Shea Wood, Infantry (temporary colonel).
×Lt. Col. William Henry Quarterman, Field Artillery (temporary colonel).
×Lt. Col. Benjamin Brandon Bain, Infantry (temporary colonel).
Lt. Col. Stanton Louis Bertschey, Field Artillery (temporary colonel).
Lt. Col. Cheney Litton Bertholf, Adjutant General's Department (temporary colonel).
×Lt. Col. Ellsworth Young, Coast Artillery Corps (temporary colonel).
Lt. Col. Edward Reese Roberts, Field Artillery (temporary colonel).
Lt. Col. Albert Hugh Dumas, Infantry (temporary colonel).
Lt. Col. Robert Porter Bell, Infantry (temporary colonel).
Lt. Col. Edwin William Piburn, Infantry (temporary brigadier general).
Lt. Col. Kenneth Stoddard Whittemore, Infantry (temporary colonel).
Lt. Col. Jerry Vrchlicky Matejka, Signal Corps (temporary brigadier general).
Lt. Col. Frank Huber Partridge, Infantry (temporary colonel).
×Lt. Col. Derrill deSaussure Trenholm, Field Artillery.
Lt. Col. Michael Edmond Halloran, Infantry (temporary colonel).
Lt. Col. Carl Julian Dockler, Cavalry (temporary colonel).
Lt. Col. Milton Heilfron, Coast Artillery Corps.
×Lt. Col. Olin Coke Newell, Cavalry (temporary colonel).
Lt. Col. Paul Steele, Infantry (temporary colonel).

NOTE.—Dates of rank are omitted from this nomination. The nominees will be given dates of rank appropriate to the vacancies they will fill. The dates of rank are omitted in order to assure that the officers may be promoted to fill the vacancies on the proper date. If any of these officers should retire or die prior to promotion it would necessitate renominating the remaining officers in order to change their dates of rank to correspond with the vacancies.

IN THE NAVY

Rear Adm. Thomas L. Gatch, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

IN THE ARMY

The following-named persons, under the provisions of an act of Congress approved April 16, 1947 (Public Law 36, 80th Cong.), for appointment in the Regular Army in the Army Nurse Corps, in the grade specified, with date of rank to be determined by the Secretary of War pursuant to provisions of the mentioned act. These officers have been selected to fill existing vacancies in the grades for which they are nominated, and appointment in these grades will not act to exceed the number of positions authorized for such grades.

To be captains

Pauline E. Adams, N724078.
Lois H. Alfred, N703039.
Edith A. Aynes, N702750.
Mescal Baker, N702896.
Carrie E. Barrett, N702856.
Mary C. Bateman, N702880.
Martha L. Benston, N703913.
Irene C. Blochberger, N702966.
Ruby G. Bradley, N702770.
Marie E. Bradsher, N726626.
Eileen W. Brady, N702681.
Margaret N. Brannon, N702777.
Minnie L. Breese, N702914.
Margaret M. Bresnahan, N726000.
Kilie E. Bridger, N702758.
Ruby F. Bryant, N702771.
Nora P. Capps, N702430.
Minnie L. Carr, N702899.
Beatrice E. Chambers, N703354.
Margaret A. Creedon, N703851.
Thelma Crowell, N703092.
Mary K. Cuppy, N702845.
Caroline Davis, N703582.
Kathryn L. Dollason, N702897.
Eileen E. Donnelly, N702935.
Fannie C. Easley, N702634.
Alma O. Eidsaa, N736013.
Sara W. Entrikin, N702918.
Claretta Evans, N703808.
Frances Ewing, N702648.
Dorothy B. Fels, N722154.
Catherine M. Flatley, N702785.
Mary M. Flowers, N730314.
Lillian C. Girarde, N703461.
Laura E. Goodale, N702763.
Alice E. Greenawalt, N702865.
Edith S. Grimes, N702837.
Francis C. Gunn, N702741.
Margaret Harper, N736343.
Kathleen Harris, N702842.
Inez Haynes, N702718.
Bernice M. Hill, N702658.
Priscilla C. Hill, N703746.
Lorena Hoffman, N702895.
Luluah Y. Houseknecht, N730175.
Virginia Hughes, N703345.
Rhoda U. Jahr, N703290.
Naomi J. Jensen, N702632.
Elizabeth N. Johnson, N702768.
Katharine V. Jolliffe, N702532.
Doris A. Kehoe, N702816.
Laura C. Kelley, N702540.
Clara M. Kiely, N703302.
Marguerite M. Klein, N703004.
Anna Koltvet, N703472.
Helen A. Kornfeind, N703377.
S. Margaret Kowaleski, N730182.
Marilyn Kroll, N702931.
Agnes E. Kutac, N702686.
Harriet G. Lee, N703313.
Mary G. Lohr, N702907.
Margaret L. Lomen, N703602.
Agatha M. Martin, N702882.
Isabelle A. C. Mason, N703721.
Dorothy L. Matlock, N703561.
Pauline E. Maxwell, N703392.
Zita L. McCloskey, N703123.
Daisy M. McCommons, N702872.
Inez V. McDonald, N702933.
Hortense E. McKay, N702838.
Kathleen L. McNulty, N702800.
Elizabeth E. Mettie, N728218.
Helen E. Miller, N702862.
Anna E. Miser, N732020.
Eileen K. Murphy, N702949.
Ruth S. Murphy, N704101.
Frances L. Nash, N702827.
Esther V. Newkirk, N703731.
Lucile Newton, N703678.
Dorothy J. Odell, N730008.
Lily M. Ogden, N703208.
Marie L. Pace, N700552.
Ida E. Peschon, N702839.
Jeaninne H. Peterson, N736511.
Isa G. Pifer, N702782.
Helen Porter, N703385.
Mary F. Prucha, N702603.
Erma J. Rabou, N702819.
Clara M. Rachuig, N703247.
Ida S. Rider, N703122.
Rowena G. Roach, N703308.
Alice J. Robbe, N702736.
Miron L. Robbins, N702941.
Miriam C. Schaupp, N726364.
Ruth M. Schwing, N702805.
Vera F. Shaw, N702938.
Edith L. Shutt, N703523.
Ada M. Simpson, N702610.
Helene F. Sorensen, N702675.
Pearl Spearnak, N702873.
Helen A. Stack, N703024.

Mary M. Steppan, N703082.
Katrine F. Stone, N703196.
Mabel G. Stott, N702712.
Ruth M. Straub, N702908.
Anna C. Sweeny, N724481.
Edna Traeger, N702677.
Mildred Turner, N702925.
Cathern M. Ullom, N702590.
Madeline M. Ullom, N703031.
Artie M. Ussery, N703987.
Audrey Van Zandt, N702932.
Alice N. Waddill, N722326.
Mary M. Wagener, N703620.
Edith M. Wimberly, N703069.
Dora E. Witte, N734488.
Kathryn G. Witter, N702716.
Marian York, N 702451.
Dorothy N. Zeller, N702879.
Verena M. Zeller, N702847.

To be first lieutenants

Gertrude F. Allen, N703431.
Katherine V. Allen, N703728.
Virginia E. Anderson, N703621.
Myrtle E. Arndt, N703482.
Elizabeth Artz, N703926.
Lillie Avirett, N703991.
Mary C. Axmann, N703672.
Rosalie Bacior, N703829.
Mary E. Baggett, N703206.
Louise Bainbridge, N703389.
Ann B. Bakalar, N704024.
Katherine Ball, N703396.
Grace I. Bender, N728509.
Maude Benedict, N703115.
Anne A. Benton, N703049.
Bonnie J. Best, N704125.
Margaret N. Bishop, N736179.
Edith I. Blennerhassett, N720321.
Catherine G. Boles, N736192.
Mary R. Bonner, N703557.
Betsy Bradford, N720121.
Aileen E. Brimmer, N704070.
Juanita M. Bronson, N703183.
Frances L. Bryant, N703144.
Muriel Burchfield, N703460.
Lottie B. Burk, N703815.
Barbara P. Burnham, N704105.
Grace I. Burrus, N725062.
Ethel Burton, N722437.
Sara C. Butts, N703163.
Laura P. Byrne, N703444.
Helen E. Cameron, N703635.
Lilah M. Cameron, N703282.
Ruth L. Cameron, N704095.
Violet R. Campbell, N703159.
Peggy G. Carbaugh, N722000.
Eva L. M. Carter, N726533.
Eleanor Cassidy, N704137.
Jane C. Chadwick, N730019.
Rebecca Chamberlin, N703707.
Ruth E. Church, N730312.
Elsie M. Clise, N703619.
Barbara A. Clymer, N703770.
Madeleine D. Cochick, N703758.
Ethel Barbara Colahan, N724648.
Florence B. Combs, N703395.
Florence T. Connell, N703305.
Margaret E. Connor, N724079.
Hazel V. Cooley, N703914.
Catherine V. Coyne, N703221.
Ellen G. Crigler, N724018.
Lillie U. Crow, N703228.
Ruth L. Crowell, N704121.
Margaret P. Culbreth, N703440.
Lois B. Cullmann, N730015.
Elizabeth A. Darden, N702992.
Gertrude G. Davidson, N734348.
Kathleen E. Davis, N736753.
Bernice Y. Deason, N703414.
Grace Delaney, N728160.
Jewell Derryberry, N703012.
Lucretia M. de Schweinitz, N704009.
Grova N. Dickson, N734118.
Louise E. Dittmar, N703617.
Helen L. Doll, N704085.
Rhoda E. Donahoe, N730774.
Mary E. Donovan, N703280.
Kathryn M. Doody, N703477.
Annie M. Dorset, N724049.
Anna J. Dorsey, N728192.
Magdalene Drozd, N703109.
Mamie Dumas, N703309.
Claire P. Egan, N720151.
Naidene D. Evans, N703417.
Bessie Facuna, N703291.
Eleanor H. Faulk, N726369.
Ruth A. Fisher, N703420.
Hallie E. Fondren, N734156.
Marie E. Frese, N734259.
Marie C. Gaddis, N704039.
Florine T. Gallagher, N703243.
Mabel Galvin, N703875.
Helen L. Gardner, N703215.
Helen M. Garrison, N703355.
Julia F. Gawarecki, N722258.
Pauline H. Girard, N703489.
Rena M. Godwin, N703886.
Edith A. Graham, N703667.
Barbara A. Grass, N703732.
Pauline W. Grier, N703536.
Hortense S. Groh, N703107.
Revella Guest, N703126.
Estella M. Guilliams, N703566.
Martha C. Habib, N703276.
Louise M. Hackfort, N703137.
Geraldine C. Haglund, N726463.
Ruby M. Hammond, N704126.
Inez Harris, N702071.
Helen M. Heinrich, N703216.
Nellie L. Henley, N704097.
Helen M. Hennessey, N703674.
Elma E. Hennies, N732669.
Leona M. Henry, N703507.
Jane E. Herrin, N703718.
Irene S. Hertsgaard, N703920.
Sue I. Hester, N726232.
Estaiene L. Holloway, N703973.
Sarah B. Holmes, N728056.
Eugenia L. Holzknecht, N728067.
Hallie E. Hoover, N734199.
Frances L. Hubbard, N704083.
Maude A. Hudson, N703467.
Fay J. Hutton, N703517.
Ann T. Hyland, N704023.
Rose A. Iannotta, N703999.
Alberta T. Ingram, N703607.
Velma V. Jablunovsky, N704027.
Cecilia P. Jamula, N704093.
Bertha K. Janas, N704089.
Kazmiera A. Jeffer, N703210.
Leda E. Jelinek, N736274.
Bernice C. Johnsen, N736364.
Dorothy M. Johnson, N736820.
Mary E. Jones, N703922.
Florence E. Judd, N730212.
Katherine R. Jump, N724462.
Evelyn A. Kackman, N703888.
Theresa E. Kaufmann, N734427.
Alice E. Keisker, N722312.
Bertha I. Kellogg, N703865.
Evelyn A. Kelly, N703202.
Leila Kemp, N703831.
Josephine C. Kennedy, N720155.
Violet L. Keniston, N720224.
Blanche M. Kiernan, N703174.
Mary C. Kin, N730024.
Helen W. King, N703356.
Mary L. King, N703259.
Olive P. King, N722217.
Ruby L. Kinnaird, N732604.
Lois F. Kinnison, N703725.
Kathryn M. Kirkhoff, N724124.
Elizabeth A. Korn, N732117.
Dorothy E. Kraftschenk, N730460.
Sylvia May Kronemeyer, N730334.
Kathryn J. Kulig, N728134.
Marjorie W. Kydd, N703609.
Phyllis M. La Conte, N720507.
Marion L. Lamoreau, N703686.
Viola H. Laurie, N703869.
Mildred M. La Velle, N728072.
Frances I. Lay, N703161.
Beata M. Lieske, N703469.
Edna J. Linn, N703241.
Wealthy F. Litton, N703928.
Marie L. Lockhart, N704045.
Loretta L. Lokuta, N722137.
Esther M. Long, N734404.
Ruby E. McCain, N734492.
Iola R. McClellan, N703592.
Shirley M. McCorquodale, N703269.
Margaret M. McCray, N703903.
Dorothy R. McDermott, N703193.
Martha A. McFadden, N732133.
Sadie L. McGibboney, N703263.
Barbara R. McGill, N703948.
Mary A. McGill, N703785.
Marguerite M. McGrath, N730356.
Margaret J. McNulty, N720629.
Doris Maness, N703724.
Julia M. Martin, N703297.
Lorraine H. Martin, N703741.
Mary L. Martin, N736388.
Marian E. Martini, N736315.
Louise M. Mateer, N722585.
Helen G. Meikle, N703357.
Edith M. Mercer, N728467.
Elizabeth T. Merscher, N703372.
Dorothy L. Meyer, N703346.
Irene E. Micklick, N703603.
Annie M. Mills, N704111.
Marjorie Mirkin, N720501.
Jane E. Mobley, N703736.
Gladys Moore, N726197.
Lillian E. Moore, N703918.
Elsie Morgan, N704100.
Mary S. Morris, N703459.
Goldie Morrison, N703856.
Helen E. Morrison, N722138.
Doris V. Murchison, N704038.
Martha E. Nash, N703627.
Dorothy M. Newcomb, N703154.
Pearl G. Nicolls, N703081.
Evelyn M. Oberkirch, N722593.
Maureen P. O'Dwyer, N728114.
Lucille J. Orcutt, N703840.
Cora C. Overberger, N730339.
Philomena A. Pagano, N703390.
Jamie F. Palm, N722122.
Eunice P. Panzeri, N703963.
Mildred G. Parish, N732236.
Edna M. Parker, N726118.
Jean L. Parks, N736352.
Josephine C. Parrish, N703399.
Evelyn M. Patterson, N722105.
Macie E. Paul, N726061.
Phoebe M. Paul, N703409.
Florence M. Pecora, N704018.
Barbara H. Pensinger, N703817.
Sally M. Perkins, N703775.
Rosemary L. Perry, N704145.
Elizabeth A. Pesut, N703098.
Pauline F. Peterson, N732351.
Beatrice L. Pilgrim, N703932.
Flora V. Pittman, N703485.
Sarah M. Pollock, N703233.
Vivian R. Pool, N734250.
Katherine M. Powell, N736350.
Ethelyn M. Preecs, N703700.
Gladys E. Prestwood, N726184.
Margaret M. Price, N703325.
Cunegundes J. Przybilla, N703989.
Doris M. Quinn, N703825.
Jean C. Rancoilta, N704012.
Berneice B. A. Rappath, N732496.
Katherine C. Reed, N703734.
Mary F. Render, N703883.
Mary J. Reppak, N703227.
Marguerite C. Reutenauer, N703893.
Helen V. Richardson, N703710.
Edith V. Richman, N703541.
Martha Rifkin, N722674.
A. Inez Robinette, N726338.
Roberta M. Robinson, N703862.
Luella Rodenburg, N703651.
Agnes C. Roesle, N724000.
Theda W. Rogers, N703947.
Geraldine Rollins, N726337.
Josephine B. Rosicky, N704077.
Edna E. Ross, N703671.
Ramona M. Saar, N703957.
Wilma K. Sandberg, N703841.
Helen F. Sanderson, N704056.
Anna K. Schelper, N734048.
Elizabeth V. Schnebly, N703692.
Foy M. Scott, N703688.
Frances E. Scott, N734137.
Bernice M. Sebelien, N732628.
Marjorie Seekins, N720094.

Gertrude C. Seibert, N703568.
Azile Self, N703995.
Virginia M. Sessoms, N703162.
Elizabeth E. Shepherd, N703358.
Mary R. Sheppard, N726157.
Helen M. Shivers, N703792.
Gwendolyn M. Sickles, N734021.
Regina M. Sieleni, N703675.
Bernice C. Simmet, N730161.
Itaska Simmons, N734183.
Sophia C. Skiba, N724517.
Emma R. Smart, N703165.
Mildred E. Smith, N703465.
Agnes C. Sokol, N728353.
Grace H. Stakeman, N728577.
Joan M. Steen, N724900.
Mary F. Steuart, N703961.
LaVerne U. Stievenart, N703451.
Harriet A. Stover, N724314.
Kathryne C. Stuwe, N703419.
Marie E. Sutliff, N703649.
Alice O. Swenson, N703933.
Stella M. Sylak, N703535.
Ruth P. Taylor, N703178.
Madge M. Teague, N742092.
Mollie A. Tewell, N703496.
Jean D. Tewksbury, N730138.
Ida M. Thompson, N730080.
Joyce A. Thornton, N703895.
Elizabeth J. Thurness, N728169.
Evelyn F. Tinkle, N703542.
Margaret E. Tollefson, N703274.
Mary P. Toudouze, N734494.
Estelle M. Travers, N703213.
Ruth E. Tregea, N703203.
Marjory E. Truax, N722056.
Anne A. Tyler, N704019.
Eula M. Umbarger, N703866.
Mary T. Votava, N703436.
Joella Wallace, N703404.
Mary A. Ward, N703870.
Lelia H. Watson, N726335.
Ruth V. Watson, N720055.
Kathleen Waugh, N703108.
Betty J. Weddell, N703248.
Irene Wertenberger, N734489.
Ada V. Wester, N704146.
Gertrude E. Wuerdinger, N703590.
Mary H. White, N703427.
Geraldine Whitehurst, N703781.
Dorothy E. Whitsell, N703848.
Virginia M. Wickensheimer, N703511.
Kathryn H. Williams, N703366.
Margaret L. Willis, N703777.
Lucille A. Wilson, N722025.
Doris M. Yeasted, N703257.
Eunice F. Young, N703199.
Mary M. Younger, N703923.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 22, 1947

The House met at 10 o'clock a. m.

Rev. Bernard Braskamp, D. D., pastor of the Gunston-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou gracious Benefactor, who hast placed at our disposal all the blessings which are needed for each succeeding day, we pray that our minds and hearts may be encouraged by these assurances of Thy divine providence.

May those blessings become contributions in our hands with which we shall seek to meet more effectively the deep and desperate needs of mankind. May we have the mind and mood of the Master and daily authenticate the reality of His spirit within our souls by a life of service and sacrifice.

We pray that we may be coworkers with one another in lifting the nations of the earth into the loftier altitudes of amity and peace. May the civilization we are striving to build be one in which friendship prevails.

To Thy name we ascribe all the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees 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. 3601) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 54 to the above-entitled bill; disagrees to the amendment of the House to the amendment of the Senate numbered 42; further inserts upon its amendments Nos. 1, 17, 18, 19, 42, 43, 50, and 59, and asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BROOKS, Mr. GURNEY, Mr. REED, Mr. BUSHFIELD, Mr. RUSSELL, Mr. HAYDEN, and Mr. TYDINGS to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. LANGER and Mr. CHAVEZ members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agency:

1. Department of Agriculture.
2. Department of Justice.
3. Department of War.
4. War Assets Administration.

The message also announced that the Senate agrees 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. 981) entitled "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."

CENTRAL VALLEY PROJECT

Mr. WELCH. 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. WELCH. Mr. Speaker, yesterday when the so-called Rockwell bill, H. R. 2873, was called on the Consent Calendar, its consideration was deferred upon request of the gentlemen from California [Mr. MCDONOUGH and Mr. PHILLIPS].

This bill in its original form was a barrier to further financing of the Central Valley project and other projects by the Federal Government. Due to the persistent efforts of a militant minority of the Committee on Public Lands, it is now the people's bill whereby the Central Valley and other projects can be financed; it will make possible annually the saving of 36,000,000 barrels of our fast-dwindling oil reserves, more than 10,000,000 barrels of which are now being used each year to develop electricity in the hydroelectric-power-producing State of California alone.

H. R. 2873 in its present form was unanimously reported to the House by the Committee on Public Lands and has the approval of the Department of the Interior.

TAXATION OF MUSICAL INSTRUMENTS AND PHOTOGRAPHIC APPARATUS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4259) to amend sections 3404 (d), 3406 (a) (4), and 3443 (a) (3) (A) (i) of the Internal Revenue Code.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Mr. Speaker, reserving the right to object, I have an amendment to the bill which I discussed with the gentleman from New York. I understand he is ready to accept it.

Mr. REED of New York. I accept it.

Mr. FORAND. I withdraw my reservation of objection, Mr. Speaker.

Mr. RANKIN. Mr. Speaker, further reserving the right to object, we would like to know what this bill provides and what this amendment provides. It at least ought to be explained before we give unanimous consent to dispose of it.

Mr. REED of New York. The purpose of the bill is this: In 1942 Congress put a 25-percent tax on commercial photographic apparatus. It is the same as putting a tax on the saw or the chisel or the hammer that a carpenter uses with which he earns his daily bread. It is the highest war excise tax ever put on anything during the war. The result is that this tax has injured the commercial photographers and also the manufacturers of this apparatus. That is one approach to it.

The other purpose is to remove the war excise tax on musical instruments that are bought by religious or educational institutions. For instance, a small church may wish to buy an organ. The tax on a pipe organ under the present tax may be as high as $750. That is too much. Then, some of your schools have bands, and they buy these instruments for the children in these schools, and the idea is to take off the excise tax where the students buy them through the schools. These are the two propositions which are involved in the bill H. R. 4259 prior to the amendment now offered.

Mr. RANKIN. What does the amendment provide for?

Mr. FORAND. This amendment deals with the jewelry tax. It eliminates the tax on the first $25 on so-called jewelry which includes compacts, fountain pens, and other jewelry items enumerated in section 2400 of the Internal Revenue Code. You have two different types of compacts, for instance. Both are gold wash. One is tax exempt, and the other, because it has a small ornament on it,