

By Mr. HOLMES:

H. R. 5275. A bill to amend the Tariff Act of 1930 to provide for the free importation of limestone to be used in the manufacture of fertilizer; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 5276. A bill to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926, to provide for the acquisition of sites and the preparation of plans for Federal public buildings, and for other purposes; to the Committee on Public Works.

By Mr. MURRAY of Wisconsin:

H. R. 5277. A bill to repeal the act of June 5, 1940, entitled "An act to prohibit the exportation of tobacco seed and plants, except for experimental purposes"; to the Committee on Agriculture.

By Mr. CROW:

H. R. 5278. A bill to provide for limiting participation as beneficiary under National Service Life Insurance Act, as amended, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 5279. A bill to amend the Service-men's Readjustment Act of 1944, as amended, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DIRKSEN:

H. R. 5280. A bill to amend section 106 of the act of October 31, 1945, so as to eliminate the segregation of races at the Washington National Airport; to the Committee on the District of Columbia.

By Mr. GEARHART:

H. R. 5281. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. HAGEN:

H. R. 5282. A bill to increase the pensions of widows and children of deceased veterans of World Wars I and II and to liberalize certain of the eligibility requirements for such pensions; to the Committee on Veterans' Affairs.

By Mr. HARDY:

H. R. 5283. A bill to provide for the disposal of surplus sand at Fort Story, Va.; to the Committee on Armed Services.

By Mr. MITCHELL:

H. R. 5284. A bill repealing certain provisions of the Internal Revenue Code, relating to the tax on oleomargarine, and for other purposes; to the Committee on Agriculture.

By Mr. JAVITS:

H. R. 5285. A bill to amend the Internal Revenue Code, act of February 10, 1939; to the Committee on Ways and Means.

By Mr. ENGLE of California:

H. R. 5286. A bill to amend the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of Illinois:

H. R. 5287. A bill to amend section 58d of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 5288. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. RIVERS:

H. J. Res. 318. Joint resolution to prohibit the Civil Aeronautics Board from rendering any decisions until the existing vacancies on the Board are filled; to the Committee on Interstate and Foreign Commerce.

By Mr. LESINSKI:

H. Res. 454. Resolution to investigate whether the provisions of the Public Utility Holding Company Act of 1935, as amended, and regulations promulgated thereunder have been violated; to the Committee on Rules.

By Mr. ANDREWS of New York:

H. Res. 455. Resolution providing funds for the expenses of conducting the studies and investigations to be continued under the authority of H. Res. 447, Eightieth Congress; to the Committee on House Administration.

By Mr. FARRINGTON:

H. Res. 456. Resolution authorizing the printing as a House document of a report entitled "The Economy of Hawaii in 1947"; to the Committee on House Administration.

By Mr. DINGELL:

H. Res. 457. Resolution to investigate shortages of natural gas, fuel oil, and other petroleum products in the State of Michigan; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BLOOM:

H. R. 5289. A bill for the relief of Miroslav (Fred) Schiller; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 5290. A bill for the relief of Ewa K. Sudol; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 5291. A bill for the relief of Harry Warren; 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:

1303. By Mr. BARTLETT: Petition of Post No. 4352, Veterans of Foreign Wars, Ketchikan, Alaska; American Legion Auxiliary, Ketchikan, Alaska, Ketchikan Union, No. 3; Ketchikan, Alaska, Chamber of Commerce; Business and Professional Women's Club, Ketchikan, Alaska; Post No. 4352, Veterans of Foreign Wars Auxiliary, Ketchikan, Alaska; Women of Moose, Ketchikan, Alaska; American Legion Post, No. 3, Ketchikan, Alaska; American Legion Auxiliary, Anchorage, Alaska; American Legion Auxiliary, Sitka, Alaska; to the Committee on Armed Services.

1304. By Mr. ELSTON: Petition of Frederic E. Holmes and 30 other citizens of Cincinnati, Ohio, in support of universal military training; to the Committee on Armed Services.

1305. Also, petition of Frederick Laffey and 96 other citizens of Cincinnati and Madeira, Ohio, and vicinity, in support of universal military training; to the Committee on Armed Services.

1306. Also, petition of Gilbert Holocher and 44 other citizens of Cincinnati, Ohio, and vicinity, in support of S. 1849, a bill to increase the compensation of postal employees \$1,000 a year, and H. R. 2985, a bill to grant postal employees appointed subsequent to armed service in World War II credit for time spent in the armed forces for purposes of determining their salary grade; to the Committee on Post Office and Civil Service.

1307. Also, petition of Verner G. Rowe and 33 other citizens of Cincinnati, Ohio, and vicinity, in support of universal military training; to the Committee on Armed Services.

1308. By Mr. JENSEN: Petition of Louis J. Duewel and 65 others, of Tabor, Iowa, for complete abolition of liquor traffic; to the Committee on Interstate and Foreign Commerce.

1309. By Mr. JENISON: Petition signed by 216 residents of Edgar County, Ill., submitted by John G. Keller, national defense chairman, the American Legion, Paris Post, No. 211, Paris, Ill., petitioning the Congress to enact legislation establishing a system of universal military training, as recommended by the President's Advisory Commission on Universal Training; to the Committee on Armed Services.

1310. By Mr. WELCH: Resolution of the Board of Supervisors of the City and County of San Francisco, San Francisco, Calif., petitioning Congress that the construction limitation regulations of the Federal Office of Housing Expediter be amended to permit immediate construction of adequate facilities for physical culture to diminish the juvenile problem; to the Committee on Banking and Currency.

## SENATE

THURSDAY, FEBRUARY 5, 1948

(Legislative day of Monday, February 2, 1948)

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

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

We confess, O Lord, that we think too much of ourselves, for ourselves, and about ourselves.

If our Lord had thought about Himself, we would not now be bowed in prayer, nor have the liberty in which and for which to pray.

If the great men whom we honor for their part in building our Nation had thought about themselves, we would have no free Republic today. Help us to see, O Lord, that "I" is in the middle of sin, and let no man among us think more highly of himself than he ought to think, to the end that we may be used of Thee in Thy service for the good of all mankind.

Through Jesus Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 4, 1948, was dispensed with, and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans' Regulation No. 1 (a), as amended, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. ROGERS of Massachusetts, Mr. KEARNEY, Mr. O'KONSKI, Mr. RANKIN, and Mr. ALLEN of Louisiana were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive

bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

MEETINGS OF COMMITTEES DURING  
SESSION OF THE SENATE

Mr. WHERRY asked and obtained consent for the Subcommittee on Allocation of Grains of the Committee on Banking and Currency to hold a hearing today during the session of the Senate.

Mr. LANGER asked and obtained consent for the Subcommittee on Civil Service of the Committee on Post Office and Civil Service to hold a hearing this afternoon during the session of the Senate.

Mr. CAIN asked and obtained consent for the Subcommittee on Rents and Housing of the Committee on Banking and Currency to hold a hearing this afternoon.

Mr. KNOWLAND asked and obtained consent for the Senate Committee on Labor and Public Welfare to meet during this afternoon's session of the Senate.

Mr. KNOWLAND (on behalf of Mr. MOORE) asked and obtained consent for a subcommittee of the Committee on Interstate and Foreign Commerce to meet during the session of the Senate.

REPORT OF OPERATIONS UNDER BOULDER  
CANYON PROJECT ADJUSTMENT  
ACT

The PRESIDENT pro tempore laid before the Senate a letter from the Under Secretary of the Interior, transmitting, pursuant to law, the sixth annual report of operations under the Boulder Canyon Project Adjustment Act; which, with accompanying papers, was referred to the Committee on Interior and Insular Affairs.

EUROPEAN RECOVERY PROGRAM—RESOLUTIONS OF SENATE OF COMMONWEALTH OF MASSACHUSETTS

Mr. LODGE. Mr. President, on behalf of my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD resolutions adopted by the State Senate of the Commonwealth of Massachusetts memorializing the Congress to enact a sound and effective European recovery program.

There being no objection, the resolutions were received, referred to the Committee on Foreign Relations, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress to enact a sound and effective European recovery program

Whereas there is great need of aid by the United States to certain countries of Europe in order to protect the inhabitants of such countries from privation and starvation to assist them in their own efforts to restore their shattered economies and to prevent the spread of communism and to preserve the democratic form of life: Therefore be it

*Resolved*, That the Senate of the Commonwealth of Massachusetts hereby respectfully urges the Congress of the United States to enact as speedily as may be consonant with careful consideration a sound and effective European recovery program; and be it further

*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the

commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

In senate, adopted January 29, 1948.

IRVING N. HAYDEN,  
Clerk.

A true copy. Attest:  
[SEAL] T. W. COOK,  
Secretary of the Commonwealth.

EUROPEAN RECOVERY PROGRAM

Mr. IVES. Mr. President, at its recent annual meeting the New York State Bar Association adopted a resolution pertaining to the European recovery program. The resolution has a distinct bearing on a question now before the Congress, and for that reason I feel it should appear in the RECORD. Therefore, I ask unanimous consent to present the resolution for appropriate reference and request that it be printed in the RECORD.

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

"The New York State Bar Association recommends that Congress enact legislation in furtherance of the program for European recovery set forth in section 2 (b) of the draft bill that accompanied the President's message of December 19, 1947, to the Congress on this subject."

CERTIFICATE

I, Chester Wood, secretary of the New York State Bar Association, hereby certify that the foregoing is a true copy of the original resolution which was duly adopted by the association on the recommendation of its committee on international law, William Roy Vallance, chairman, at a regular session of the association held during its annual meeting on January 23, 1948, at the house of the association of the bar of the city of New York.

In witness whereof, I have hereunto set my hand and affixed the seal of said association; this 30th day of January 1948.

[SEAL] CHESTER WOOD,  
Secretary.

NOTE.—The section 2 (b) referred to in the resolution was quoted in the printed report of the committee of the association, as follows:

"Section 2 (b) Purposes of act.—It is the purpose of this act to effectuate the policy set forth in subsection (a) of this section by furnishing material and financial assistance to the participating countries in such a manner as to aid them, through their own individual and concerted efforts, to become independent of abnormal outside economic assistance within the period of operations under this act, by

"(1) Promoting industrial and agricultural production in the participating countries;

"(2) Furthering the restoration or maintenance of the soundness of European currencies, budgets, and finances;

"(3) Facilitating and stimulating the growth of international trade of participating countries with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade."

COMMITTEE SERVICE

On motion of Mr. KNOWLAND (for Mr. ROBERTSON of Wyoming), and by unanimous consent, it was

*Ordered*, That the Senator from Idaho, Mr. DWORSHAK, be assigned to service on the Committee on the District of Columbia, to fill an existing vacancy thereon.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. GURNEY (for Mr. WILSON), from the Committee on Armed Services:

S. 1795. A bill to repeal section 1 of the act of April 20, 1874, prescribing regulations governing inquiries to be made in connection with disbursements made by disbursing officers of the Army (18 Stat. 33; 10 U. S. C. 174); without amendment (Rept. No. 884).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on February 4, 1948, he presented to the President of the United States the following enrolled bills:

S. 664. An act for the relief of Mr. and Mrs. Edward H. Isenhart;

S. 1005. An act to amend the act of June 28, 1935, entitled "An act to authorize participation by the United States in the Interparliamentary Union";

S. 1394. An act to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes; and

S. 1411. An act for the relief of Willie Ruth Chapman.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,  
The following favorable reports of nominations were submitted:

By Mr. TAFT, from the Committee on Labor and Public Welfare:

Sundry appointments and promotions in the United States Public Health Service.

BILLS INTRODUCED

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

(Mr. WILEY (by request) introduced Senate bill 2131, for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury claim board, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. BUTLER:

S. 2132. A bill to authorize the participation of States in revenues from national parks, national monuments, and other areas subject to the primary administrative jurisdiction of the National Park Service; to establish a National Park Land Commission and provide for the acquisition of lands within areas subject to the primary administrative jurisdiction of the National Park Service; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTSON of Wyoming:

S. 2133. A bill transferring from the Secretary of the Navy to the Secretary of the Interior jurisdiction over lands of the United States within the boundaries of Naval Petroleum Reserves Nos. 2 and 3, and abolishing such naval petroleum reserves; to the Committee on Armed Services.

By Mr. CORDON:

S. 2134. A bill to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the postwar construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. BALDWIN:

S. 2135. A bill to amend the Lanham Act so as to permit private sales of permanent

war housing to local communities; to the Committee on Banking and Currency.

S. 2136. A bill to permit members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, who have dependents, to occupy on a rental basis and without loss of rental allowances temporary housing facilities under the jurisdiction of any such service; to the Committee on Armed Services.

#### CLAIMS OF CERTAIN OFFICERS AND EMPLOYEES OF TREASURY DEPARTMENT

Mr. WILEY. Mr. President, by request of the Treasury Department, I ask unanimous consent to introduce for appropriate reference a bill to provide relief for certain officers and employees of that Department for losses sustained as a result of war conditions, and I request that the text of a letter which I received from the Acting Secretary of the Treasury, describing the bill and the reasons for it, be printed at this point in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the letter will be printed in the RECORD.

There being no objection, the bill (S. 2131) for the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury Claim Board, introduced by Mr. WILEY (by request), was received, read twice by its title, and referred to the Committee on the Judiciary.

JANUARY 26, 1948.

#### THE PRESIDENT PRO TEMPORE OF THE SENATE.

MY DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "For the relief of certain officers and employees of the Department of the Treasury who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions and whose claims for such losses have been considered and approved by the Secretary of the Treasury upon the recommendations of a Treasury Claim Board."

The proposed bill would authorize and direct the Secretary of the Treasury to pay sums totaling not to exceed \$19,259.80 to 25 persons employed by the Treasury Department. During the war these employees were stationed in foreign countries and engaged in the performance of official duties. The employees sustained losses of property due to bombing, fires, looting, damage or pilferage while in transit, and other reasons.

The Treasury Department had no authority to settle these losses, and with the view of submitting relief legislation to the Congress, a Treasury Claim Board was established to consider and process the claims presented by the employees for such losses. The Department has received claims from 25 employees, aggregating \$28,845.12, of which amount, after careful consideration of the merits of each claim by the Claim Board, \$19,259.80 is recommended for approval by the Congress. There is attached a memorandum setting forth in detail a summary of the basis of the claims involved, indicating in each case the amount claimed, the amount disallowed, and the amount recommended for approval by the Department.

The Congress has on two previous occasions enacted legislation providing for the relief, under similar circumstances, of certain

officers and employees of the Foreign Service of the United States, namely, Private Law 145 (78th Cong.) and Private Law 13 (79th Cong.). Also there is pending in this Congress H. R. 3726, a bill for a similar purpose for Foreign Service employees, which was passed by the Senate on July 24, 1947.

This Department is of the opinion that these claims of officers and employees of the Treasury Department have merit, and it is strongly recommended that the proposed legislation be enacted.

It would be appreciated if you would lay the proposed bill before the Senate, and it is earnestly recommended that it be given prompt consideration. A draft of the proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

A. L. M. WIGGINS,  
Acting Secretary of the Treasury.

#### HOUSE BILL REFERRED

The bill (H. R. 5214) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1949, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

#### EUROPEAN RECOVERY PROGRAM—ADDITIONAL COPIES OF HEARINGS BEFORE COMMITTEE ON FOREIGN RELATIONS

The PRESIDENT pro tempore. The Chair would like to announce to the Senate that the Senate Committee on Foreign Relations this morning concluded its hearings on the European recovery program. It is very essential that additional printed copies of the hearings be made immediately available, and if there is no objection, and without displacing the business pending before the Senate, from the Committee on Foreign Relations, the Chair asks unanimous consent to report an original resolution, and requests its immediate consideration.

There being no objection, the resolution (S. Res. 195) was considered and agreed to, as follows:

Resolved, That 1,000 additional copies of the hearings held before the Committee on Foreign Relations on the European recovery program be printed for the use of said committee.

#### INVESTIGATION OF CERTAIN MATTERS RELATING TO ISLANDS OF THE PACIFIC

Mr. CORDON submitted the following resolution (S. Res. 196), which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Committee on Interior and Insular Affairs or any duly authorized subcommittee thereof, is authorized and directed make a study and investigation of such matters as it may deem appropriate relating to the islands, groups of islands, or other areas included within the trust territory of the Pacific, or relating to other islands, groups of islands, or areas of the Pacific which are possessions of, or subject to the authority of, the United States, including study and investigation of—

(a) the peoples, customs, laws, economies, resources, and governments of such areas;

(b) the interrelation, and the natural or appropriate integration, of such areas;

(c) measures designed to advance the security and well-being of the peoples and economies of such areas; and

(d) such other matters relating to such areas as the committee may deem appropriate.

The committee shall report to the Senate at the earliest practicable date the results of its study, recommending such organic and other legislation as may be necessary to provide for the civil government of such areas, and to assure to the peoples of such areas justice, peace, and tranquility, a voice in their civic affairs and government, the development of their economies and the protection of their civil rights, all with due regard to the established customs of such peoples. For the purposes of the studies and investigations authorized and directed by this resolution the committee, or any duly authorized subcommittee thereof, is authorized to employ such consultants, specialists, clerks, and other assistants, to travel, and to utilize such transportation, housing, and other facilities which the Army, Navy, Marine Corps, Coast Guard, or Air Force may make available, as it deems advisable.

SEC. 2. The committee or any duly authorized subcommittee thereof, for the purpose of making a study and investigation of any matter referred to such committee, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and 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. The cost of stenographic services shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

#### LINCOLN DAY ADDRESS BY SENATOR BREWSTER

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a portion of the address delivered by him at the Lincoln Day banquet, at Knights of Columbus Hall, Detroit, Mich., February 4, 1948, which appears in the Appendix.]

#### VETERANS IN COLLEGE TRAINING—RELEASES BY THE AMERICAN COUNCIL ON EDUCATION

[Mr. MORSE asked and obtained leave to have printed in the RECORD five releases on the subject of veterans in college training, by the American Council on Education, which appear in the Appendix.]

#### THE TAFT-HARTLEY ACT—ARTICLE BY SENATOR TAFT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "The Taft-Hartley Act: What It Does Do, What It Does Not Do," by Senator TAFT, which appears in the Appendix.]

#### STATEMENT BY SENATOR WAGNER MADE IN CONNECTION WITH BROADCASTS ON HOUSING

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement made by Senator WAGNER dealing with a series of broadcasts on the housing problem as well as a broadcast on the subject from Station WNBC, New York City, which appear in the Appendix.]

#### THE REPUBLICAN PARTY'S CONTRIBUTION TO PEACE—ADDRESS BY ALF M. LANDON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address

on the subject The Republican Party's Contribution to Peace, by Alf M. Landon, before the Republican Club at Ottawa University, Ottawa, Kans., February 4, 1948, which appears in the Appendix.]

**AWARD TO POSTMASTER ALBERT GOLDMAN, OF NEW YORK, BY THE VETERANS OF FOREIGN WARS**

[Mr. IVES asked and obtained leave to have printed in the RECORD a citation presented to Albert Goldman, postmaster of the city of New York, by General Theodor Bailey Post, No. 104, of the Veterans of Foreign Wars, which appears in the Appendix.]

**AWARD TO ROBERT I. QUEEN BY DELTA SIGMA LAMBDA FRATERNITY**

[Mr. IVES asked and obtained leave to have printed in the RECORD an article describing honor paid Robert I. Queen, past county commander of the Bronx County Disabled American Veterans, by the Delta Sigma Lambda Fraternity, which appears in the Appendix.]

**WILLAMETTE VALLEY PROJECT—RESOLUTION OF THE PORTLAND CHAMBER OF COMMERCE**

[Mr. MORSE asked and obtained leave to have printed in the RECORD a resolution on the subject of the Willamette Valley project, adopted by the board of directors of the Portland (Oreg.) Chamber of Commerce, which appears in the Appendix.]

**THE MARSHALL PLAN—EDITORIAL BY MARK M. SHAW**

[Mr. KNOWLAND, on behalf of Mr. WHERRY, asked and obtained leave to have printed in the RECORD an article entitled "The Shaw Plan," by Mark M. Shaw, from the Greater Nebraskan, which appears in the Appendix.]

**F. S. SHATTUCK RIPS MILITARY TRAINING PLAN—NEWSPAPER ARTICLE**

[Mr. TAFT asked and obtained leave to have printed in the RECORD an article entitled "E. S. Shattuck Rips Military Training Plan," published in the Los Angeles Daily News of January 20, 1948, which appears in the Appendix.]

**CELEBRATION OF FIFTIETH ANNIVERSARY OF FREEDOM OF CUBA**

Mr. MARTIN. Mr. President, last Friday a report from a committee appointed from the House of Representatives and the Senate to recommend a celebration of the fiftieth anniversary of the freedom of Cuba was brought up, and at that time I asked unanimous consent for the consideration of three concurrent resolutions. The distinguished senior Senator from Illinois [Mr. Lucas] objected to the consideration of the resolutions at that time, but he has now withdrawn his objection, and owing to the fact that part of the celebration will start a week from the coming Sunday, it is necessary for the Congress to act if we are to carry out the plan, and I ask unanimous consent that Senate Concurrent Resolution 39 be considered at this time.

The PRESIDENT pro tempore. Unfortunately, the concurrent resolution is in the Committee on the Judiciary. The committee would have to be discharged before the Senate could proceed to consider the concurrent resolution, although of course that could be done by unanimous consent.

Mr. MARTIN. Mr. President, I have taken the matter up with the distinguished chairman of the Committee on

the Judiciary, the Senator from Wisconsin [Mr. WILEY], and I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the concurrent resolution.

The PRESIDENT pro tempore. Is that satisfactory to the chairman of the Committee on the Judiciary?

Mr. WILEY. Mr. President, the procedure is not satisfactory, but in this particular instance we will agree to it.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the concurrent resolution (S. Con. Res. 39) was read, considered, and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring).* That in commemoration of the fiftieth anniversary of the victory over Spain, resulting in the liberation of Cuba, the two Houses of Congress shall assemble in the Hall of the House of Representatives at 1 o'clock in the afternoon, on Monday, April 19, 1948.

That the joint committee created by House Concurrent Resolution 108, Eightieth Congress, is empowered to make suitable arrangements for fitting and proper exercises for the joint session of Congress herein authorized.

That invitations to attend the exercises be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the General of the Armies, the Chief of Staff to the Commander in Chief, the Chief of Staff, United States Army, the Chief of Naval Operations, the Chief of Staff, United States Air Force, the Commandant of the Marine Corps, and the Commandant of the Coast Guard, and such other persons as the joint committee shall deem proper.

That the President of the United States is hereby invited to address the American people at the joint session of the Congress in commemoration of the fiftieth anniversary of the victory over Spain.

Mr. MARTIN. Mr. President, I make the same request respecting Senate Concurrent Resolution 40.

The PRESIDENT pro tempore. The clerk will report the resolution, and under the same understanding existing as to the concurrent resolution just agreed to, the Committee on the Judiciary will be discharged from the further consideration of the concurrent resolution, and by unanimous consent it will be considered at this time.

There being no objection, the concurrent resolution (S. Con. Res. 40) was read, considered, and agreed to, as follows:

*Resolved.* That House Concurrent Resolution 108, Eightieth Congress, agreed to July 26, 1947, is amended by striking out the last sentence of section 2 (b) and inserting in lieu thereof the following: "The committee shall cease to exist upon the expiration of 30 days after April 19, 1948."

Mr. MARTIN. Mr. President, I ask for the same action with regard to Senate Concurrent Resolution 41.

The PRESIDENT pro tempore. The Senator from Pennsylvania asks for the consideration, under similar circumstances, of Senate Concurrent Resolution 41, which will be read.

The concurrent resolution (S. Con. Res. 41) was read, as follows:

*Resolved.* That House Concurrent Resolution 108, Eightieth Congress, agreed to July 26, 1947, is amended by adding at the end of section 3 thereof the following: "The funds made available under this concurrent resolution shall be available for paying the expenses of a delegation to attend the ceremonies that will be held in Habana, Cuba, on Sunday, February 15, 1948, in connection with the observance of the fiftieth anniversary of the sinking of the U. S. battleship *Maine*, to be composed of two Members of the Senate to be appointed by the President of the Senate, two Members of the House of Representatives to be appointed by the Speaker, and two representatives of the United Spanish War Veterans, consisting of the commander in chief and one other member of that organization, together with the expenses of any of the employees of the committee whose services are required in connection with this ceremony."

The PRESIDENT pro tempore. The Parliamentarian suggests that this concurrent resolution should go to the Committee on Rules and Administration, inasmuch as it deals with the contingent fund.

Mr. WHERRY. That is correct.

Mr. MARTIN. Mr. President, the matter has already been taken up with the chairman of that committee and it is agreeable to the Committee on Rules and Administration that the Senate give immediate consideration to the concurrent resolution.

Mr. WHERRY. Was the matter presented to the Committee on Rules and Administration?

Mr. MARTIN. It was.

Mr. WHERRY. Did the chairman of the committee notify the distinguished Senator that the Committee on Rules and Administration was favorable to the resolution?

Mr. MARTIN. Yes.

Mr. WHERRY. Does the Senator know whether or not the Senator from Illinois polled the committee?

Mr. MARTIN. I do not know.

Mr. WHERRY. I shall not object, if the matter has been approved by the chairman of the Committee on Rules and Administration.

The PRESIDENT pro tempore. The Chair would very much dislike to have this considered as any sort of precedent, because it is not the proper procedure when the contingent fund of the Senate is involved.

Mr. WHERRY. I suggest that the distinguished Senator from Pennsylvania refer the matter to the chairman of the Committee on Rules and Administration and have the committee polled.

Mr. MARTIN. I shall do so.

The PRESIDENT pro tempore. Undoubtedly the Senator from Pennsylvania can proceed with the subject later in the day.

Mr. MARTIN. Very well.

Senate Concurrent Resolution 41 was referred to the Committee on Rules and Administration.

Mr. KNOWLAND subsequently said: Mr. President, early today the Senator from Pennsylvania [Mr. MARTIN] requested consideration of Senate Concurrent Resolution 41, relative to the expenses of a delegation to attend the ceremonies in Habana, Cuba, in con-

nection with the observance of the fiftieth anniversary of the sinking of the U. S. battleship *Maine*. However, at the request of the President pro tempore and the Senator from Nebraska [Mr. WHERRY], the concurrent resolution was referred to the Committee on Rules and Administration. I wish to point out to the Members of the Senate that the concurrent resolution does not call for any additional appropriation. It merely provides that the funds which are already available shall be made available for the use of sending of the American delegation to Habana, to consist of two Members of the Senate, to be appointed by the President of the Senate, two Members of the House, to be appointed by the Speaker of the House of Representatives, and two representatives of the United Spanish War Veterans.

From the Committee on Rules and Administration, I now ask unanimous consent to report the concurrent resolution favorably, without amendment, and request its consideration.

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

#### REGULATION OF BUSINESS OF LIFE INSURANCE IN THE DISTRICT—CORRECTIONS IN ENROLLMENT OF BILL

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 146, which was read, as follows:

*Resolved by the House of Representatives (the Senate concurring).* That the Clerk of the House of Representatives, in the enrollment of the bill (H. R. 1634) to amend section 1, and provisions (6), (7), and (8) of section 3, and provision (3) of section 4 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia", and to add sections 5a, 5b, and 5c thereto, is authorized and directed to make the following corrections in the House engrossed bill:

Page 13, line 20, strike out "5" and insert in lieu thereof the following: "5b."

Page 13, line 20, strike out "in" and insert in lieu thereof the following: "In."

Mr. CAIN. Mr. President, I move that the Senate agree to the concurrent resolution.

The motion was agreed to.

#### THE LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, several Senators have asked what the program for today will be. I desire to say to the Senate that several Senators will deliver speeches on the St. Lawrence seaway project today. The distinguished Senator from Utah [Mr. THOMAS], the distinguished Senator from Vermont [Mr. AIKEN], and possibly one or two other Senators will speak on the subject. If the speeches themselves or the colloquies in connection with them run late into the afternoon, too late for the Senate to take up other business, it will then, I believe, be the intention to recess until Monday, unless something comes up at the end of the session that should demand attention tomorrow.

I might also add that in the event the debate on the St. Lawrence seaway is concluded today, and there is ample time for consideration of other legislation, it is the intention that the Senate be asked to consider several bills now on the

calendar. It is not the intention to bring up legislation respecting which there is controversy. One measure is Senate Joint Resolution 173, Calendar No. 902, to be found on page 9 of the calendar. That is a joint resolution to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes. My understanding is that the authority will expire the latter part of February, and that there should be consideration had by the Senate, as soon as convenient, with respect to whether the authority should be continued.

Request has been made for immediate consideration of Senate bill 1004, Calendar No. 897, if possible at the conclusion of the debate on the St. Lawrence seaway today. The bill was introduced by the Senator from California [Mr. KNOWLAND]. Senators will find from a reading of the title of the bill that it explains fully the subject matter dealt with by the bill.

Members of the Senate will remember that when the legislative calendar was called last Monday the distinguished Senator from Connecticut [Mr. BALDWIN] stated that as soon as the legislation dealing with the St. Lawrence seaway had been acted upon—and it will not be concluded for some time, but is now the business pending before the Senate—or at the first opportunity, he would ask unanimous consent, or move, as I recall his words, and I might be mistaken as to which words he used, to bring up for consideration Senate bill 1557, Calendar No. 702, and, I think, Senate bill 1375, Calendar No. 704. Senators will find the last two bills on page 8 of the calendar.

Request will also be made for consideration of Senate bill 1356, Calendar No. 696, the last bill on page 7 of the calendar, which is legislation similar to that contained in the other two bills to which I referred. No doubt if one of these bills is brought up for consideration request will be made that all three be considered.

Mr. President, in view of the gentleman's agreement respecting what shall be done next week, I think that before any Senators leave the city attention should be called to two other very important pieces of legislation. One deals with rent control, on which action must be taken by February 18, which is a week from Wednesday. If there is any objection to consideration of that measure, I wish the Senator or Senators who have objection would take the matter up with the chairman of the policy committee and see if the objections can be ironed out.

There is another measure, introduced by the distinguished Senator from Ohio [Mr. TAFT], dealing with the budget, which may possibly be ready for consideration next week.

Mr. TAFT. Mr. President, that measure certainly will have to be taken up not later than immediately at the beginning of week after next, 16th or the 17th of February.

Mr. WHERRY. That, Mr. President, is about the legislative program. The two latter pieces of legislation might involve debate. Objections may be raised. If there should be objections and they

cannot be ironed out, I think we should stand by the "gentleman's agreement" which has been entered into. But, as to the other matters to which I have referred, which are on the calendar, I am quite sure they will meet with the approval of all Members of the Senate and can be given early consideration.

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

Mr. WHERRY. I yield.

Mr. LUCAS. Am I to understand from the remarks made by the acting majority leader that any one of these bills which are now on the calendar to which he has referred may be taken up this afternoon?

Mr. WHERRY. That was the announcement, yes, in the event the debate on the St. Lawrence seaway shall be concluded in time for such action to be taken at today's session.

Mr. LUCAS. The Senator has presented what seems to me to be a rather ambitious program.

Mr. WHERRY. I wish to say to the distinguished Senator from Illinois that it is our intention to ask unanimous consent for consideration of the measures I mentioned. It is the intention to try to have some legislation considered on which all Members of the Senate can agree.

Mr. LUCAS. I know nothing about Senate Joint Resolution 173, Calendar No. 902, or Senate bill 1004, Calendar No. 897. I imagine there may be some objection to the latter bill.

Mr. WHERRY. If there is any objection, very well. It was the intention to have the Senate consider some piece or pieces of legislation which are available for consideration and to which there would be no objection.

The Senator from Washington [Mr. MAGNUSON] is very anxious that Senate Joint Resolution 173, Calendar No. 902, be taken up for consideration as quickly as possible. I suggest to the distinguished Senator from Illinois that inasmuch as the speeches which will be made on the St. Lawrence seaway will occupy considerable time today, if he will take the matter up with the Senator from Washington, or any other Senator, and if he finds that there is objection to the joint resolution he can make it known. If not, I think that possibly consideration of Senate Joint Resolution 173 should be proceeded with today, if possible.

Mr. LUCAS. I was wondering whether the absence of a quorum would not be in order before action is taken on any piece of legislation.

Mr. WHERRY. That will have to be done. If unanimous consent is made to take up any measure it will be necessary that the absence of a quorum be suggested.

Mr. LUCAS. Before any of these bills are taken up.

Mr. WHERRY. Yes, I think so.

Mr. LUCAS. I will say frankly that I know nothing about any of the measures referred to. I imagine members of committees which considered the measures would want to be present when they were taken up for consideration.

Mr. WHERRY. Yes, I simply stated the contemplated procedure with the idea that it would be for the benefit and

information of the Senate. As I stated before, in the event the debate on the St. Lawrence seaway continues until a late hour, then a recess will be taken, but I thought that in view of the fact that consideration of certain pieces of legislation had been suggested by Members of the Senate on both sides of the aisle, attempt would be made to have them brought up for consideration, if there were no objection, and if there would be time today to do so.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1366) to facilitate procurement of supplies and services by the War and Navy Departments, and for other purposes.

The message also announced that the House insisted upon its amendment to the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain replaced parts of such vessel as souvenirs, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ANDREWS of New York, Mr. COLE of New York, and Mr. VINSON were appointed managers on the part of the House at the conference.

#### THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Mr. THOMAS of Utah. Mr. President, I know from the discussion which has preceded that the question before us leads to the type of argument which makes it not out of place for me to start with a subject which does not deal with the St. Lawrence waterway. When I say that, I am sure that it is rather consistent with what has occurred during the past half hour in the Senate.

I am certain about one thing, Mr. President, the Marshall plan entered into the discussion long after the St. Lawrence waterway project was before us. The Marshall plan has been brought into the argument in this way: It is said that at a time when we are planning to spend so much money for the relief and stability of Europe, it would be improper to spend money for the St. Lawrence waterway.

Mr. President, I am one of those who did not take exception to the President's message in which he united the idea of interim relief and the idea of price stabilization. We cannot stabilize conditions in Europe if we allow further instability in our own country. All these questions are closely related; and because they are closely related I believe that it would be wise for me to say a word or two about the bill which I introduced yesterday on behalf of the Senator from New York [Mr. WAGNER] and myself in an attempt to bring out a plan which might help in the price situation.

It should also be said, if one is to attempt to appreciate the philosophy of the

bill, that I was one of those who in the beginning of our attempt at controls stood wholeheartedly on the theory that there should be entire control and not piecemeal control. I shall not criticize what was done. I realize that what was done was done after due deliberation and careful consideration of an overall control plan. However, I feel that in fairness to the authors of the bill I should say that I was one of those who wanted wholehearted control of our economy in order to attempt to keep prices, and all that goes with prices, before our country as a single problem.

Yesterday I introduced Senate bill 2126, a bill to provide for a coordinated anti-inflation program. The Senator from New York [Mr. WAGNER] joined in the presentation of this bill. I have introduced the bill because I feel that none of the bills now before the Senate Banking and Currency Committee meets the need of the day.

Prices are rising steadily. The consumers' price index of the Department of Labor, which measures the cost of living, increased on the average of 1 percent a month during the last 3 months of 1947. There is every indication that this consumers' price index will continue to increase about this rate in the coming months of this year.

But rising prices are not our only problem. In order effectively to carry out our commitments in the European recovery program with the least possible effect upon our domestic economy, it is necessary that basic products and commodities be channeled into their proper and most worth-while uses.

After examining and giving consideration to the bills now before the Senate Banking and Currency Committee, I decided that not one met the need existing today to stop inflation. Therefore, I have introduced Senate bill 2126, which:

First. Freezes prices as of January 5, 1948, and provides for the elimination from this price freeze of all those commodities not basically affecting the cost of living and industrial and agricultural production.

Second. Provides for authority to be granted to permit the allocation and rationing of basic commodities which affect the cost of living or industrial or agricultural production.

Third. Provides for controls over bank credits.

I have incorporated into the bill the proposal made to the Senate Banking and Currency Committee by Marriner C. Eccles, of the Federal Reserve Board, suggesting that the Federal Reserve Board be permitted to require commercial banks to establish special reserves, thus limiting the amount of demand and time deposits which those banks can use as collateral for extending commercial loans.

Fourth. Provides for the creation of an economic stabilization coordinator. If we are to have an effective anti-inflation program, it is essential that authority be granted to the President to create an administrator who will coordinate the many Government agencies that will be responsible for carrying out the various phases of such a program.

Fifth. Provides for adequate enforcement machinery. This is necessary if

we are properly to administer and make effective the provisions of the bill.

Sixth. In addition I suggest that the powers and authority under this act extend for at least a 2-year period, to March 31, 1950, with authority to terminate at a sooner date if deemed advisable. This provision will prevent hoarding and withholding from the market in anticipation of quick elimination of price ceilings.

In introducing this bill I have attempted to put into one package a well-coordinated and effective anti-inflation program. I have accepted the principle of price freezes as proposed by the Senator from Indiana [Mr. CAPEHART]. I have further written into this single bill the allocation and rationing authority contained in the bill introduced by the Senator from New Hampshire [Mr. TOBEY] on behalf of the Department of Commerce. I have further included the idea contained in the bill of the Senator from Oregon [Mr. MORSE] to establish an economic stabilization coordinator. I have also incorporated the kind of enforcement procedures contained in a bill introduced by the Senator from Idaho [Mr. TAYLOR]. In addition, as I have heretofore mentioned, I have accepted the recommendations of Marriner C. Eccles of the Federal Reserve Board on the problem of bank credits.

I have attempted to coordinate the best parts of the various provisions of the bills now before the Senate Banking and Currency Committee into a single, coordinated, effective anti-inflation program.

At the hearing before the Committee on Foreign Relations this morning there was a witness who bore testimony to the need for this program. The President pro tempore commended him for his statement, and for his great contribution to the hearing.

Mr. President, the contribution consisted primarily in the fact that the witness pointed out that the program was to be all-embracing, taking into consideration all the economic characteristics which prevail throughout our entire economy.

I repeat, we cannot bring stability anywhere else if we do not have it here. There is no use in our planning for stability in the world if we cannot provide stability for ourselves. Mr. President, that brings me to the point I wish to make above all other points in regard to the St. Lawrence seaway. It is not a local proposition; it is not a proposition which deals primarily with the setting up of a seaway to compete with our railroads; it is not a proposition which has to do with the Northeast. It is a proposition which deals with the entire economy of the United States of America; and it is a proposition which has been reviewed time and time again and has been under discussion by the American people since the logic of the waterway first became apparent to them.

The St. Lawrence River is a boundary in some parts of our country. It was necessary to enter into treaties regarding treatment of the river in other parts. In some parts of the country it is really a national river, just as portions of the Great Lakes are wholly national. There-

fore the problem is bigger than the American national Government; it is bigger than the American National Government and the Canadian Government. It is so big, as the Panama Canal was so big, that in time it may not only prove itself a great relief to a crowded economy, both here and in Canada, but may be a shaper of commercial and economic habits, fitting into the whole relief scheme.

We have done much in the history of our country in the last 150 years, and have ratified all we have done, to bring about unity of the Americas for the purpose of defense, of understanding, of dealing with one another as we hoped from the very beginning other Republics in this hemisphere would deal with one another for the purpose of complementing and helping the cause of peace, for the purpose of saying to one part of the world which has a philosophy of life which is inconsistent with that of America and upon which it was founded, that it may come so far and no farther.

The origin of the theory which primarily brought into being the hemispheric defense idea is bigger than just an act. It is a world-wide theory which has been applied in other parts of the world. We speak of a Monroe Doctrine for this country or for some other part of the world. It is spoken of rather glibly throughout the land. There has always been, Mr. President, one part of the Western Hemisphere which has never seen eye to eye with this Nation in regard to pan-American union and in regard to hemispheric defense.

For the purpose of argument in connection with the pending joint resolution, it has been said by many Senators that the resolution is hardly in order; that we should have a treaty before us. I am very sure that the Pan American Union, which has grown into such a great institution and which has crystallized into what is probably the biggest idea in the Western Hemisphere, was not established by treaty but by an agreement. I may be wrong in that statement, because it has been a long time since I read the origin of the Pan American Union. I think, however, it was set up by agreement.

Mr. President, Canada, because of its connections east and west, has always been outside of the thinking and the philosophy of the Pan American Union, but not outside of its ideals. Canada knows, as we know, that our defense is intermingled; that one country cannot remain free and the other captive in time of war. Canada knows, and we know, that our economies are almost interchangeable. Those persons from my part of the country who went into Canada and settled there thought, until the beginning of the First World War, that they were probably not even changing their citizenship. They came and went with complete happiness, thinking American principles, thinking American ideals; and the American flag was as much displayed as was the British flag. That is one of the great evidences that such a situation should be continued. Every bond of friendship which can be thought of, every ideal, and every insti-

tution which can make the two countries more of a unit is statesmanlike forethought on the part of the two nations.

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

Mr. THOMAS of Utah. I am glad to yield to the Senator from Illinois.

Mr. LUCAS. I want to congratulate the Senator upon the type of address he is making. I want to say, candidly, that from time to time I have been opposed to the St. Lawrence waterway treaty or the seaway agreement, but in view of the conditions in the world as they exist at this time, and in view of the fact that through former Secretary of State Cordell Hull, the late Franklin D. Roosevelt, and others who have followed, much has been done toward a good-neighbor policy in the way of setting up a hemispheric solidarity as a matter of sound, adequate national defense, I can think of nothing at this particular time, insofar as this country and Canada are concerned, which could do more to cement the ties of friendship and once again move in the direction of hemispheric solidarity than now to begin construction of the seaway between this country and Canada.

Mr. THOMAS of Utah. I thank the Senator from Illinois. I appreciate what he has said. It seems to me what he has said can be extended a little bit further than to the Americas. The good-neighbor policy was not intended to work only north and south; it was also intended to work east and west.

I repeat what I said in the beginning, that if we can not keep stability in our own country there is no use talking about establishing it somewhere else. Practically every witness who has appeared before the Foreign Relations Committee on the European recovery plan has pointed out the need of European unity, and we have accepted their logic. Practically every Senator who has considered the problem has realized that economic unity is of the greatest importance. I do not mean entire political unity. It is difficult to draw a line. There should be unity in thought, unity in the desire to succeed in a unified way. The American people say to 16 European countries which have ideals and civilizations much like our own, "Unite so that you may attain your objective." Then in the same breath we refuse, because we say we have not the genius or ability, to go into a partnership with the Dominion of Canada, right on our own border, in regard to a proposition on which we have been in partnership since 1794.

Mr. President, that is the logic of the situation, and it is the basic idea which I think underlines all we are trying to do.

Toward the end of the session yesterday one Member of the Senate objected to the measure now before us on the theory that it leaves the question of the use of all the St. Lawrence waterways perpetually dangling. I think the word "dangling" was the one he used. Mr. President, it would be hard indeed to leave dangling any question that comes before us, especially in view of what has gone before. How can we think that in acting here on a given measure we act

in a great vacuum, that nothing has gone before and nothing will come after, but that we are creating something absolutely new? Such a notion is the sort of thing I could never understand in people any time, when I read their history.

When we adopted the Constitution of the United States we did not do something in a vacuum. Mr. President, all we have to do is look at the seal of the United States as it appears on one of our dollar bills, and there we see the words showing that the founding fathers asked the blessings of God upon their beginning in the establishment of a new order in the world. It is worth pointing out that when one of the great Chief Justices of the United States handed down a decision, which was perfectly logical and fitted in with the scheme and patriotism of the founding fathers—a decision based on the theory that a new order had been established and that therefore they did not have to consider the past—the people of the United States rose up and adopted a constitutional amendment calling attention to the fact that all that had gone before belonged to them in this new order, and that nothing was set up in a vacuum, that nothing was started without regard to what had previously happened, but that there was antecedent for what they did. So, Mr. President, the Constitution of the United States was a document of delegated powers by which the people of the United States said where the powers were to be placed.

I make that point to show that we are not acting in a vacuum in connection with this matter and are not doing something new, but are doing something in the course of the evolution of a great idea, and also to show that the influence of what has gone before remains upon us.

In addition, I should like to point out the striking difference between the Constitution of the United States and the constitution which governs the people of Canada. Under our Constitution, the people of the United States reserve to the States all the powers that are not granted to the Federal Government; but the states in the Canadian union allow that union, and not the individual provinces, to have the reserved powers. In this proposition we are dealing with a union, Mr. President.

Yesterday it was pointed out, Mr. President, that the idea in regard to perpetual use of the waterway was left dangling because the pending measure provides for future negotiations and future treaties in regard to certain phases of the matter. It is necessary in the RECORD to call attention to the fact that we began thinking about the joint use, if not the joint control, of these waterways as early as 1794. In 1794 our country ratified a treaty dealing with the navigation on that waterway. I shall read part of that treaty to show that all that should have been done has been done to make way for the future negotiations which should be carried on in an orderly way, consistent with what has been done in the past. Article III of the treaty of 1794 reads as follows:

ARTICLE III. It is agreed that it shall at all times be free to His Majesty's subjects, and to

the citizens of the United States, and also to the Indians dwelling on either side of the said boundary line—

That refers to the part of the St. Lawrence which is the boundary line between the United States and Canada—

freely to pass and repass by land or inland navigation, into the respective territories and countries of the two parties, on the Continent of America (the country within the limits of the Hudson's Bay Co. only excepted), and to navigate all the lakes, rivers, and waters thereof, and freely to carry on trade and commerce with each other.

Article XIV reads as follows:

ARTICLE XIV. There shall be between all the dominions of His Majesty in Europe and the territories of the United States a reciprocal and perfect liberty of commerce and navigation. The people and inhabitants of the two countries, respectively, shall have liberty freely and securely, and without hindrance and molestation, to come with their ships and cargoes to the lands, countries, cities, ports, places, and rivers within the dominions and territories aforesaid, to enter into the same, to resort there, and to remain and reside there without any limitation of time. Also to hire and possess houses and warehouses for the purposes of their commerce, and generally the merchants and traders on each side shall enjoy the most complete protection and security for their commerce; but subject always as to what respects this article to the laws and statutes of the two countries respectively.

Mr. President, that very broad usage has continued.

In the Reciprocal Treaty of 1854 the same ideas were stated, and by that treaty those practices were continued.

The Treaty of Washington, in 1871, provides an expanding notion.

When we come down to the Boundary Waters Treaty of 1909 between the United States and Great Britain, we find expressed in it the same ideas, but expanded still further, and leaving the peoples and citizens of both countries free to use the boundary waters in the way in which they wish to use them, either by national use or cooperative use. At any rate, the idea still persists.

Then we find that, still later, in the debate in the Senate on the Canadian Reciprocity Act of 1911, it was stated by one of the Senators from Michigan that—

It is well known that one of the objects of the treaty of 1854 was the improvement of the St. Lawrence River.

That statement was made only 37 years ago, but it is a pronouncement showing us that all that is being done, and all that has been done, and all that it is contemplated to do is thoroughly consistent with what has been the will of the United States and the will of Canada for at least 40 years.

Mr. President, there is considerable legal authority in support of the view expressed by Assistant Secretary Adee. Thus, in the case of Canada Malting Company against Patterson Steamships, the court stated:

On this motion for rehearing proctors for respondent point out that by treaty relations between Great Britain and the United States the boundary waters of the Great Lakes, meaning thereby the entire body of water comprising lakes, rivers, and waterways separating the two countries, with respect to navigation have become international water-

ways and equally free to citizens of Canada and citizens of the United States. (See Root-Bryce Treaty of 1909, and President's proclamation of May 13, 1910 (36 Stat. 2448), Moore's Digest of International Law, vol. I, p. 674.)

In view of this treaty, there exists, it seems to me, additional reason for declining jurisdiction and relegating the parties to pursue their remedies and rights in the country of which they are citizens and subjects, in the place where the contract of carriage was made and performed, and further, where the witnesses reside.

That is from a decision of the court, which seems to have a direct bearing on what I have to say.

Similarly, in the act approved February 8, 1895, regulating navigation on the Great Lakes and their connecting tributary waters, the Congress specifically stated that "the following rules for preventing collisions shall be followed in the navigation of all public and private vessels of the United States upon the Great Lakes and their connecting and tributary waters as far east as Montreal."

These treaties, then, have vested in the United States reciprocal rights to navigation in boundary waters and in those waters of the Great Lakes-St. Lawrence system which are wholly located in Canadian territory. The only question that remains, therefore, is the method of further developing the usefulness of these rights through reciprocal improvements. For this purpose the parties agreed upon such a method in the 1909 treaty whereby special agreements may be entered into to improve the navigation of the system on the basis of reciprocal legislation.

Mr. President, there remains but one question that bothers those who are opposed to the pending measure. The various treaties and agreements, and the practice followed as a result of the treaties and agreements, are applicable to citizens of both the United States and Canada. Mutual rights are guaranteed to the citizens of each country. Someone will say it is contemplated there may be some sort of publicly owned utility based on the waterway, and that therefore the treaty provisions will not hold.

Mr. President, in a world like ours, in which the tendency the world over has been toward more and more national functioning and State functioning in what have been considered purely private affairs, to assume that all past understandings and treaties would not be brought into consideration when the time for a special agreement came is unwarranted. I think that the question of control of the St. Lawrence waterway, and of all that is done under the great system which is projected, has not been left dangling. I think there is much understanding and background, and that much that has preceded it should control the actions of negotiators to the end that the spirit which has been followed in the past may prevail in the future. That is all that is asked.

It is pointed out by some that they fear this spirit in the future. It is pointed out by some that because of the building of this great waterway some element of the American economy which is prosperous today may cease to be prosperous. That is the chance everyone takes in a changing world. I doubt very much whether, in an automotive age, anything can be done for the person who has, for example, spent all his business lifetime in making buggy whips, and yet adjust-

ments are made by business quite as much as by individuals. Business corporations learn how to operate automobiles, just as the individual does who has been accustomed to riding and driving horses. The buggy-whip age may have gone, as far as industry is concerned, but those who took part in it have changed. I have noted in the history of the country that practically every new thing contributes to prosperity everywhere, and while the St. Lawrence waterway is not a new thing, it will relieve some of the extreme pressures from which the economy of the northeastern part of the United States is now suffering. Think of it, Mr. President, at a time like this, right here in Washington, there are people who are cold because the fuel they need for heating cannot be brought to them in abundance. Think of it, Mr. President, that in the northeastern part of the United States, particularly in the great centers of population, suggestions are being made of putting a complete embargo on the exportation of oil, because it is said the people are cold and do not have enough oil and coal. Think of it, Mr. President, that our railways are overextended; think how busy they are, how much they are doing; and yet people fear the effect of the St. Lawrence seaway on transportation.

Mr. President, in this country the things that are needed more than anything else are more transportation and more power. The St. Lawrence waterway will provide more transportation facilities and more power. We, in America, should realize what is going on in the world. We should realize the need for new trade routes, when we consider what our handicaps were during the last war because of our inability wholly and completely to fulfill all the necessities attendant upon the war, largely due to our transportation system, great as was its contribution to the war effort.

Mr. President, as chairman of the Senate Committee on Military Affairs during much of the war, dealing with this question from day to day, I know, and no one can tell me differently, what the worry of our country in the great defense effort rested upon. It was the inability of our country's transportation system and of our economic system to meet all the demands. We are not fearful. It will be discovered that every new use creates new demands. More power in the northeastern part of the United States will benefit the whole of the United States. More transportation facilities in the northeastern part of the United States will benefit all. The dream we all cherish for our country is that every national resource will be put into shape so that it can contribute its utmost to the economy and welfare of the American people, and incidentally, by so doing, that it will contribute to the economy and welfare of the whole world.

The railways in the United States were not built with their strategic value in mind. They began operating before railways were used in war, and the first war in which they were used was the War Between the States. European governments, in building their great railroad systems, built them on a strategic basis.



Mr. President, we may be going far afield, but I think it is necessary to go far afield in order to show to the whole Nation its need for and dependence upon the proposed waterway for defense purposes, as General Marshall has pointed out, if for nothing else.

I mentioned the fact that our railroads were not built on a strategic basis. Four of the great East and West trunk lines of the United States—as everyone who has ever read a timetable knows—run on tracks of two systems for many miles. There will be found the weakest links in those four trunk lines. There will be found the greatest cause for worry, because four great systems can be put out of service by a single bombing raid. Such a railroad system, Mr. President, is not a strategically wise railroad system. I am not attacking the railroads. The economy of my State, like the economy of the States of most Senators present—of practically every Senator who is present at the moment—grew up around a railroad.

Speaking of railways, Mr. President, I wish to say that in the midst of a great war, when the country was loaded with debt, at a time when nearly everyone said, "Railroads cannot be built because of the debts owing by the country," we had a great statesman in the White House, a man by the name of Abraham Lincoln, and despite the great debts, despite the war, despite every obstacle, he started the country on the program of building the great East and West railway.

Mr. President, something was said the other day about the pending measure being unconstitutional. I have said something about Abraham Lincoln and his statesmanship. When he considered the great, drastic, experimental, wealth- and labor-consuming, highly costly program, and realized the great need for the building of our railroads, he set that great need above the risk of the program, and signed the act which gave us our great East-West railway system.

But Lincoln gave more evidence of greatness than that. During President Buchanan's administration, which preceded that of Abraham Lincoln, there was passed by the Congress of the United States the Land Grant College Act. Since the question of constitutionality with respect to the pending measure has been brought up, I wish to point out that James Buchanan vetoed the Land Grant College Act because he said there was not a provision in the Constitution giving the Federal Government the right to do anything for education. But, Mr. President, when a great statesman came into power, when a great statesman sat in the White House, at a time when the Nation was loaded with debt, surrounded as he was by overwhelming problems, bent down by worry, faced by uncertainties, he yet knew the great fundamentals upon which the Government rested, and brought into existence the greatest educational act ever conceived by man. It was considered to be unconstitutional by one President, but was considered to be necessary by the other.

Mr. President, in spite of all the arguments that can be made about the Constitution being strictly an instrument of

delegated power, it was never set up to stop the progress and the onward march of the American people in achieving their economic and their political objectives. It was set up to be a guide for them in attaining those ends. And that is what it is.

The St. Lawrence waterway program is as much necessary in the proper evolution and the proper growth and development of our country as were the other great programs I have mentioned. If we should follow through the ideas of Buchanan and turn our backs on the ideas of Lincoln, we would of course, retard the growth and development of the American people who conceived the idea of the development of the St. Lawrence 100 years ago, although an actual navigation treaty was entered into 150 years ago.

Mr. President, we all know that we are not going to permit to go to waste the great natural resources, the energy, the power, and the facilities which this system would give us, and leave them unused up to their maximum.

Mr. President, we see a wonderful picture when we realize that already in our country we have brought into existence the Columbia River project; already we have brought into existence the Colorado River project; so the Northwest and the Southwest have power. The Southeast has the TVA development. It also has power therefrom. The Northeast, which needs power even more, because of the greatness of its industrial life, is not going to be deprived of power forever. The American people will say "No" to a stand of that sort, because the American people are a unit when it comes to thinking through our defense and our whole economic life, when considered as one.

Mr. President, I wonder what we would have done in the wartimes were it not for the fact that we had the power which was provided in the Northwest, in the Southwest, and in the southeastern part of our United States. That power not only gave us the atomic bomb but it gave us all the other implements of war and other things we needed.

Mr. President, I heard a Senator tell us the other day that he was against the St. Lawrence seaway project because it could not be defended in time of war; that part of the project was wholly in Canadian territory, and therefore it could not be defended. If the world's war morals remain at the level they reached when we decided to use the atomic bomb, then I say it would be a waste of even an insignificant bomb to try to hit that part of the St. Lawrence seaway which is going through Canadian territory.

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

Mr. THOMAS of Utah. I yield.

Mr. TOBEY. I merely wanted to interpolate that I heard that argument used, and it is going to be used again on the floor of the Senate. To me it is almost puerile. If I might use a stronger adjective, I would say it is almost asinine, and I know, or I hope, Senators will know what I mean by that.

I wish to point out that if we are going to have a religion of fear in our hearts in looking toward this great de-

velopment of the St. Lawrence seaway, we ought to be thoroughly ashamed of ourselves. When the contention is made that we should not build the canal because of the danger of its destruction by an atomic bomb, if one should fall upon it with all its hellish fury, and destroy its usefulness—when that contention is made I raise my eyebrows.

I suggest to the distinguished Senator from Utah that if I were a foreign enemy I would direct my attack first at the Panama Canal, and endeavor to wreck it. I would then send an airplane over Washington and drop an atomic bomb on this Congress of men more or less brilliant, and put it out of business. If I were an enemy of this country, there are many points I would attack before I would attack the St. Lawrence seaway. The worry that has been expressed respecting the vulnerability to attack of the St. Lawrence Canal is the expression of a religion of fear.

Almighty God has placed on the face of the earth great bodies of water which men, through the great scientific ingenuity possessed by them, can harness up to improve and benefit mankind by providing better transportation and cheaper power. When men stand up in the Senate and say that such improvements should not be made because of the possibility that they may be destroyed by an enemy, I am ashamed of such an expression of religion of fear.

Mr. AIKEN. Mr. President, if the Senator from Utah will permit, I should like to ask the Senator from New Hampshire a question in connection with the assumption that Washington may possibly be the object of an atomic-bomb attack. If we are to assume that Congress will vote against the St. Lawrence seaway, and other projects which are designed to strengthen the American economy and industry, does the Senator still think that the Congress would have the same importance as an objective for an enemy attack?

Mr. TOBEY. If the Congress were to vote against the St. Lawrence project, I think it would mark Congress as being a little below par.

Mr. THOMAS of Utah. The Senator from New Hampshire may have in mind that while the Senator from Utah has the floor, with the small representation of the membership of the Senate present to hear the discussion, it might not do any great harm if an atomic bomb were to descend upon us, for only a few others than the Senator from Utah would be the target.

Mr. TOBEY. Mr. President, I am delighted to have the companionship of the Senator from Utah in this great objective. I have heard the St. Lawrence seaway project maligned from one end of the country to the other. I have heard the project attacked by those who are moved by provincialism, by those whose views may be said to be nothing other than archaic. More than that, the railroads of New England, instead of crying out concerning the project "Unclean, unclean," and using every possible means to hamstring the project, ought to sing a Te Deum and get behind it, because in 10 years after completion of the project they would be doing more business than

they did before the Canal was completed. The people of my State, Vermont, and other States would have their power rates cut in two—pro bono publico all along the line. I am for it.

Mr. THOMAS of Utah. I thank the Senator from New Hampshire and the Senator from Vermont.

Let me add one further sentence. If the morals of war sink to the level where we left them when the last war was over, it will be a waste of power to try to find the waterway. No general would sanction it when Chicago is within another half-hour's flight, and when the great city of New York is on the way, if they come from the east. If they come over the Pole, which they likely will do, then, of course, they will be in the economic center of the United States; and surely one little passageway would not be an objective when the entire economy could be petrified and thrown out of gear.

Wherever and whenever the enemy comes, if we are to fight a war on the basis of total destruction of everything, if we are to fight a war with biological effects, if we are to forget all the morals which mankind has tried to develop to take care of men even in wartime and cause them to think in terms of greater values—if we are to lose all those things, Mr. President, there is no use of assuming that one canal is going to be an objective when with a bomb so much greater damage can be done.

If our war ethics were as they have been at a time in the past, when non-combatants, women, children, people in hospitals, private property, and all those things were respected, then a canal running through Canadian waters would be a logical and sensible military objective. But since those things have gone, we may rest assured that the objectives will be where more deadly consequences lie, and no one will be satisfied with taking a chance on dropping a bomb into the mud.

Mr. President, I do not believe that more need be said on the defense angle. Both the St. Lawrence waterway and the development of power on the St. Lawrence will improve our economic life; and that which betters our economic life and improves the facilities whereby we produce for war contributes to our ability to take care of ourselves in war, and also contributes to our ability to make our country fair and provide for the general welfare in peace. It is that about which I would rather think, and which I would rather discuss, than the war aspects; but if the war aspects must be discussed—and they have been discussed—it is necessary to bring these factors into the picture.

There is one further point which has emerged from the debate, and which I think should be answered. We find it in the minority report. I read two paragraphs to give me a text:

Let it be set down at the outset that we vigorously reemphasize that part of Senator WHITE's report—

Referring to a minority report against the waterway when it was previously before us—

which establishes in detailed manner the fact that a project calling for the expenditure of hundreds of millions of dollars, which it will take from 4 to 6 years to complete;

which involves long-term obligations by both countries; which gives to each Government sovereign rights in the other country, is by every test a treaty and not an agreement and always, heretofore, the President and the Senate have held this view.

Senator WHITE calls attention to the growing resort in late years of the State Department to agreements so-called in the stead of treaties to be ratified by the Senate and points out that the present resolution is an effort to accomplish by indirection what the Senate has twice refused to sanction, first by refusing consent to the proposal in treaty form and later by rejection of an amendment to a river-and-harbor bill.

Mr. President, if there has been indirection, if there is anyone in the State Department who has an idea that he is fooling anyone in America by suggesting that this be done by resolution instead of by treaty, that is something out of someone's imagination.

I think I have attempted as much as any other Member of the Senate since I came here to say that so long as the provision remains in the Constitution with regard to treaties, the Senate has the last word with respect to treaties. I think it should also have a first word now and then.

There was a time in the past when there was better cooperation between the Senate and some of the departments than there is today; but that is not the question here. The idea was put forth undoubtedly because it was thought to be a good argument against the waterway. It is not a good argument.

It has been stated by some of the opponents that this resolution is unconstitutional because the subject should have come before us in the form of a treaty. Perhaps it should. It has come before us in the form of a treaty in times past. Probably it could be put in a treaty; but it was not put in a treaty, and the fact that it was not put in a treaty does not make it unconstitutional.

There is a provision in the Constitution of the United States which gives the President the power, with the advice and consent of two-thirds of the Senate, to enter into treaties with foreign governments. But, Mr. President, it would be an innocent schoolboy indeed who would say that all those things which refer to relations with other nations must be carried on by the treaty method. No, Mr. President. The right to make treaties did not foreclose all the other ways of carrying on relations with foreign governments. The Constitution provided a simple way, at a time when the founding fathers dreamed of what might be called a council of state. The key to what has taken place is not in the fact that resolutions have been developed and our foreign relations have been carried on as a result of resolutions, statutes, and laws quite as much as by means of treaties. The thing which has made the treaty system not work in our country has been the interpretation of the advice-and-consent provision in the Constitution. Almost since Washington's time there has not been resort to the advice feature in regard to negotiating treaties.

The term "advice and consent" is used in regard to appointments. Everyone knows that we reached the point where

one of our Presidents, in defending one of his appointments which the Senate did not see fit to accept, laid down the proposition that the power of nomination remained wholly in the hands of the Executive. That was answered; and I am sure that the textbooks did not allow the law as stated by that President to remain a guide for our country. I am sure that when the time comes we shall go back to the real meaning of "advice and consent," and that we shall not consider it as it is now considered, and as the text writers have considered it, as one act and not two acts. It is extremely interesting to read, in one of the latest books by one of our secretaries of State, that he actually talks about a treaty receiving the "consent" of the Senate. There is not a word about advice. That tendency has gone on, and it is going on. It was because that tendency had gone so far that when we reorganized the Congress of the United States we did something about it. But so far as I know, the other branch of the Government has done nothing about it.

We all know that when the Senate was established it was, with reference to foreign relations, to be a council of state to advise with the President in the matter of who serve the people in their Government. We all know that our first President did not get along very well when he sought advice, and that therefore he did not return for any more. The next President followed suit, which course continued down through our history, until we have reached the point where consent is probably the only thing that is asked of the Senate. The Executive sends up to us the names of persons to serve in the Government. He asks for our consent, but he does not ask our advice. He sends up treaties with which the Congress has had nothing to do. Knowing that situation, and taking a hint from the Senator from Maine [Mr. WHITE], knowing that he was on the committee for the reorganization of Congress and sat with me through all the reorganization hearings, I think there is probably something bigger in what the Senator from Maine said. I read something bigger in it, because in the reorganization of Congress we provided again that the President of the United States should never be left without the kind of advice he should have when great questions faced him. We provided for a policy committee to be made up of Democrats and a policy committee to be made of Republicans. That provision exists in law, so that at any time the President of the United States wishes to have a council of state he will have one which is recognized by both of the parties in the Senate of the United States. He has not used it; no. The old habits continue, despite the action of Congress in attempting to change those habits. The President will use it some day—perhaps not the present President, and perhaps not the next President; but the time will come when we must get rid of the archaic way of acting in compartments and trying to force the will of one compartment on another. That

is no way to run the Government. The theory of the separation of power was never conceived of in that way.

I should like to repeat what I have probably said thousands of times when I have talked about the American Government. There is only one Government of the United States, not three. Sometimes Congress speaks for that Government; sometimes someone behind a desk speaks for it; once in a while the Supreme Court speaks for it; now and then the President speaks for the Government. But the theory was that there should be coordination of ideas and ideals, and that the Government of the United States was not made up simply of the Congress or the President or the Judiciary, but that the three together made one government. Those three branches together have made this country what it is.

Of course, we can find some decision somewhere that a council of state was never contemplated; that we do not want such a thing. We can get anything we want out of this Government by law if we seek far enough. But that is not the way in which our Government actually functions.

Perhaps this resolution should have come to us in the form of a treaty. Probably it would have been better as a treaty. But the fact that it did not come to us in that way does not make that which occurred unconstitutional.

I repeat, the fact that there is provision for the President to make treaties, with the advice and consent of the Senate, two-thirds of the Senate concurring, and so forth, does not mean that all matters relating to our foreign relations shall be handled by the treaty technique. To change the grant given in the Constitution of the United States by that sort of interpretation would bring nothing but chaos and disorder. It would put us into the greatest confusion that could come to us. No, Mr. President, probably the way the pending matter is being handled is not the best way, perhaps it is not the right way, perhaps it is the unwise way, but it is not an unconstitutional way.

I have already pointed out a number of great institutions dealing with foreign relations which have been established as the result of congressional action rather than by treaty action. I could cite a course of them running through our history.

I am sorry, Mr. President, when any Senator argues on the floor on a narrow line. I am also sorry when any Senator argues against a great national project which everyone realizes is necessary or may become necessary at any time. Arguments have been made against it on the score of expediency, or, as someone has said, sectionalism. There cannot be a sectionalist from the State from which I come, because the interests of Utah are so closely intertwined with the interests of every other part of the United States that our economy would fall, our history would fall, our country would fall, and all we strive for and all that we pray for would fall if we were sectionalists. We cannot deal with these great national questions on the basis of a State interest or a regional interest. It is the national

interest of which we are thinking and for which we want to strive.

Speaking about the great habit-forming policies which affect our commerce, and, therefore, affect our whole life, let me ask the Senators who are present how many of them, if I may state it that way, would be proud to stand up and say, "I voted against Boulder Dam"? How many of them would be happy to be so listed? How many of them would point out to their grandchildren that "I voted against Boulder Dam"? or "I voted against the Panama Canal"?

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

Mr. THOMAS of Utah. I yield.

Mr. AIKEN. I think I can answer that question. I think the same number would be proud to get up and say today, "I voted against the Panama Canal," as would be proud to say 20 years from now, "I voted against the St. Lawrence seaway."

Mr. THOMAS of Utah. The Senator has given a good answer. But let me say to the Senator from Vermont that it would be an interesting thing if he would get out the speeches against Boulder Dam, against the Columbia River project, against the Panama Canal, against the building of railways, and against the road program. Think of it. The public road program had to go to the Supreme Court of the United States. Why? Because someone from some small State in which there was a big population said, "We will not help build roads through Utah and into California." They conceived of the road program of the United States as being something which was done for the villages in which they lived, and they did not see any sense in constructing roads throughout our country.

Read the debates. They make most interesting reading. The one thing that is fine in connection with the subject, Mr. President, is that as time goes on people change their minds and the old notions prevail for only a little while.

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

Mr. THOMAS of Utah. I yield to the Senator from New Mexico.

Mr. HATCH. While the Senator was discussing this point I was reminded that sometime ago I had occasion to read the history of the Pure Food and Drug Act. I found that the right of a citizen to buy poisoned food and medicine was proclaimed as a constitutional right on the floor of the Senate.

Mr. THOMAS of Utah. That is correct.

Let us go even further, Mr. President. I am not a Son of the American Revolution. My parents came to this country, but they were Americans long before they left the old country. I read such things as Bryce's American Commonwealth before I was old enough to read such a book, because that is the sort of reading matter my parents had. When I became a candidate for a Ph. D. degree, I had been away from school for many years and had been active in various parts of the world. I faced a committee of 13 professors, one of whom asked me the question, "Do you know any books about the Government of the United States?" I was scared to answer the question. I

hemmed and hawed, and said, "Well, I have been away from the university. I do not know much if anything about books." Then one professor thought he would save me by saying, "Why do you not mention Bryce's American Commonwealth?" I said, "I had better answer you truthfully. I was frightened, because I read it back in the 1890's, and that was quite a while ago. I was just scared to bring up an old book like that." He said, "Well, one as good has not been written since, so it is all right."

Then he wanted to know how it happened that I had read the book back in the nineties, and how it happened that out in my part of the country anyone happened to have such a book at that time. You see, Mr. President, he was a little sectional, and he could scarcely understand how anyone except an easterner would read the new and important books—although as a matter of fact he originally came from Canada.

But, Mr. President, when we study the history of our country and read its Constitution and understand it and see what it has done for the world and realize that anywhere in the world today there is not a constitution that is not fashioned in some way or other on it, and that the Constitution of the United States has become the mother of them all, then we realize that we are dealing with an institution that has meant much to mankind and will mean much more to mankind in the future.

Let me point out at this time that if I had lived in the days of the ratification of the Constitution, I would have hated, in talking to my grandchildren, to say, "Children, I stood with Patrick Henry; I thought the Constitution went too far. I stood with Luther Martin; I thought the Constitution went too far. I was against it"—just as all the bright, unseeing people who are thinking in terms of expediency are against it.

Mr. President, after having gone through so much in the last several generations, cannot we project ourselves? Do not the First World War and the Second World War and what took place between them and what is now occurring in the world give us the right to have hope and vision for the future? Let us never do anything that will stand in the way of keeping and making America strong, because the answer to the question whether the whole world will sink or swim now depends on the strength of America. And, Mr. President, the St. Lawrence waterway will certainly play an important part in making America strong.

So many good reasons can be advanced as justifications for the construction of the Great Lakes-St. Lawrence seaway and power project that it is difficult to determine which should receive the most emphasis.

However, in the present world situation there are a few which I believe to be of primary importance, and which should receive precedence in our consideration over the other reasons, however reasonable and strong they may be. Bearing in mind the tense, almost chaotic state of mind of the world, its uncertainties, and the lack of confidence

among nations in themselves and other countries, the building of the seaway assumes great significance. In the first place, it would offer concrete evidence of good will between the United States and Canada if they embarked immediately on a large-scale cooperative endeavor such as this project. In the second place, the need for every valid measure of self-defense and national preparedness is only too apparent. And finally, there is equal need to provide for the future.

The negotiation of this agreement for the cooperative construction of the seaway and power project would at once constitute an outstanding concrete example, for the world to see, of that of which there is so little in this day and age, namely, the desire of two adjoining nations to get along together. It would demonstrate their willingness to work together on one common cause for the common good, and their willingness to commit themselves to long-term cooperation. This project involves a certain amount of construction by the United States within the territory of Canada. In many quarters this would be viewed with great alarm as an invasion of the sovereignty of a nation. In this instance it simply means that the United States is willing to bear its share of the costs of one great project which will benefit each country equally, and that Canada has perfect confidence in our motives.

Let us show the world that here at least are two countries who trust each other, who in a healthy spirit of give-and-take are willing to join hands in constructing a magnificent seaway which not only will open up the great midlands of the two countries to the opportunities of water-borne foreign commerce, but also will be of untold benefit to the world.

Western Europe is densely populated and highly industrialized. It is now, and probably will be to an increasing degree in the future, dependent upon the Western Hemisphere to a large extent for its foodstuffs. In prewar years much of its food was obtained from eastern Europe, but now that source is closed to them and probably will remain closed. In the years to come, the United States and Canada will be called upon to supply the western European democracies with foodstuffs, mostly grain. Here in North America is to be found the most efficient, stable agricultural area of the world, producing a recurring surplus of food. This is due to the constant search for better varieties of food and to our efficient methods of culture and harvesting. There is lacking one thing to make available the fruits of this great endeavor—a cheap means of transporting the foodstuffs to where they are so desperately needed, where every dollar must be weighed so carefully and must be spent to accomplish the most good. Every dollar spent for food from the meager resources of the western European nations is spent at the expense of reconstruction and rehabilitation, setting back the day when those nations can stand on their own two feet. Let us provide the missing link between the producers and the consumers by constructing the St. Lawrence seaway. We shall thus provide the

cheapest means of transportation known. We shall permit a greater effort to be devoted to reconstruction and rehabilitation. We shall speed the day when those nations can again assume their rightful place in the economic structure of the world.

Not only would the construction of the seaway help Europe, but the possibility of a steady market both for the agricultural products and the industrial products of the Midwest, would be tremendous. The area which would be most directly affected by the seaway has a population of 40,000,000 in the United States alone, and it produces one-half of all the wealth of the Nation, both agricultural and industrial. A steady market for agricultural products will add to the purchasing power of our farm population. This purchasing power, in turn, will create demands for the products of our own and other nations' industries. Such a situation could mean only one thing, prosperity, not alone for ourselves, but for other nations as well. The seaway will be open to the ships of all nations.

The presence of ships from other lands in the heart of our country, with the resultant interchange of commodities, to the advantage of both the buyer and the seller, will in itself contribute to international understanding and good will.

The fear of some of the port cities outside the Lakes area that they will suffer harm by loss of trade to the new seaway is not borne out by the substance of the testimony at the lengthy hearings held in the past on the subject.

From the evidence presented it appears that New York might lose some foreign traffic, but in its place it will gain sufficient traffic to and from lake and St. Lawrence River points to more than offset any loss in foreign trade. Boston will be the nearest of the great North Atlantic ports to the St. Lawrence River route. It can utilize the route to enable its own products and those of its hinterland to reach the great midwestern market, and by means of the same cheap transportation route it can obtain some of the raw materials needed for its industries. On the whole, Boston stands to gain from the construction of the seaway. The mere presence of an alternative means of reaching inland points might tend to reduce rail freight rates, which now are disadvantageous to Boston. Above all, the presence of a great block of hydroelectric power, such as is contemplated in the St. Lawrence project, in the northeast area, hitherto a power-deficit area, will help the industries of that section. New York, Boston, and other North Atlantic ports will then be used for its exports. A correlative saving to New England would appear in the cost of such products of the Middle West as dairy products, hay and feed grains, and automobiles. Savings of up to half of the present rail charges will be possible.

Construction of the waterway will aid Canada to develop her resources in unsettled land contiguous to the river.

This project constitutes only a final step in a logical procession of development. Below Montreal the St. Lawrence

has already been improved by Canada to a minimum depth of 32 feet to the ocean. Above Ogdensburg the St. Lawrence and the connecting channels of the Great Lakes have been improved to a minimum depth of 21 feet. Canada has completed the Fourth Welland Canal, connecting Lake Erie and Lake Ontario, with a channel bypassing Niagara Falls. While the 1941 agreement was pending, the United States completed the MacArthur lock—800 feet long, 80 feet wide, and 30 feet deep over the sills—at Sault Ste. Marie, Mich., on the St. Mary's River, at the connection between Lakes Huron and Superior.

The Great Lakes themselves have ample, natural depth for ships of any type. When connecting rivers and channels of the Great Lakes system are improved, under the present plans, to a ruling depth of at least 27 feet, the entire system will accommodate all types of vessels loaded to a draft of about 25 feet in salt water. The project is not designed to accommodate the largest passenger liners or huge battleships such as now use some of our existing ocean ports.

Mr. President, both the United States and Canada stand to gain equally by the development of this cooperative endeavor.

The impelling reason, Mr. President, for the construction of this waterway is its value for the national defense, and I wish to emphasize this point in particular. The Joint Chiefs of Staff, through the Secretary of War, on February 16, 1946, expressed the opinion that construction of the St. Lawrence seaway and power project is important to the national security.

In that letter they stated that in the event of war or other national emergency the project would provide shipbuilding and ship-repair facilities, located in a relatively secure area, capable of expansion and of conversion for handling deep-sea vessels, of use as supplemental coastal shipyards. It would also be valuable as an additional line of communication, navigable by ocean shipping, which could, by diversion of some cargo for overseas destinations, ease the strain during wartime on rail transportation and the port facilities of the east and Gulf coasts. This seaway could also serve as a reserve route to be used in the event of interruption of other routes by enemy action. It would provide a large source of cheap, dependable power, which could be generated without the use of crowded rail or highway-transportation facilities. This power would be available in an area which had a power deficit during the past war.

In recent hearings on the subject Secretary of State Marshall confirmed the statements of the Joint Chiefs of Staff and added another and highly important asset affecting the war potential of the Nation to be gained as a result of the construction of the project. This is the over-all increase in industrial power of both Canada and the United States. They have agreed to continue joint efforts for the security of North America, which was announced on February 12, 1947, as being the official policy of the two Nations, implemented by the Permanent Joint Board of Defense.

Secretary of State Marshall said that the strength of the United States lies in its natural resources as we have developed them. It is the development of this power that has enabled us to defend ourselves successfully. Here, now, is another potential source of cheap, dependable electrical energy, and a low-cost means of transportation which can increase our productive capacity. Any means of increasing this capacity increases our ability to defend ourselves and should be attained at once.

Fortunately, we have here a magnificent project which can accomplish a great deal for the economies of two great countries and, at the same time, a very definite strengthening of the power of defense.

It is fundamental that in the Western Hemisphere there be unity and strength. Construction of the St. Lawrence seaway will have a very helpful influence in that direction.

We cannot overestimate the dangers arising out of a repetition of the tremendous crisis in transportation and power during the last war. At the same time, it should be noted that there are now occasional shortages of both, even in peacetime. In wartime or in periods of national emergency, every possible means of transportation and source of power would be utilized to the utmost. The facilities of transportation and sources of power which in ordinary times might even be called surplus are soon exhausted by the demands of war, and the cry is for more. We should in times of peace provide resources of immediate value which would also have a crucial value in wartime.

All the great leaders in the past war stated their belief that the St. Lawrence seaway has a distinct military advantage. Had it then been in existence, it would have been of immeasurable assistance, according to Nimitz, Eisenhower, Arnold, Eaker, and Leahy.

There is in existence at the present time a condition of power stringency which may actually become a shortage or deficit should any sudden strain be put on our power industry. Any national emergency now would call for rationing of electricity, and it might even result in a break-down of our industry. Additional electrical energy is needed now and more will have to be produced in the future as our population and industrial needs grow. There has seldom been such a thing as a power surplus. Electrical energy, when made available, is soon utilized. That has always been our experience in the past, and certainly as our industrial processes become more complex we will ever need more and more sources of power. This project is urgently needed now, as a result of a known situation.

Experience of the last war has shown that it is impossible to forecast the needs for power. During the peak of demand for power in 1944 the major electric utilities of the Nation were using nearly ten times the amount used in the last year of World War I. Much of our defense industry is dependent upon large amounts of power. It took 100,000,000 kilowatt-hours of power during the past war to create a single battleship, and

450,000 kilowatt-hours to produce one B-17, a plane which is already obsolete. Between 1938 and 1944 the utility generating capacity increased about 60 percent, but it was only because of what had hitherto been considered surplus power, available at federally constructed dams in the Tennessee, Columbia, and Colorado River Basins, that the challenge was met. Production of aluminum and magnesium, important metals in any defense program, require vast amounts of electricity, as does atomic research. It was mainly because of the so-called surplus power available on the Tennessee River and the Bonneville development that the Nation was able to carry on the tremendous work at Oak Ridge and Hanford resulting in the development of the atomic bomb.

Some have contended that the power plants on the St. Lawrence would be extremely vulnerable to air attack, presenting an inviting target. But the great concentration of steam-generating plants in the metropolitan New York area with a combined capacity of over 2,000,000 kilowatts are equally vulnerable. As well say that New York City should not build its power plants as to say that the St. Lawrence plant should not, because of vulnerability to attack. The St. Lawrence plant will be much easier to defend from attack by aerial bombs or directed missiles than would New York City. The United States now commands the approaches to the St. Lawrence from military, naval, and air bases acquired from Canada and constructed by the United States during the war.

We must also observe the fact that the power to be generated at the International Rapids will be available the year round because of its design. An ice cover is formed very early but water supply for turning the turbines will be drawn off underneath this cover. This freezing weather will not be a factor so far as the power program is concerned.

In evaluating projects of this type it is well to consider the long-range future needs of the Nation and the benefits that might be expected.

One very important possible development is the effect on the great iron and steel industry of the Middle West.

The vast deposits of high-grade iron ore of the Lake Superior region, long depended upon by that great industry, are now being exhausted of their best grades. The general feeling is that there is only about a 15-year supply left at the present rate of utilization of these ores. Somewhere, somehow, something must be found to take their place. Several possibilities are open, all of them requiring more or less readjustment.

There is the possibility of utilizing the other lower-grade ores of which there are huge quantities. This can be done only by an expensive and complicated process, on the research and improvement of which our steel industry is spending millions. There is the possibility of utilizing high-grade iron ores from other countries. This can be done by any one of several methods. One method is to transfer the iron ore from the ports where it is received by rail to the present site of the industry. This,

however, would increase the total cost of production to such an extent that the industry might seriously consider moving the entire plant to the seaboard, truly a tremendous step. Its importance can hardly be estimated. The repercussions throughout the industrial structure of the entire Nation would be hard to calculate. The loss of such a large and important industry to the Middle West would be disastrous.

There remains a comparatively simple, relatively less costly remedy for this approaching dilemma in which an industry absolutely vital to the Nation in peace as well as in wartime will soon find itself. That solution is to build the St. Lawrence seaway. Through this waterway can be brought the high-grade ores of the Quebec-Labrador, Brazilian, and other fields. Private enterprise could soon adapt the present very efficient ore carriers to the open sea, and the iron and steel industry of the Midwest can be kept there. Its raw material, iron ore, can be secured at little higher cost than it is now. Construction of this seaway might well mean the salvation of iron and steel industry in the Midwest, and such a result should be almost sufficient reason alone for undertaking the project.

The impact of the power development on the northeastern part of the Nation is also worth considering seriously.

Through the International Rapids at the boundary of New York and Ontario passes the entire flow of the five Great Lakes. A great reservoir is formed insuring a minimum year-round flow of 230,000 cubic feet per second, available for power. This is enough water to provide generating capacity of 2,200,000 horsepower, or 1,640,000 kilowatts, and it would be second to the Grand Coulee project in magnitude. The United States share, one-half of this, would be exceeded only by Grand Coulee and Hoover Dams.

The water from these inland seas can be used without the necessity of building great dams and providing tremendous reservoirs to impound the water, nor would it be necessary to buy large amounts of land that might be flooded. Nature has provided the reservoir stabilizing the flow and we have a remarkably constant and economical source of power.

The Northeast has been losing population in recent years. Industry has moved away mostly because of the lack of cheap power. Make a large block of cheap power available to this power-deficient area and the trend can be checked, prosperity can return to an area where great labor skills and technological know-how await only a chance to be put to work. Give them a chance to regain their old prosperity by making cheap power available. This is not a project for one section of the country alone. Old industries revived, new industries begun, more products shipped from the great ports of the Northeast, more commodities imported, including raw materials for its industry—all can be set into motion by providing it with the largest single block of hydroelectric power available in the entire area.

Lack of developed hydroelectric power in the Northeast has unquestionably limited industrial expansion in northern New York and nearby areas while 4,000,000 domestic, rural, and small commercial customers for electric energy continue to pay relatively high rates.

The area for which the St. Lawrence power project will provide, including New York and New England, with the exception of Maine, has lagged behind the rest of the Nation in providing new sources of electrical power. In fact, it was necessary during the last war for the War Production Board to impose a ceiling on expansion of war production in the area because of the limited amounts of power available. Two great metallurgical plants, one at Massena on the St. Lawrence and one at Niagara Falls, were forced to rely on importation of steam-generated electricity from New York City, and any additional amounts which could be obtained by importation from Canadian sources and by temporary diversion of Niagara water through existing power turbines. This was a definite handicap to the war effort. We must prevent such a thing happening again. Ontario itself is short of power and we cannot depend on that source.

A competent study by the Federal Power Commission of the needs of the area for electricity has indicated that the entire St. Lawrence output could be absorbed in a very short time. Encroachment on normal reserves, delay in the retirement of old, inefficient generating units, and the development of new industrial demands in anticipation of the availability of St. Lawrence power might well result in absorption of power from this project within a year or so after it becomes available.

Many believe that benefits from this waterway would be as great as those derived from the Panama Canal. It would help a region placed at a disadvantage by the latter which puts eastern industry at an advantage in western markets by making available cheap water transportation from Atlantic to Pacific ports, and vice versa. This would relieve midlands industry now dependent upon relatively high-cost rail transport to reach the great markets of the eastern and western seaboard.

Prospective increases in freight traffic in the United States over the next 15 years will be such as to make the St. Lawrence seaway an absolute necessity in handling our ocean-bound traffic, according to a survey by the Department of Commerce in 1941.

The same survey states that many or all of the ports which claim to be in danger of ill effects from construction of the project will gain new traffic as the result not only of the normal growth of the United States but of the industrial expansion that will be stimulated through this project.

There are many other reasons for the construction of the St. Lawrence waterway. Every survey made, irrespective of cost estimates, has been favorable to the project. The case has been proved, the plans are ready, and the work should proceed. It is engineeringly feasible and economically justified.

Nature has provided a 90-percent complete waterway. Only 10 percent more needs to be constructed or improved. Canada has completed substantial improvements costing more than \$133,000,000; the United States has already invested \$32,000,000. Canada is prepared to join us in completion of the project. We should work with her to finish the job.

It is hardly possible for private industry to carry out the project because of the international complications involved. If it is to be done, it must be done by the two Governments.

The project will make available a cheap transportation facility for a vast area of the Middle West which has suffered for a long period from a disadvantageous position in the markets of the world due to high transportation costs. Savings of up to one-half of transportation costs have been estimated for many commodities. Its construction will aid greater industrialization of some sections of the Middle West which are now largely or completely agricultural, reducing dependence upon the vagaries of the international agricultural markets. Even so, the availability of a cheaper means of transportation will tend to be a stabilizing factor for the agriculture of the Middle West.

The low-cost transportation will make available in the Lakes region new and needed raw materials on which to base new industries. New commodities will reach this great market by the same route, at prices which up to now may have prevented their shipment.

The period of time during which the seaway will be entirely ice-free coincides with high-peak demand upon all transportation facilities. Thus it will tend to relieve some of the pressure on them which at times has almost caused a break-down, and at many other times has caused a car shortage on the Nation's railroads. This period covers the time during which the grain crops normally move to market. This grain movement year after year causes the recurring car shortages about which so much is said but so little actually ever done. Would not the construction of this waterway help the railroads rather than hurt them? Even use of the seaway's capacity to the extent of 25,000,000 tons annually would equal only about 4 percent of the railroads' total traffic.

Many have wondered about the possible effect of the construction of the seaway on the coal industry. However, if the experiences of the past are any criteria the coal industry will benefit as much as any other. This has been the experience in the Tennessee Valley region where it was believed that the coal industry would suffer greatly. However, the consumption of coal throughout that area has greatly increased since the inception of the TVA power program. The seaports of the Atlantic seaboard are even now open, as they have been for years, to possible competition from the so-called cheap foreign coals. Has anyone seen much foreign coal there to compete with our American coal? No, on the contrary, several of our great Atlantic ports are highly dependent upon

the export of American coal for their prosperity.

New industries and expansion of older industries made possible by the seaway will, on the other hand, increase the demand for coal. Coal is one of the essential raw materials on which a large portion of our industry is based. Cheaper transportation facilities encourage the growth of industry which in turn creates a greater demand for coal. The logic is inescapable.

While New York, Boston, and Buffalo might at first suffer some loss of traffic—the latter particularly some of its terminal grain business—it must not be forgotten that between 80 and 90 percent of the interchange of commodities between the East and West is for domestic consumption and not for exports and imports, upon which the ports depend for their well being. In the long run the increased prosperity of another section of our great country made possible by this project cannot but help to increase the prosperity of our ports. Some certain commodities will still not use the seaway because of the time element. Whatever increases the prosperity of such a large area as the 16 States of the Middle West will increase the prosperity of the whole Nation.

While it is not now a question of primary importance, at some time in the fairly near future the need for more jobs may be of vital importance. During the construction period of from 4 to 8 years many thousands of man-days of labor will be utilized, not only at the site, but in industries throughout the Nation. This stimulation to employment will not, when construction is completed, silently fold up and steal away. It will have a lasting effect especially in the region where construction is located. This alone will far outweigh the cost of the entire project.

There has been some feeling that shipping will not use the seaway. It has been stated by one old in the ways of seafaring that where there is a dollar's worth of trade to be had some boat will go get it. The present shallow 14-foot canal is being used at near capacity now, and profitably. Wood pulp is reaching the farthest west of the lake ports from overseas. It hardly seems conceivable that these ships would engage in an unprofitable business. The present canal has 22 locks, while the projected deeper one would have only 8 locks over the same distance. This would make navigation simpler. Montreal has an average of 4 days of fog a year, while New York has an average of 44. This latter does not seem to prevent shipping from using New York as a port. The route will have the added advantage of enabling shipping to reach Europe from America with a thousand miles less of open water than is the case from the Atlantic ports.

There is no need to fear that cheaply operated foreign vessels will steal away our very profitable trade between ports on the Great Lakes. That is prohibited by the law which restricts coastwise trade to American vessels.

The entire project can be built at little or no cost to the taxpayer in the long

run. Through the medium of a system of tolls on the volume of traffic which testimony at the lengthy hearings on the project would lead us to expect would use the navigation facilities, it would be self-liquidating. Proceeds from a small toll charge, not to exceed \$1.25 per ton, would return sufficient funds to pay operation and maintenance costs, as well as to provide for amortization at a reasonable rate of interest. The power phase of the project has been spoken for by the State of New York which will recompense the Federal Government for the cost of the works primarily for power, as well as one-fourth of the costs of those works common to navigation and power.

The PRESIDING OFFICER (Mr. ECTON in the chair). The clerk will state the first committee amendment.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out "St. Lawrence River" and insert in lieu thereof "Great Lakes-St. Lawrence system."

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

THE PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. WHERRY. I announce that the Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate on official business of the Joint Committee on Atomic Energy.

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate on official business of the National Resources Economic Subcommittee of the Committee on Interior and Insular Affairs.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

Mr. LUCAS. I announce that the Senators from Florida [Mr. HOLLAND and Mr. PEPPER] and the Senator from Nevada [Mr. McCARRAN] are absent by leave of the Senate.

The Senator from Maryland [Mr. O'CONNOR] is absent on official business.

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

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

Mr. HATCH. Mr. President, probably no Senator has a greater interest in the debate which is now going on than has the Senator from New York [Mr. WAGNER]. Unfortunately it is impossible for the Senator from New York to be present. He is very anxious that his views be made known to the Senate, and has prepared a statement which he has asked me to read in his behalf and in his stead. I shall now read the statement prepared by the Senator from New York. The views which he expresses, I might say, are also my own views, but at this time, as I read this statement, it will be the statement of the Senator from New York.

STATEMENT OF SENATOR ROBERT F. WAGNER ON THE ST. LAWRENCE SEAWAY PROJECT (S. J. RES. 111)

The people of the State of New York have long recognized that they possess a priceless asset in the resources of the St. Lawrence River and that these resources should be fully developed to serve the public good.

As a member of the Legislature of the State of New York and throughout my service in the United States Senate, I have fought for 40 years against the alienation of St. Lawrence power, and the undeveloped power on the Niagara as well, to private interests which have always been eager to get control over these resources for private gain.

Thanks to policies established under the administrations of Gov. Alfred E. Smith, Gov. Franklin D. Roosevelt, and Gov. Herbert H. Lehman, these great water powers were preserved under public control and are now available for public development and use for the general benefit of millions of residential, commercial, and rural customers for electric service within transmission distance of the power sites.

I was not prepared in 1934 when a plan for developing the Great Lakes-St. Lawrence seaway was presented to the Senate, to support the initiation of the project largely because of the existence of great surpluses of transportation and power facilities then prevailing. By 1941, however, the requirements of this country for more power and transportation facilities had expanded to a point at which it became evident that the development of the St. Lawrence for the dual purposes of power and navigation was urgently and imperatively needed. Accordingly, President Roosevelt and Secretary of State Hull negotiated with Canada the agreement of March 19, 1941, to complete the development, and to this agreement I have given my consistent support.

I voted for approval of the agreement and for authorization of the project in the Senate December 12, 1944, and as a member of the Committee on Foreign Relations June 13, 1946, and July 18, 1947. On October 2, 1945, I joined as a cosponsor with Senator BARKLEY, Senator VANDENBERG, Senator AIKEN, and others of a joint resolution to give effect to the United States-Canadian Agreement and to provide for construction of the project.

Long and careful study of the project as presented at public hearings before the committee and on the Senate floor has convinced me that the full development of the St. Lawrence River will be of incalculable value to the people of the entire State of New York, of the United States, and of the Dominion of Canada.

I am aware that fears have been expressed that further improvement of the St. Lawrence River, existing canals and locks of which are now used to capacity to carry a large commerce, might in some way adversely

affect ports on the Atlantic and Gulf and other transportation facilities. Exhaustive investigation and extensive hearings have shown that these fears rest on no substantial foundations. The project has, in fact, been recommended as beneficial to existing ports and to the railroads in creating new traffic and a net gain in tonnage available to New York, Boston, Buffalo, and other great shipping centers, by the Corps of Engineers, the Department of Commerce, the United States Maritime Commission, and by the Committee on Foreign Relations in its reports June 13, 1946, and January 7, 1948. The overwhelming weight of the evidence before the committee fully supports these conclusions.

Because of the natural advantages which have made it the greatest port in the world, because of the immense population and productivity of the immediate area which account for the great bulk of the tonnage annually handled by the port, I have no fears for the future of the Port of New York. I would not support any measure which would harm the city of New York. On the other hand, I do not consider inimical to New York, and would not obstruct, the development of the great ports on the Atlantic, Gulf, and Pacific coasts, or on the Great Lakes, which do business with New York to their mutual benefit and share in the commerce of the Nation as a whole.

The direct benefits of the power development on the St. Lawrence River are so great that they stand virtually unchallenged on the record. Here on the New York-Ontario frontier is 2,200,000 horsepower of potential hydroelectric energy running to waste in the greatest market for power and electricity in the world.

During World War II it was necessary to restrict expansion of plants in New York State manufacturing essential war materials because of the lack of developed low-cost power in up-State areas. In 1947 a serious shortage developed in the area between Buffalo and Albany, resulting in October in curtailment of power use and interruptions in production in more than 90 industrial plants in the State.

The use of electricity in New York State, as in the United States, has steadily expanded in recent years until, in 1947, it rose above the peak established in World War II. The development of St. Lawrence power is imperatively necessary if the homes, farms, and industries of the area are to share in the benefits of increased electrification, greater use of electric appliances, and improved standards of living enjoyed in other areas where hydroelectric energy has been made available at low cost.

The development of the St. Lawrence will help to provide low-cost energy to meet a part of the growth in these demands—a growth which cannot otherwise be met except by increased consumption of oil, coal, and other exhaustible resources, at costs to the consumers far above the cost of hydroelectric energy, and with recurring shortages of oil and other fuels in the Northeast.

The fact that the St. Lawrence development is needed by and will benefit the neighboring Dominion of Canada, as well as the United States, emphasizes its value. These two great democracies have fought two world wars as allies since the project to complete the development of their greatest resource on the common frontier was first proposed.

America has grown great by developing its matchless resources. The Erie Canal, built by New York State, the Panama Canal, the TVA, and other great multiple-purpose projects throughout the country have contributed to the welfare of the whole Nation. The St. Lawrence development is in this tradition and in the American spirit of courageous enterprise, which we need today as never before.

In the light of our problems in the post-war world, and in view of the demonstrated need for the facilities to be provided by the

St. Lawrence development, I shall continue to support pending legislation to approve the United States-Canadian agreement and the joint resolution (S. J. Res. 111) to authorize construction of the project.

Mr. President, I am glad to have the privilege of submitting to the Senate the views of the Senator from New York as he has thus expressed them.

Mr. WILEY. Mr. President, I hope that during the period before the St. Lawrence seaway vote is finally taken, of February 27, my colleagues will become informed as to public opinion in their States and areas. I firmly believe that even men who are strongly committed to oppose the seaway will find that opinion in their areas supports this seaway.

I make this statement on the basis of all of the public-opinion polls which have been taken, which sustain my belief that the people of America are wholeheartedly behind the St. Lawrence seaway. Many of my colleagues will be returning to their home States during the next 2 weeks and to other States to make public statements. I trust that they will seek the reactions of their constituents and of as many American citizens as they can contact during this period. I believe that they will find that America believes, on the whole, that to oppose the St. Lawrence seaway is as illogical and unworthy as was opposition to the Suez Canal a half a century ago.

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

Mr. WILEY. No. I have not concluded my statement.

I appeal to my colleagues to listen to the voice of enlightened American citizens, looking forward to the needs of our expanding Nation, rather than to the fearists, the few selfish men who fear, although there is really no justification for their fear, that their narrow interests will be hurt by the St. Lawrence seaway.

There is widespread talk to the effect that the St. Lawrence seaway is already defeated on the basis of preliminary tallies which have been taken informally. I say that such talk is not only completely unjustified, but is absolutely unsound and untrue. The opponents of the seaway are trying to spread defeatism and pessimism among the seaway supporters. On the contrary, I am still confident that if my colleagues will approach this problem open-minded, if they will consider the national interests as against petty sectional interests, if they will listen to the voice of American public opinion rather than the voice of a few selfish interests, they will enable the seaway bill to be passed by the Senate.

Now I am very happy to yield.

Mr. LODGE. Mr. President, will the Senator from Wisconsin tell me what statement it is that he is reading?

Mr. WILEY. Certainly. It is a statement I have prepared.

Mr. LODGE. Does the Senator not think he ought to point out to the Senate that there is a difference between

the Suez Canal and the St. Lawrence seaway, in that the Suez Canal is never frozen up?

Mr. WILEY. I think that has been discussed. I am just making an appeal now to the group who are going home this coming week to discuss the principles of Lincoln, and who are going to preach the patriotism that has made America great. They are going to talk about the unity Lincoln advocated. When a suggestion was made to "let the South go," Lincoln replied, "No; we are one Nation." Senators will be orating about the unity that Webster, a gentleman from the Senator's own State, exemplified when he said that we were one Nation, one and invincible, and that we want no East or West or North or South, that we were builders of a great Nation. We have our eye on the future, not on the past. That is why I make this appeal.

That is my statement. I could carry on in the same vein for hours, because I am sold on the merits of this great nation-building project.

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

Mr. WILEY. I am very happy to yield.

Mr. LODGE. I am sure the Senator could carry on for hours, and I know that I would enjoy listening to every word that he said.

Mr. WILEY. The Senator is kind.

Mr. LODGE. Not at all; I really mean it. I never tire of listening to the Senator from Wisconsin, because he comes forward with statements which are certainly very, very startling. But I do regret, I want to say again, as I have said it before, that in this statement, as in so many others, the Senator undertakes to accuse the opponents of the St. Lawrence project of selfish motives. I have never impugned the motives of the Senator from Wisconsin in this matter. I have always assumed that he was motivated by the loftiest patriotism. I have taken great care never by any kind of insinuation or implication or innuendo to make any argument that was not a national argument; and I am not going to change now. I am not going to impugn his motives now, but I do want to express regret that every time the Senator from Wisconsin rises to talk about the pending measure he seems to be so barren of real arguments that he finds it necessary to impugn the motives of the opposition.

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

The PRESIDING OFFICER. Does the Senator from Wisconsin yield?

Mr. WILEY. I wish to reply to the Senator from Massachusetts.

Mr. FLANDERS. Mr. President, will the Senator yield for 15 seconds? I wish to ask that permission be given for the Committee on the Allocation of Grain to hold hearings this afternoon.

Mr. WILEY. Mr. President, I realize that one of the motives that Abraham Lincoln—

Mr. FLANDERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The parliamentary situation is the Senator from Wisconsin. [Laughter.]

Mr. WILEY. I thank the Chair. I wish to inform the distinguished Senator from Massachusetts and his colleagues that the Senator from Wisconsin is in his place and is in a good situation.

I desire to say, in reply to the statement of the Senator from Massachusetts, that Lincoln always said that when a man indulged in impugning the motives of others, it indicated he had a poor case of his own. Yet, Mr. President, I also remember that the Good Book suggests that he who does not look after his own is unworthy. I am not impugning the motives of the Senator from Massachusetts. I am simply saying that he has too narrow a view, that he is provincial in his outlook, that he can see only the railroads and the Port of Boston. I am saying that this Nation is made up of 48 States. I am saying that when we have built the ports on the Atlantic and have spent hundreds of millions to build the ports on the Gulf and on the Pacific, we are entitled to have seven more locks built—we already have built eight—in a stretch of some 90 to 95 miles, which will give to America a fourth seacoast. That is all there is to it. So, when I suggested that when Senators return to their homes they consult their constituents, I am sure it was again a little element of fear in the Senator's bosom that he might find that his folks were leading the band wagon instead of his doing so that caused him to take exception to my remarks. I intended nothing personal. I love the Senator. I assure him, in spite of his shortcomings on the pending measure. He is always a gentleman, and I trust I shall always be one, but I can never refuse to bring to light a provincial or sectional view that impedes the general progress of the Nation, and that is my only purpose at this time.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Indianapolis Star of January 27, 1948, in relation to the St. Lawrence seaway.

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

LET ST. LAWRENCE SEAWAY WAIT

[From the Indianapolis Star of January 27, 1948]

Renewed proposals for spending hundreds of millions of public funds on the proposed St. Lawrence River seaway strikes a sour note at this time. The President has sent to Congress a record-breaking peacetime budget of \$39,669,000,000. Members, in both parties, are earnestly studying items that could and should be cut.

No advocate of the St. Lawrence seaway is contending that it is an emergency project that cannot wait. Regardless of the advantages or lack of usefulness that may be urged concerning that proposal, it is not a must item. The taxpayers should not be assessed to finance any such undertaking as the St. Lawrence project. That proposal at least should be on the backlog of improvements to be taken up in seasons of business recession. There is bound to come times of unemployment. Federal funds could be used advantageously to take up the slack in such periods. Labor is scarce. The government should not be needlessly in competition with those seeking men and materials for housing and the other greatly needed construction.



It will be time enough to talk about that St. Lawrence improvement when we have labor and money to spare.

Mr. WILEY. Mr. President, one of the arguments advanced by the opposition to the St. Lawrence seaway is that the seaway would further cause bottleneck of railroad transportation, because it would complicate railroad transportation in the winter months, when the seaway would be closed up because of ice and when the railroads would already be jammed with traffic. That argument is effectively disproved on the basis of facts which I have just secured from the Department of Commerce. At my request, the Department submitted to me an analysis of railroad-car loadings. This analysis was

based upon information supplied by the Association of American Railroads, and I ask unanimous consent that the tables be reproduced at this point in the CONGRESSIONAL RECORD.

As my colleagues know, I have sought consistently to keep insertions in the RECORD at a minimum, including only necessary materials. However, I do believe that these tables of car loadings are of outstanding importance not only to this St. Lawrence seaway project discussion, but to our consideration of the entire subject of railway transportation, which is uppermost in everyone's minds.

Now, what do these tables show? A brief inspection, even by a layman, shows that peak loadings occur for all com-

modities normally during the months ranging from August to November, inclusive. Thus, the position that we have taken that the St. Lawrence seaway, rather than complicate railroad traffic during the winter months, would actually serve to ease railroad traffic on the basis of all-year transportation is sustained in view of the fact that the peak of railroad traffic is during the late summer and fall months, at the very time that the seaway would be operating at maximum capacity.

The PRESIDING OFFICER. Is there objection?

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

Total cars of revenue freight loaded, by months, 1937-47<sup>1</sup>

TOTAL, ALL COMMODITIES											
Month	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937
January	3,168,397	2,883,863	3,003,655	3,158,700	2,910,638	3,181,945	2,840,238	2,557,735	2,288,730	2,256,717	2,714,449
February	3,179,198	2,866,876	3,032,487	3,154,116	3,055,725	3,122,942	2,866,565	2,488,879	2,282,866	2,155,536	2,763,457
March	4,170,420	3,982,240	4,022,088	3,916,037	3,845,547	4,003,819	3,749,413	3,123,916	2,976,655	2,746,428	3,707,395
April	3,232,947	2,604,049	3,377,335	3,275,846	3,152,879	3,380,869	2,904,527	2,495,212	2,225,188	2,120,471	2,991,677
May	4,376,122	3,242,821	*4,294,351	4,232,314	4,030,804	4,166,326	4,218,701	3,351,840	2,926,408	2,688,439	3,787,619
June	3,543,476	3,436,013	3,528,630	3,432,314	3,335,784	3,284,706	3,397,476	2,896,953	2,257,041	2,087,578	3,075,378
July	3,275,827	3,406,866	3,379,284	3,459,830	3,455,328	3,431,395	3,555,088	2,822,450	2,532,236	2,279,941	2,991,903
August	*4,559,767	*4,478,425	4,100,512	*4,473,872	*4,455,769	*4,375,865	*4,379,141	3,717,933	3,387,672	3,040,100	*3,902,129
September	3,690,436	3,517,219	3,255,757	3,527,162	3,555,391	3,522,709	3,600,315	3,135,122	3,102,236	2,595,482	3,211,743
October	3,808,271	3,680,634	3,151,185	3,598,245	3,607,851	3,604,323	3,635,111	3,269,476	3,355,701	2,842,632	3,156,533
November	4,424,254	4,220,285	4,011,044	4,172,739	4,167,563	3,996,315	4,256,413	*3,780,423	*3,708,292	*3,176,671	3,235,705
December	3,164,234	3,021,987	2,741,792	2,891,246	2,866,672	2,699,888	2,880,129	2,717,915	2,561,561	2,298,620	2,132,276
Total	44,503,349	41,341,278	41,918,120	43,408,295	42,439,951	42,771,102	42,352,127	36,357,854	33,911,498	30,457,078	37,670,464
First quarter	10,518,015	9,732,979	10,078,230	10,228,853	9,811,910	10,308,706	9,456,216	8,170,530	7,548,251	7,158,681	9,185,301
Second quarter	11,152,545	9,282,883	*11,200,316	11,056,348	10,519,467	10,831,901	10,520,704	8,744,005	7,715,549	7,071,951	9,854,874
Third quarter	*11,436,030	*11,402,510	10,735,553	*11,460,864	*11,466,488	*11,329,969	*11,594,554	9,675,505	9,022,144	7,908,523	*10,105,775
Fourth quarter	11,396,759	10,922,906	9,904,021	10,662,230	10,642,086	10,300,526	10,780,653	*9,767,814	*9,625,554	*8,317,923	8,524,514

GRAIN AND GRAIN PRODUCTS											
January	215,545	207,184	176,033	226,844	196,906	176,409	126,995	117,396	128,612	149,772	120,463
February	201,642	208,805	166,607	207,891	202,504	153,500	119,318	123,374	115,811	126,628	114,609
March	264,779	236,531	218,402	223,333	230,484	181,226	172,947	163,429	157,296	164,389	145,158
April	190,935	140,365	200,124	152,947	176,359	141,966	134,825	131,403	127,119	128,097	113,543
May	212,680	192,922	257,121	197,231	213,565	173,262	185,858	152,826	176,761	156,611	128,660
June	200,393	182,422	225,190	201,157	211,263	160,038	187,432	137,051	171,569	150,690	150,491
July	274,920	228,146	256,979	236,787	234,705	195,063	*225,512	203,288	200,028	223,389	198,120
August	*317,381	*255,114	*314,065	250,607	*279,941	*227,862	214,302	*207,063	*210,327	*232,582	*210,202
September	209,922	190,530	220,572	193,593	208,602	194,482	170,705	160,083	178,409	147,571	139,799
October	215,872	199,698	223,074	207,890	238,943	196,521	145,052	153,825	164,785	179,096	151,379
November	245,367	248,057	281,881	*251,424	270,653	212,475	200,507	166,418	186,343	172,504	190,979
December	177,406	207,269	193,920	171,029	184,383	172,278	144,371	118,437	133,004	126,989	125,563
Total	2,726,842	2,497,043	2,733,968	2,520,733	2,648,308	2,185,022	2,027,824	1,834,593	1,940,064	1,967,318	1,788,966
First quarter	681,966	652,520	561,042	658,068	629,894	511,135	419,260	404,199	401,719	440,789	380,230
Second quarter	604,008	515,709	682,435	551,335	601,187	475,206	508,115	421,280	465,449	444,398	392,694
Third quarter	*802,223	*791,616	*791,616	*680,987	*723,248	*617,407	*610,519	*570,434	*588,764	*603,542	*548,121
Fourth quarter	638,645	655,024	698,875	630,343	693,979	581,274	489,930	438,680	484,132	478,589	467,921

LIVESTOCK											
January	67,966	65,061	63,290	65,732	54,875	53,622	46,945	50,311	52,774	58,323	56,354
February	48,639	72,878	54,405	60,958	50,711	42,021	41,178	43,305	42,126	45,118	44,953
March	67,203	78,851	71,787	72,857	65,470	54,787	52,152	53,128	53,120	54,742	56,288
April	54,379	71,561	61,984	60,054	59,788	51,588	47,665	44,801	50,429	47,247	54,182
May	66,157	72,658	74,552	72,817	69,154	60,788	54,795	57,464	58,946	62,006	63,182
June	49,298	53,805	55,981	56,571	47,367	42,355	36,536	41,961	39,904	41,830	44,768
July	46,088	73,971	52,222	54,746	80,831	53,127	42,344	39,386	40,553	44,427	44,436
August	62,037	79,775	76,479	80,831	79,448	72,868	58,009	62,360	62,036	63,714	71,617
September	74,103	63,458	81,554	82,835	84,616	76,200	65,321	69,364	75,838	65,109	75,158
October	91,069	112,240	105,394	103,893	104,035	*96,178	*83,230	*86,183	*84,193	84,500	*84,137
November	*92,884	*117,460	*125,266	*115,776	*110,692	96,028	76,986	85,815	80,696	*85,721	81,057
December	50,459	63,201	70,611	65,075	58,494	56,401	49,107	50,037	49,757	50,924	48,711
Total	770,282	924,919	893,525	892,145	837,777	745,180	651,310	685,282	694,246	702,920	721,601
First quarter	183,808	216,790	189,482	199,547	171,056	130,430	140,275	146,744	148,020	158,183	157,595
Second quarter	169,834	198,024	192,517	189,442	176,309	154,731	138,996	144,226	149,279	151,083	162,132
Third quarter	182,228	217,204	210,255	218,412	217,191	*191,412	*162,716	172,277	182,301	173,259	187,969
Fourth quarter	*234,412	*292,901	*301,271	*284,744	*273,221	248,607	*209,323	*222,035	*214,646	*220,395	*213,905

<sup>1</sup> 1947 will be revised with weekly reports of 1948 (A. A. R. footnote).

NOTE.—“\*” designates peak loadings.

Total cars of revenue freight loaded, by months, 1937-47—Continued

FOREST PRODUCTS

Month	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937
January	167,221	127,620	149,982	163,262	145,829	175,274	154,752	114,696	103,572	102,175	122,814
February	194,988	145,924	159,579	173,984	159,953	184,970	155,274	121,315	98,900	105,215	139,088
March	*249,776	206,772	206,772	217,236	205,543	232,518	195,422	159,986	131,752	132,303	188,590
April	185,224	176,751	163,984	175,430	171,001	198,231	163,283	128,628	112,582	145,677	145,677
May	235,323	220,806	*217,935	220,883	218,724	247,875	204,901	166,273	147,904	129,375	147,938
June	188,406	192,551	184,282	193,600	178,787	196,047	169,649	138,726	124,041	107,054	159,659
July	175,057	181,108	165,317	185,613	179,345	214,124	186,104	126,427	118,414	103,890	158,890
August	247,668	*253,825	217,842	*250,222	*240,223	*266,783	*237,336	185,788	159,712	*149,609	*198,753
September	190,774	197,043	159,250	174,369	177,043	195,907	185,966	156,785	137,988	121,913	150,719
October	191,276	191,690	141,645	173,189	178,285	194,669	181,538	166,841	152,112	126,850	137,942
November	221,947	222,218	162,121	201,760	220,541	202,750	210,833	*193,089	*176,748	138,059	139,247
December	168,044	165,649	110,283	142,102	153,633	136,083	144,092	141,096	120,551	102,749	88,715
Total	2,414,704	2,263,246	2,038,992	2,271,450	2,228,907	2,445,231	2,189,840	1,799,650	1,584,336	1,417,869	1,828,032
First quarter	611,985	481,605	516,333	554,482	511,325	592,762	505,448	335,997	334,284	339,693	450,492
Second quarter	604,953	570,108	*566,201	589,713	568,512	642,153	537,923	433,627	384,527	335,066	503,274
Third quarter	*616,499	*631,976	542,409	*610,204	*596,611	*676,814	*609,406	469,000	416,114	*375,452	*508,362
Fourth quarter	581,267	579,557	414,049	517,051	552,459	533,502	537,063	*501,026	*449,411	367,658	365,904

MERCHANDISE L. C. L.

January	445,250	447,987	384,062	402,585	345,344	587,814	595,644	553,673	560,909	571,066	631,778
February	461,483	471,255	395,572	404,792	369,626	596,789	605,018	571,125	576,765	576,752	640,947
March	*619,700	619,343	536,533	530,880	490,106	*723,892	*809,918	741,356	769,270	*760,138	*856,971
April	504,863	515,317	451,765	427,716	393,944	498,175	648,350	594,854	617,354	599,410	688,528
May	592,682	575,261	539,507	519,949	480,920	476,500	490,920	727,215	744,938	726,924	834,549
June	464,232	510,385	429,836	419,822	395,943	362,884	617,273	594,827	610,923	596,710	674,108
July	429,010	469,623	405,690	399,059	383,436	353,224	502,561	569,328	582,953	562,731	638,496
August	576,973	609,636	512,384	*537,335	505,274	448,888	766,789	*754,667	*772,184	753,241	843,883
September	467,253	476,119	419,196	425,558	399,742	349,464	641,045	606,256	602,850	602,629	667,638
October	490,821	517,354	455,409	435,911	419,555	368,143	638,752	635,804	640,368	639,952	681,953
November	588,900	*640,812	*571,785	330,760	*520,340	445,091	765,430	752,047	746,086	746,639	778,339
December	432,190	472,203	426,770	393,561	375,518	325,928	549,056	578,237	566,235	555,410	530,678
Total	6,072,547	6,325,295	5,528,509	5,427,928	5,079,720	5,536,792	8,039,515	7,679,389	7,830,935	7,681,847	8,465,868
First quarter	1,526,433	1,538,585	1,316,167	1,338,257	1,205,076	1,908,495	2,001,580	1,866,154	1,907,986	1,907,986	2,129,696
Second quarter	*1,561,777	1,600,963	1,421,108	*1,367,487	1,270,779	1,337,550	*2,056,302	1,916,896	1,973,215	1,913,044	*2,197,185
Third quarter	1,473,236	1,555,378	1,337,270	1,361,952	1,288,452	1,151,576	2,028,395	1,930,251	*1,978,087	1,918,801	2,148,017
Fourth quarter	1,511,101	*1,630,369	*1,453,964	1,360,232	*1,315,413	1,139,162	1,953,238	*1,966,088	1,972,689	*1,942,016	1,990,970

MISCELLANEOUS

January	1,408,953	1,274,298	1,468,763	1,452,963	1,392,658	1,420,080	1,205,198	987,212	878,326	823,007	1,067,586
February	1,429,648	1,170,978	1,500,231	1,466,363	1,453,264	1,407,416	1,224,878	972,698	870,434	809,181	1,106,403
March	1,910,227	1,786,251	*1,995,678	1,882,458	1,834,937	1,854,044	1,670,533	1,282,202	1,223,781	1,120,317	1,556,831
April	1,535,769	1,491,500	1,602,080	1,526,143	1,519,303	1,509,594	1,400,248	1,060,937	1,004,058	871,662	1,289,819
May	1,909,273	1,643,222	1,993,714	1,896,107	1,895,359	1,880,622	1,795,451	1,366,586	1,246,486	1,085,622	*1,573,606
June	1,555,206	1,481,638	1,584,678	1,558,130	1,544,939	1,497,915	1,454,736	1,188,581	1,030,204	903,171	1,252,395
July	1,461,053	1,444,520	1,506,702	1,536,743	1,498,840	1,555,705	1,461,596	1,092,390	981,231	878,709	1,180,667
August	1,992,197	1,937,699	1,776,245	*2,005,728	1,950,041	*2,026,537	1,832,937	1,449,617	1,317,488	1,194,043	1,550,945
September	1,592,053	1,522,542	1,380,871	1,608,298	1,576,244	1,658,651	1,586,221	1,258,439	1,236,831	1,043,994	1,284,531
October	1,728,197	1,598,886	1,437,470	1,654,244	1,621,907	1,729,458	1,606,883	1,400,035	1,356,853	1,141,148	1,262,620
November	*2,029,713	*1,976,049	1,776,178	1,982,532	*1,951,186	1,901,707	*1,906,984	*1,613,868	*1,528,462	*1,272,365	1,276,026
December	1,495,211	1,416,500	1,235,265	1,437,538	1,332,266	1,313,196	1,330,091	1,169,707	1,076,461	883,462	772,181
Total	20,047,562	18,744,143	19,257,875	20,007,247	19,570,944	19,754,925	18,475,756	14,842,212	13,750,675	12,025,781	15,173,610
First quarter	4,748,828	4,231,527	4,964,672	4,801,784	4,680,859	4,681,540	4,100,609	3,242,112	2,972,541	2,752,505	3,730,820
Second quarter	5,000,310	4,616,360	*5,180,472	4,980,380	4,959,601	4,888,131	4,650,435	3,616,104	3,280,808	2,860,455	*4,115,820
Third quarter	5,045,303	4,904,761	4,663,818	*5,150,739	*5,025,125	*5,240,893	*4,880,754	3,800,386	3,535,550	3,115,846	4,016,143
Fourth quarter	*5,253,121	*4,991,495	4,448,913	5,074,314	4,905,359	4,944,361	4,843,958	*4,183,610	*3,961,776	*3,296,975	3,310,827

COAL

January	759,180	683,960	660,643	728,205	656,830	658,683	606,044	646,930	500,998	497,492	626,373
February	736,021	740,072	671,208	724,241	704,570	628,938	613,446	574,533	514,024	441,561	626,813
March	917,092	*937,719	828,484	842,924	863,838	757,671	716,362	627,054	564,496	454,473	*788,931
April	546,873	126,134	613,454	678,263	643,094	606,439	197,222	445,563	242,057	330,973	480,017
May	921,742	388,821	760,842	873,898	699,071	825,947	734,372	584,736	376,576	430,494	573,541
June	707,772	724,879	694,598	710,028	561,161	617,946	684,485	488,113	394,372	345,241	456,267
July	494,633	668,135	635,319	657,936	696,901	650,449	650,438	474,021	413,551	353,036	430,321
August	885,864	925,266	783,337	*878,713	*882,691	*825,314	*824,401	637,104	586,905	498,700	607,882
September	712,788	743,036	662,291	684,508	708,244	662,897	672,257	561,610	588,632	482,978	584,171
October	757,836	754,614	504,759	694,221	674,164	698,267	666,855	505,122	588,366	534,953	625,988
November	*934,244	712,048	*867,451	832,111	766,109	810,018	777,836	*694,545	*717,336	*652,187	663,083
December	714,171	599,337	613,822	589,410	650,263	585,061	562,597	560,283	524,617	518,651	514,151
Total	9,088,216	8,004,021	8,296,208	8,889,518	8,507,036	8,356,430	7,606,815	6,819,614	6,082,520	5,540,739	6,976,938
First quarter	2,412,293	*2,361,751	*2,160,335	*2,295,370	2,228,238	2,045,292	1,935,852	1,848,517	1,580,088	1,393,526	*2,042,117
Second quarter	2,176,387	1,239,834	2,068,894	2,262,189	1,903,326	2,108,232	1,516,079	1,518,412	1,313,005	1,106,708	1,509,825
Third quarter	2,093,285	2,336,437	2,080,947	2,221,217	*2,287,936	*2,138,690	*2,147,096	1,692,735	1,589,088	1,334,714	1,622,174
Fourth quarter	*2,406,251	2,065,999	1,986,032	2,110,742	2,090,636	2,064,246	2,007,288	*1,759,950	*1,900,339	*1,705,791	1,802,822

1 1947 will be revised with weekly reports of 1948 (A. A. R. footnote).

NOTE.—“\*” designates peak loadings.

Total cars of revenue freight loaded, by months, 1937-47<sup>1</sup>—Continued

COKE

Month	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937
January	56,330	43,314	56,294	61,735	61,007	57,904	54,661	49,782	30,091	26,495	47,440
February	57,713	32,401	59,180	60,608	59,993	57,098	56,920	42,999	29,828	22,520	48,324
March	72,509	65,764	*76,324	*74,004	*74,607	69,255	66,246	45,116	34,847	23,817	*57,909
April	52,724	29,898	55,605	58,957	57,791	55,768	37,982	30,053	22,970	16,085	41,613
May	71,559	24,168	74,964	73,895	68,528	70,153	*66,339	41,942	24,375	20,637	50,163
June	54,446	44,582	55,643	59,720	51,819	54,958	53,384	41,623	23,161	16,290	39,665
July	48,617	52,302	57,087	57,430	54,723	55,447	53,276	41,475	24,172	16,897	40,701
August	70,248	*69,886	63,769	70,369	72,821	69,735	65,464	53,778	34,815	23,343	48,759
September	54,069	55,208	46,643	55,081	58,989	56,029	53,250	43,784	36,987	23,287	41,049
October	59,575	57,204	33,787	56,524	60,562	57,082	52,064	46,990	46,224	24,128	35,374
November	73,900	*63,908	63,250	69,088	71,661	*70,901	64,448	*60,900	*58,579	*34,412	34,088
December	60,329	48,255	52,161	53,274	59,186	57,447	54,807	50,244	47,637	26,728	22,732
Total	732,019	586,890	694,707	750,685	751,687	731,777	678,841	548,686	413,686	274,639	507,817
First quarter	186,552	141,479	*191,798	*196,347	*195,603	184,257	*177,827	137,897	94,766	72,832	*153,623
Second quarter	178,729	98,648	186,212	192,572	178,138	180,879	157,805	113,618	70,506	53,012	131,441
Third quarter	172,934	*177,396	167,409	182,880	186,533	181,211	171,990	139,037	95,974	63,527	130,509
Fourth quarter	193,804	*169,367	149,198	178,886	191,409	*185,430	171,319	*158,134	*152,440	*85,268	92,194

ORE

Month	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937
January	47,952	34,439	44,588	57,374	57,189	52,159	49,999	37,735	33,448	28,357	41,641
February	49,064	24,563	45,705	55,279	55,104	52,210	50,533	39,530	34,318	28,561	42,320
March	69,134	49,720	88,108	72,345	80,562	130,426	74,833	51,645	42,123	36,249	56,717
April	164,180	52,523	228,339	196,336	131,599	259,168	274,952	58,973	48,619	34,360	178,298
May	368,704	144,963	*375,716	397,734	385,511	433,179	*380,216	254,798	160,422	76,770	365,980
June	323,663	245,751	288,422	329,160	344,505	352,663	293,981	266,071	169,719	97,055	298,225
July	343,349	289,061	299,968	331,516	354,251	365,039	318,225	275,028	167,460	89,813	305,514
August	*407,399	*347,224	356,391	*406,067	*445,330	*437,878	379,903	*347,556	244,205	*124,868	*370,288
September	299,474	269,283	285,380	302,860	341,811	329,079	285,550	278,801	224,601	108,701	268,678
October	273,625	248,948	249,647	272,373	310,400	294,005	260,737	274,676	*252,780	111,925	177,540
November	238,109	249,733	163,112	189,288	256,381	256,445	253,389	213,741	194,042	74,789	72,886
December	66,424	49,513	38,960	44,257	52,929	53,494	54,408	49,874	43,299	34,537	29,545
Total	2,651,177	1,995,721	2,474,336	2,648,589	2,815,572	3,015,745	2,682,726	2,148,428	1,615,036	845,965	2,207,632
First quarter	166,150	108,722	178,401	184,998	192,855	234,795	175,365	128,910	109,889	93,167	140,678
Second quarter	856,547	443,237	902,477	923,230	861,615	1,045,010	955,149	579,842	378,760	208,185	842,503
Third quarter	*1,050,322	*905,568	*941,739	*1,034,443	*1,141,392	*1,131,996	*983,678	*901,385	*636,266	*323,382	*944,480
Fourth quarter	578,158	538,194	451,719	505,918	619,710	603,994	568,534	538,291	490,121	221,231	279,971

<sup>1</sup> 1947 will be revised with weekly reports of 1948 (A. A. R. footnote).

NOTE.—“\*” designates peak loadings.

SOURCE: Cars of Revenue Freight Loaded, 1947-28. CS54-B. Association of American Railroads, Jan. 7, 1948. Original data gives weekly break-down.

TRIBUTE TO JULIUS H. BARNES

Mr. WILEY. Mr. President, I have referred previously to some of the great men in business and in government who have contributed virtually their entire lifetimes to the advancement of the St. Lawrence seaway project. Their selfless endeavor is an inspiring story of American patriotism. I ask unanimous consent that there be printed at this point in the RECORD a brief statement, which I have prepared on the subject of one of these men, a world-renowned shipping authority and builder, to whom I have already referred, Mr. Julius Barnes, a great pioneer on behalf of the seaway project.

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

TRIBUTE TO MR. JULIUS H. BARNES

The ranks of the great pioneers for the St. Lawrence waterway are filled with some of the greatest names in recent American history—statesmen of public affairs and businessmen of farsighted vision. One such businessman is Mr. Julius H. Barnes, of Duluth, president of the National St. Lawrence Association, which has spearheaded efforts for the completion of this indispensable project. The record of this indefatigable leader speaks for itself. Mr. Barnes was president of the United States Food Administration Grain Corporation from 1917 to 1919. He was United States Wheat Director from 1919 to 1920. He was president of the United States Chamber of Commerce from 1922 to 1924, and chairman of the board of directors of the United States Chamber of Commerce from 1929 to 1931.

Mr. Barnes is a successful businessman who represents the very best and the very finest in the American free-enterprise system. Recently, he added to the long series of out-

standing presentations which he has made on the seaway by preparation of a very interesting 71-page booklet entitled "Vast Peoples Are Stirring—Which Way—Americanism or Communism?" I wish that every one of my colleagues could read this booklet and grasp its vital message—the need for the St. Lawrence seaway to preserve American pre-eminence in world affairs and to counteract Russia's aggressive steps for industrial, political, and commercial expansion.

It is absolutely inevitable that the St. Lawrence waterway will one day soon be enacted. The forces of progress in our land are irresistible and this great project to which Mr. Julius H. Barnes has contributed of his efforts and his genius so long, so nobly, and so selflessly will, I trust, in the not-too-distant future reach fruition.

The Midwest and all America may well be proud of this great man whose efforts over the years have not been in vain, but will bear increasing fruit in the years and the decades and the generations to come.

BOY SCOUTS OF AMERICA AND THE WORLD OF TOMORROW

Mr. CAPPER. Mr. President, this year one of the great organizations of our country is observing its thirty-eighth anniversary. Boy Scout Week is being observed over the entire Nation the week of February 6 to 12. Since 1910, when it was first founded, over 14,500,000 persons have been members, and a great many of them say their membership has profoundly affected all of their lives. This is the Boy Scouts of America which is, of course, well-known to all Senators by reputation, and in many cases I know, by their personal association.

The Scout idea is becoming increasingly important throughout the world, and in my judgment may well become

an important factor in promising international good will. Throughout the world, there are over 4,400,000 Boy Scouts organized in 42 countries. They all have the same code and follow more or less the same program, an important feature of which is that a Scout is friendly and a brother to every other Scout. They certainly carry this out in a practical way.

Last summer some 32,000 of them camped together in France for 2 weeks. This was called the Scout Jamboree of Peace and was the sixth such gathering to be held. They plan to hold another in 4 years. Think what it means to bring these boys from practically every civilized country on earth—except the dictator countries—to take part in adventure with mutual good will and understanding of this sort.

Of course, the Boy Scouts of America are helping their brother Scouts abroad in more practical ways, too. They have a world friendship fund to which the Scouts themselves contribute, and the proceeds of which are used for Scouts abroad who need it. They take up collections of used uniforms, camping equipment, Scout books, and all sorts of things which will help revive Scouting in war-torn countries.

Altogether this is a demonstration of international good will which is interesting to watch. All these boys got along wonderfully together in their camp last summer, with no friction, no misunderstanding, just friendly good will, and the promise of more friendship to come. If we are going to have a peaceful world in the future, probably one important

thing is to begin educating the citizens of the future throughout the world right now. The Boy Scouts of America is one American agency that is doing its part. I hope that the American people will continue to give them support and leadership.

COMMUNIST CIVIL RIGHTS CONGRESS  
AND PRESIDENT TRUMAN'S COMMITTEE  
ON CIVIL RIGHTS

Mr. O'DANIEL. Mr. President, the President of the United States has recently recommended the passage of certain measures contained in a report made to him by what is known as his Civil Rights Committee. I want to take time to state that the communistic philosophy contained in the President's recommendations originated in Moscow, and explain how the orders of Joe Stalin trickled down through his stooges right into our White House.

The President's Civil Rights Committee had its being and was nurtured into life as the warped and twisted offspring of the Communist Civil Rights Congress which met in Detroit in April of 1946, presumably to organize an offensive against the rising fascist aggression in the United States. Insofar as I have been able to learn the rising fascists about which the Civil Rights Congress was so concerned were southern Members of Congress; old-fashioned American businessmen who still believe in the competitive system of trade; the members of the House Committee on Un-American Activities; any American who does not believe in the new type alien social order, in fact, all the people whom the Communist and his fellow travelers do not like and who oppose communism.

The important and very, very dangerous thing about the Civil Rights Congress that had its inception in Detroit in April 1946 is the absolute fact that this Civil Rights Congress was formed by Communist-front organizations with histories that link them right back to Moscow in a straight unbroken line. Its stated and published aim, as proclaimed at the time of its origin, has been a program to strike chaos and disunity with all its attendant evils into the American scene of life. They strive with all their might to foster hatred between races in this country, not from any sincere interest they might have in the betterment of our minorities in America, but to exploit them, thereby creating confusion, and more hatred and confusion. For it is only in this manner that the Communist Party in America and its parent organization—the Politburo of Russia—can ever hope to achieve victory in America. Too many times has the Communist International laid out its pattern of evil for all to see and judge accordingly; therefore, we should know by now, after seeing the rape of most of Europe, what the Communist pattern is. It is internal strife and the greatest weapon of all is class and racial hatred.

We have unearthed too many documents recently on which the New Deal dynasty could not quite keep the lid clamped down, not to be absolutely certain that Stalin wants world domination and that he recognizes the fact that

America is the only large stumbling-block in his path toward his Communist world-dream. The pattern is there for all to see. One of the first drastic steps was the organization in Detroit in 1946 of the Civil Rights Congress.

I intend to show, with references that will withstand any battering by the fellow-travelers, Reds, and Pinks in this country, that the fountainhead of both the Civil Rights Congress and the President's Committee on Civil Rights is the Communist International in Soviet Russia; that their declared aims and purposes are identical; that the same people and organizations were instrumental in forming both civil rights committees. Representatives from the same Communist-front organizations served both on the Civil Rights Congress and the President's Committee on Civil Rights.

The history begins in Russia, right after the Russian revolution in 1917, when the Communist International was formed with its underlying purpose to undermine and overthrow all governments of the world. The International formed the International Red Aid in 1922, which was part of an international network of organizations for the defense of Communists all over the world. It had different names in different countries, but its purpose was the same everywhere. In the United States it was known as the International Labor Defense, and has been under investigation by the House Committee on Un-American Activities since 1938. In 1939, Benjamin Gitlow, one of the original founders of the International Labor Defense, testified under oath:

International Labor Defense is not a national organization, but an international organization \* \* \* it is the legal defense organization of the Communist Party and the Communist International in this country and serves as a highly political and propagandist Communist organization.

When the Civil Rights Congress was formed in Detroit in April 1946, it was simply a merger of the International Labor Defense and the notorious Communist-front organization known as the National Federation for Constitutional Liberties. This National Federation was cited as communistic so many times by the Committee on Un-American Activities and other investigating groups that it lost its usefulness to the Communist Party and they decided to merge its identity with a new "front." So we find the Communist clan flocking to a new organization and under a clarion call that assured all and sundry that "an enemy offensive is now being waged against all the common people of the United States—labor, Negroes, Jewish people, the foreign-born, progressives, and others in a relentless drive to establish fascism in this country."

That, Mr. President, was the proclamation of the Communists, who assembled the Civil Rights Congress.

There can be no doubt but that the standard of living of the average Negro, Jew, foreign-born citizen, or any other person in the United States is far higher than that of the average Soviet worker under the Communist dictatorship of Joe Stalin. That much news does trickle out from behind his iron curtain occa-

sionally. Another proof is the bitter fight which these red-hot Communists put up when an attempt is made by our Government to bar them from this country—or worse still, to send them back to Russia. That calls for the Army, the Navy, and the Marines.

In order to impress more vividly the similarity of the object of this call to organize the Civil Rights Congress in Detroit in April 1946 and the much publicized recommendations of the President's Committee on Civil Rights on October 29, 1947, I am inserting a photostatic record of this urgent summons to a Congress on Civil Rights on April 27 and 28, 1946. It is also well to bear in mind that the President's Committee on Civil Rights was formed in December of 1946, a few months following the Civil Rights Congress in April.

The draft call issued by the Congress on Civil Rights, which I said I would insert in the RECORD, reads as follows:

DRAFT CALL—URGENT SUMMONS TO A CONGRESS ON CIVIL RIGHTS IN DETROIT, APRIL 27 AND 28, 1946, TO ORGANIZE AN OFFENSIVE AGAINST RISING FASCIST AGGRESSION IN THE UNITED STATES

Today's drive to subvert our democratic liberties is well organized, well heeled, insidious. It presents an emergency that emergency measures alone can meet.

The great war against fascism is won, but the victory is far from secure. Only a coalition of all the forces of the people, through united action, can prevent its destruction.

Here's what is happening in the United States:

Reactionary forces, based on war-rich monopolies, die-hard union breakers, red-baiters, and race-haters, command the largest surviving fifth column in the world. They are turning the weapons and methods of fascism against the American people. They are prepared to destroy our democracy, even to the establishment of outright fascism.

Their program consists of smashing unions through strike provocation, injunctions, and legislation like the Case bill that would wipe out labor gains of a quarter of a century; spreading discrimination and hatred against minorities through violence against Negro civilians and veterans, particularly in the South, anti-Semitism, and destruction of FEPC; maintaining the poll-tax system to disfranchise 10,000,000 Negro and white Americans; sapping the strength of labor and other organizations by using Hitler's prime weapon of red-baiting, especially through revival of the Dies committee under RANKIN.

This reactionary program has met the growing organized resistance of the labor movement and other groups and individuals who believe firmly in democratic liberties.

The popular response to such campaigns as FEPC and poll-tax repeal shows that the people will organize. Veterans are fighting discrimination and challenging the pro-Fascist press. Committees everywhere have sprung up to defend victims of police and lynch violence; the renewed activity of such Fascist spokesmen as Gerald L. K. Smith has brought widespread, fighting protests.

Labor has sharply stiffened the defense of its civil rights, and people in all walks of life are rallying with enthusiasm to labor's defense.

Now more than ever the united action of the democratic forces is needed to enable each organization and individual to exert maximum effectiveness in the realization of a common program. The elaboration of a campaign or series of campaigns, coordinated in detail and Nation-wide in scope, is therefore essential to meet the challenges that today confront us all:

To safeguard and extend all democratic rights, especially the rights of labor, and of racial, political, religious and national minorities;

To combat all forms of discrimination against these groups;

To defend and aid victims of the fight for these rights;

To fight against domestic fascism and all its forms, Jim Crow, anti-Semitism, Red-baiting, discrimination against the foreign-born.

To these ends, we call upon civil rights, labor, religious, interracial and other organizations and individuals to attend a Congress on Civil Rights in Detroit on April 27 and 28, 1946, to formulate and agree upon a national program to defeat the offensive of reactionary and Fascist forces, and to consider all steps required to assure the maximum unification of effort to advance that program.

Mr. President, I have just finished reading the draft call issued by the Congress on Civil Rights for their meeting in Detroit on April 27 and 28, 1946. It will be noticed how nearly that call corresponds to the recommendations recently made by the President of the United States.

Now, so that all may know just how similar the Communist program is and this program handed to the Congress by President Truman, I quote from Mr. Truman's recommendations to the Congress as they appear in the CONGRESSIONAL RECORD as of February 2, 1948, on page 928:

1. Establishing a permanent Commission on Civil Rights, a Joint Congressional Committee on Civil Rights, and a Civil Rights Division in the Department of Justice.
2. Strengthening existing civil-rights statutes.
3. Providing Federal protection against lynching.
4. Protecting more adequately the right to vote.
5. Establishing a Fair Employment Practice Commission to prevent unfair discrimination in employment.
6. Prohibiting discrimination in interstate transportation facilities.
7. Providing home rule and suffrage in Presidential elections for the residents of the District of Columbia.
8. Providing statehood for Hawaii and Alaska and a greater measure of self-government for our island possessions.
9. Equalizing the opportunities for residents of the United States to become naturalized citizens.
10. Settling the evacuation claims of Japanese-Americans.

The line of thought and ideology are practically the same, and the reason for this similarity is not a coincidence. The truth is that the same presiding genius guided both groups.

Communists and fellow travelers from each of the 48 States were on hand as delegates to the Detroit meeting of the Civil Rights Congress. They represented practically every known Communist-front organization. From the files of the Committee on Un-American Activities we find that 43 persons who attended the Civil Rights Congress are also affiliated with the American Peace Mobilization. This organization was cited as subversive by Attorney General Clark on December 5, 1947. Some of the better-known names belonging to both organizations follow: Lewis Merrill, president, United Office and Professional Workers; Meyer

Adelman, district director, United Steel Workers, Milwaukee; Philip M. Connelly, secretary, Los Angeles CIO Council; Councilman Eugene P. Connolly, New York City; Joseph Curran, president, National Maritime Union; former Representative Hugh De Lacy, Washington, D. C.; Donald Henderson, president, Food, Tobacco, Agricultural, and Allied Workers, writer for Communist press; Langston Hughes, Negro poet and writer, author of many atheistic poems, including Good-bye Christ; Rev. Jack R. McMichael, secretary, Methodist Federation for Social Service, recently denounced by Methodist ministers; Dr. Max Yergan, president, National Negro Congress; Paul Robeson, Negro singer and member of many Communist-front organizations; and Dr. Harry F. Ward, leader in the socialist church movement, Federal Council of Churches of Christ, also member of many Communist-front organizations.

Also from the files of the Committee on Un-American Activities comes a list of 83 individuals who aided the Civil Rights Congress in Detroit and were members of the notorious National Federation for Constitutional Liberties. In part, they are as follows: Louis Adamic, one-time protégé of Mrs. Eleanor Roosevelt; James Egert Allen, president, New York State Conference, National Association for the Advancement of Colored People; Mary McLeod Bethune, president, National Council of Negro Women; Elmer A. Benson, chairman, executive council, National Citizens PAC; Joseph R. Brodsky, attorney for the International Labor Defense, and attorney for the Communist Party in 1936-40, 1942, 1946, and 1947; former Representative Hugh De Lacy, sponsor of Civil Rights Congress, "beloved and cherished by the Communist Party" (CONGRESSIONAL RECORD, vol 91, part 9, page 11696); Stephen H. Fritchman, former editor, Christian Register, member of many Communist fronts, including North American Spanish-Aid Committee, Win-the-Peace Conference, sponsor of no less than 22 pro-Soviet organizations; and Lee Pressman, general counsel, CIO, who is in disagreement with his boss, Phil Murray, because of Pressman's affinity for the Red line.

The Civil Rights Congress has received the support of and has cooperated with numerous Communist fronts, of which the following are typical: American Labor Party; American Youth for Democracy; United Negro and Allied Veterans of America; International Workers Order, Lodge 572; American Committee for Protection of Foreign Born; and Council on African Affairs.

Key individuals who whipped into shape the Detroit Conference of the Civil Rights Congress are affiliated with all the better known Communist-front organizations, such as Michigan Civil Rights Federation; American Peace Mobilization; American League for Peace and Democracy; American Youth Congress; American Committee for Democracy and Intellectual Freedom; League of American Writers; National Council of American-Soviet Friendship; Joint Anti-Fascist Refugee Committee; Massachusetts Council of American-Soviet

Friendship; National Negro Congress; Jewish People's Committee; American Student Union; League of Women Shoppers.

The above organizations were listed as Communist-fronts by the Committee on Un-American Activities in its report on Civil Rights Congress as a Communist-front organization on September 2, 1947, House Report No. 1115.

A delegation from my own home State of Texas attended this Civil Rights Congress in Detroit. Twelve people, 9 of whom were Negroes, from Houston paid their own fares to this conference to get help for their campaign in Texas. I have no record of what support they got, other than moral; but it is most probable that any donations raised were handled by the smart men who engineered the affair, and the Texas Civil Rights Congress repaired to Houston with advice only. This advice was probably flowered into full bloom on April 27, 1947, when the Daily Worker, Communist road-guide, said that "prominent Texans have petitioned the Texas Legislature against the passage of legislation which they charge would suppress ideas and political principles." They referred to a number of bills aimed at the suppression of the Communist Party. The Civil Rights Congress of Texas then proceeded to list 100 signers for all parts of Texas. Included were:

Educators: Prof. Clarence E. Ayers; Dr. Wendell C. Gordon; Mrs. J. H. Clauser; Dr. Clarence A. Wiley; Prof. Ernest A. Patterson; Dr. Harry E. Moore; Prof. E. E. Hale; Prof. N. Peach; Prof. J. H. Morton; Prof. Howard D. Asbury.

Ministers: Rev. Blake Smith; Rev. Fred E. Cole; Rev. L. N. Hawke; Rev. W. H. Holland; Rev. William C. Crawford.

Labor leaders: Ray Davidson, M. M. McKnight, Carl Garcia, Garland Butler, Arthur Leibson, R. J. Owen, Ed Dawley, C. A. Sanders, Ceferino Anchiando, Juan R. Benevidez.

Business, professional, and civic leaders: W. M. McMillan, Kenneth Lampkin, Regina Boyd, Mrs. U. V. Christian, Joe B. Dibrell, A. Maceo Smith, Jack Summerfield, Clare Ruggles, J. J. Jones, R. D. Dickson, Arthur Ruskin, A. A. Ormsby, C. D. Leake, Chester Frazier, Arthur DeWitty, Mrs. J. E. Craft, R. H. Duncan, and Mrs. L. M. Mitchell.

Students and veteran leaders: Melvin Webber, Stuart Chamberlin, Richard Sterba, Mr. and Mrs. Curry Gilmore, Mac E. Wallace, Louis Watel, Monroe Cohen, and Nicholas Seidita.

The references above are from the report on the Civil Rights Congress as a Communist-front organization by the Committee on Un-American Activities.

All of the foregoing brings us up to the President's Committee on Civil Rights. When he appointed his 15-man commission to look into things where racial and religious intolerance were threatening the very things we had just fought for, by some strange coincidence he managed to include at least six whose ideology runs parallel with that of the master minds who organized the Civil Rights Congress in Detroit in 1946. From the files of the Committee on Un-American Activities, I have before me the carefully recorded activities of these six

members of the President's Committee on Civil Rights. Who can say what motive is behind their cooperation on the President's committee? Why did they serve on the committee? Do we dare trust men who have belonged and do belong to organizations which have been found by a duly qualified congressional committee to be subversive? Have they had a change of heart and are really putting our country—America—ahead of any other in their planning? Or are they still—under the name of "liberals"—trying to tear down our Constitution, and substitute a socialized form of government patterned after that master of socialization, Soviet Russia. The Communist-front organizations to which they belonged had only one thing in mind, and that was to destroy our American form of government. Our various investigations have proved that very clearly. Is it not the duty of every American to seek out the facts and present them to the people, especially as the President's committee is merely an echo of the aims and recommended legislation published by the Civil Rights Congress in April 1946? Can we trust the motive behind this piece of business?

The members of President Truman's Committee on Civil Rights were: Rt. Rev. Henry Knox Sherrill, presiding bishop of the Protestant Church; Channing H. Tobias, New York City; Rabbi Roland B. Gittelsohn, of New York City; Francis P. Matthews, of Omaha, Nebr.; Morris L. Ernst, of New York City; John S. Dickey, president of Dartmouth College; James B. Carey, secretary of the CIO; Mrs. Sadie T. Alexander, of Philadelphia; C. E. Wilson, chairman, president of General Electric Corp.; Rev. Francis J. Haas, bishop of Grand Rapids; Mrs. M. E. Tilly, of Atlanta, Ga.; Boris Shishkin, Alexandria, Va.; Dr. Frank P. Graham, president of the University of North Carolina; Charles Luckman, of the Lever Bros. Co.; and Franklin D. Roosevelt, Jr.

The CIO News of November 10, 1947, states that Secretary-Treasurer James B. Carey, of the CIO, received from President Truman a letter thanking him for his part in preparing the report of the Committee on Civil Rights. Let us hope that James B. Carey's conversion, while fairly recent, has been thorough, for James B. Carey's affiliations and connections with Communist-front organizations go back to 1936. He has been a speaker for the Jewish People's Committee, an organization cited in 1944 by the Committee on Un-American Activities. That organization also had representatives at the Civil Rights Congress in Detroit, whether they attended officially or not. He has been a delegate to the World Youth Congress, most of whose sponsors were fellow travelers, and which also was represented at the Civil Rights Congress. He was a speaker for the American Student Union at their fourth convention in 1939, an organization cited by the Committee on Un-American Activities several times, which also had its members in attendance at the Detroit Civil Rights Congress. He was an honorary pallbearer at the funeral of Communist Tom Mooney in San Francisco in 1942. He is the signer of a

petition to discontinue the Dies committee, originated in a letter by the Communist-front American Committee for Democracy and Intellectual Freedom in 1940. He spoke before the Washington Committee for Democratic Action in 1940. This organization was recently cited by Attorney General Clark. He has written for *The Champion, Fight*, and other publications cited as subversive. In 1940 Carey was a member of the National Council for American Peace Mobilization, the organization which furnished 43 of its members at the formation of the Civil Rights Congress in Detroit in 1946. Of course, at the present time James B. Carey seems to be putting up a real fight to clear the CIO of Communists. But with his background of affiliation with many dangerous Communist-front organizations, many of which were well represented at the Detroit Civil Rights Congress, one may still very well wonder if his conversion and about-face has been sincere and complete.

Morris L. Ernst, another of the President's Committee of Fifteen, has also been affiliated with organizations which have been cited as subversive and which were also represented at the Civil Rights Congress in Detroit. He has been a speaker for the League of American Writers and the American Youth Congress, and very active in the National Lawyers Guild. These organizations have all been cited by the Committee on Un-American Activities. He was connected with the medical bureau and North American Committee to Aid Spanish Democracy. He was a member of the Milk Consumers Protective Association, the League for Mutual Aid, and the Consumer-Farmer Milk Cooperative, Inc., all of which have been cited as subversive. At least three of these organizations were in attendance at the Detroit Civil Rights Congress.

Boris Shishkin, economist for the American Federation of Labor and 1 of the 15 on President Truman's committee, was at one time a member of the Washington Book Shop. He is well represented in the files of the Committee on Un-American Activities in this respect, and it should be remembered that the Washington Book Shop Association was very recently cited by Attorney General Tom Clark as subversive. Mr. Shishkin is one of the voluble speakers for the doctrines set forth in President Truman's Civil Rights Committee before organizations such as the Michigan Committee on Civil Rights, formerly the Michigan Council for Fair Employment Legislation.

Channing Tobias, of New York City, also on the President's Committee for Civil Rights, was recently classified by Mr. J. B. Matthews in a speech before the American Legion seminar as a confirmed fellow traveler. Mr. Tobias seems to have earned that distinction by way of association. He was an endorser of the American League for Peace and Democracy at its New York City conference in 1939. He has been affiliated with the National Committee To Win the Peace and the Southern Conference for Human Welfare, and was a member of Council on African Affairs. These organizations have all been investigated and

cited as subversive by the Committee on Un-American Activities, and many of the same organizations were well represented at the Civil Rights Congress in Detroit in 1946.

Dr. Frank Porter Graham, also on the President's Committee, is not considered a Communist. He is, however, to quote a report on the Southern Conference for Human Welfare, which the Committee on Un-American Activities caused to be printed in June 1947, "one of those liberals who show a predilection for affiliation with various Communist-inspired front organizations." Dr. Graham's record and connections with Communist fronts is a long one. He urged freedom for Earl Browder, the Communist, and served as sponsor at a dinner held to celebrate the twenty-fifth anniversary of the Red army. He has been associated with the communistic International Labor Defense, legal arm of the Communist Party, the American League for Peace and Democracy, the American Committee for the Protection of Foreign Born, the American Committee for Democracy and Intellectual Freedom, the American Friends of Spanish Democracy, the China Aid Council, and other Communist fronts. The insidious thing is not in his belonging to and affiliating himself with these numerous fronts, which vary from a slightly pinkish tint to out-and-out red, and the International Labor Defense, which is an actual branch of the Communist Party, but the fact that many of these organizations with which Dr. Graham connects himself are also the front organizations whose members were featured strongly at the formation of the Civil Rights Congress in Detroit. The connection cannot be overlooked when it comes to weighing the doctrines enunciated by the President's committee, and it should be taken into consideration.

The Right Reverend Henry Knox Sherrill is a presiding bishop of the Episcopal Church. He is a member of the Massachusetts Committee on Racial and Religious Understanding, and on his record as such he was probably asked to serve on President Truman's Committee on Civil Rights. However, the files of the Committee on Un-American Activities also show another picture of Dr. Sherrill's life, wherein he affiliated himself with organizations cited as subversive. In 1943 he sponsored the Massachusetts Council of American-Soviet Friendship. Members of this organization were also very active in the formation of the Civil Rights Congress in Detroit. And the report on the Civil Rights Congress made by the Committee on Un-American Activities cites the organization as a "Communist front." Dr. Sherrill at various other times has been a sponsor for the National Council of American-Soviet Friendship, once as late as March 13, 1946. It will be remembered that the Civil Rights Congress met a month later, in April 1946. The National Council of American-Soviet Friendship had many of its representatives at the Civil Rights Congress, to express their views and doctrines. And the National Council of American-Soviet Friendship is one of the most subversive and un-American organizations on rec-

ord. It was even included by Attorney General Tom Clark when he made his report on subversive organizations in December 1947.

There, Mr. President, are the names of six members of President Truman's committee, each and every one of them with a record of service with Communist-front organizations. Yes, there were citizens on Mr. Truman's committee who do not bear the taint of communistic affiliation. They were put there to supply the window-dressing for the main show. They were put on the committee to lend an air of stability and conservatism to its acts, but Mr. Truman has reckoned badly with the knowledge of the American people, for the people are coming awake to the wiles of the Communist leadership which has crept into New Deal activities. Here we see Mr. Truman making a bold bid for the radical vote. He is out-Wallacing Wallace. He is hurling a boomerang that may come back to clip his own ears. I do not believe he can sell this bill of goods, even though it is wrapped in the habiliments of the Democratic Party. The program is an insult to the American people, regardless of race, creed, or color. It promotes class consciousness and inspires hates and racial prejudices. It is un-American, unconstitutional, and undemocratic. It is a stench in the nostrils of honest, self-respecting people, an abomination in the eyes of the Lord.

Here again we find the Communist radio blabbers in Russia running true to form. Anytime Joe Stalin wants to put something over on Uncle Sam, he first throws out the bait, and when he has his fish hooked, he starts propaganda in reverse. Joe and his politburo know if you want to put over anything communistic on Uncle Sam, the way to do it is to oppose that thing. His gang started the civil-rights program, and came in on the finish. Now comes the technique to get Congress to adopt the child of the Kremlin. As soon as Truman sends it to the Congress, Joe orders his radio stooges to denounce the program. They say it is an attempt by Truman to steal the liberals from Wallace and that the Kremlin is against it. But here in the United States we find the American Communists supporting the program and at the same time endorsing the candidacy of Henry Wallace. If Joe Stalin were to endorse the Truman civil-rights program, he knows that it would melt faster than a snowball cast into the burning fires of hell.

And, now, Mr. President, as a climax, we find the Communists gathering in Washington to lobby for the Truman program. We get this fresh from the hyena's mouth, the Daily Worker of February 4, page 3:

CRC ASKS TO MEET TRUMAN ON 10-POINT PLAN

The Civil Rights Congress yesterday asked for an interview with President Truman on Friday—

That is, tomorrow—

to discuss his recently issued 10-point civil-rights program. In a wire to the Chief Executive, Joseph Cadden, executive director, expressed support for the President's program but regretted that the message was long overdue.

"We regret also," said Cadden, "that the President waited until an election year for a move to enact such vital legislation. Every legislative proposal you submit in this message must run the gantlet of the white supremacists in Congress. If your message is to be more than a mere campaign document, we expect you, as a leader of the Democratic Party, to permit your party to invoke cloture in the Senate and thus defeat the inevitable attempt at a filibuster by Southern Democrats."

The Civil Rights Congress will have more than 100 persons in Washington on Friday—

That is, tomorrow—

from its various chapters to appear before the House Judiciary Committee considering the antilynching bill.

We hardly need to wonder that the Daily Worker and the Communist Party in the United States are working, and working hard, to see that the report of the President's Committee on Civil Rights goes through. The Communists center their attacks mostly on the southern Democrats because of the legislation in many Southern States on race segregation and, therefore, they make the Negro race the tragic pawn in the Communist movement to disrupt the country. The South today is going ahead soundly and steadily working for better educational and economic advantages for its millions of Negroes. The South was left helpless with this great problem at the end of the War Between the States, and she has made great strides to solve the problem in the only way possible. And that way is certainly not the way the President and his 15-man Committee on Civil Rights has outlined. The President's way is the way the Communists are hoping for and fighting for. It fits their purposes perfectly and we should weigh all the evidence at hand thoroughly before we accept the President's recommendations at all.

There is no problem affecting the lives of the white and black men in the South which the intelligent people of the two races are not working out satisfactorily. Decent whites and decent blacks respect each other. They work together and fraternize upon a basis of respect for the individual, each as he deserves, but they worship separately, live separately, attend different schools. Almost every known faith has its separate schools here in America. That is possible under the Constitution, for the Constitution enables men of any and all creeds, races, and colors to choose their associates, their religion, their schools, and their elective political officials. The Truman program proposes to throw all this in reverse. That is why, Mr. President, the Truman program is un-American and must be defeated.

SYNTHETIC LIQUID FUELS

Mr. TAFT obtained the floor.

Mr. LUCAS. Mr. President—

Mr. TAFT. Mr. President, does the Senator from Illinois wish to make a statement?

Mr. LUCAS. No. As I understand, the Senator from Nebraska wishes to have a bill considered at this time by unanimous consent. I have conferred with the Senator from Nebraska about it, and also have discussed the measure with the Senator from Wyoming [Mr. O'MAHONEY].

As I understand, there is no objection to the bill by any member of the committee from which it was reported.

Mr. BUTLER. I wish to say, Mr. President, that the bill in question was reported unanimously from the Committee on Interior and Insular Affairs. It is Senate bill 134.

Mr. LUCAS. Mr. President, I have no objection to a motion being made at this time that the pending business be temporarily laid aside and that the bill be considered.

Mr. TAFT. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 134, Calendar 916.

The PRESIDING OFFICER. Without objection—

Mr. RUSSELL. Just a moment. Reserving the right to object, I should like to look at the calendar.

Mr. LUCAS. Mr. President, if it is proposed that the Senate consider other bills in addition to Senate bill 134, I suggest that perhaps there should be a quorum call before any such action is taken.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present.

The Senator from Ohio [Mr. TAFT] asks unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 134, which will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 134) to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190).

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

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

Mr. FULBRIGHT. Mr. President, are we to have an explanation of the bill?

Mr. BUTLER. Mr. President, I shall explain the bill very briefly, and then I shall yield to one or two other Senators who wish to make statements in connection with what I consider to be a very important piece of legislation.

During the past 2 years we have experienced an amazingly rapid increase in our requirements for petroleum products. In contrast, we have had no corresponding increase in petroleum resources or productive facilities. The result has been spot shortages in various parts of the country and increased dependence on foreign sources.

The long-term prospect with regard to our petroleum supplies is even more serious than the temporary shortages. No doubt these shortages will be cured if all goes well and if we remain at peace. However, the only cure in immediate prospect is through increased imports. Furthermore, if we should suddenly find ourselves at war, Secretary Forrestal tells us we would immediately be faced with a shortage of 2,000,000 barrels a day needed for all-out military operations. Although we shall certainly find some additional supplies of oil in this country, there seems to be no real prospect that they will be sufficient to fill the evergrowing demand. In other words, if petroleum were to be our only source of liquid fuel, we would come to be more and more dependent on foreign sources. Officials of the State Department and the Army-Navy Petroleum Board have expressed the opinion that by 1965, half of this country's oil requirements will have to be imported.

The Synthetic Liquid Fuels Act of 1944 was designed to meet this situation by proceeding as rapidly as possible with research and development of potential sources of liquid fuels from coal and oil shale. Under this bill, a number of programs to conduct the basic research and to perform pilot-plant and demonstration operations were to be started.

Two oil-shale mines and a demonstration plant for the production of shale oil were placed in operation near Rifle, Colo., early in 1947. A demonstration plant for production of gasoline by the hydrogenation of coal is being developed at Louisiana, Mo. Laboratory facilities for the development and improvement of the synthetic liquid-fuel process have been established at Pittsburgh, Pa.; Morgantown, W. Va.; and Laramie, Wyo. The Bureau of Mines is ready now to contract for the construction of a Fischer-Tropsch demonstration plant, but this will not be possible until new legislation is enacted. Laboratory work by the Department of Agriculture at Peoria, Ill., is also covered by this legislation, looking toward a utilization of agricultural products as a source of industrial alcohol.

The bill simply extends the program for 3 more years and increases the total authorized appropriation for the entire program from \$30,000,000 to \$60,000,000.

The principal effect of the bill will be to permit the program to go forward as originally planned. Very few new features are contemplated.

Progress has been slower than anticipated for several reasons. First, the Synthetic Liquid Fuel Act was passed in 1944 at the height of the war, and it was therefore not possible to get under way with some of the construction for some little time. Second, the program was seriously delayed during much of 1946 by a succession of disastrous strikes. Third, the Missouri Ordnance Works, which was to have been used under this program, was taken over by the War Department for fertilizer manufacture in 1946.

A large part of the increased authorization is necessary to take care of the higher level of costs due to the rise in the price level and salary scale since 1944.

In addition, certain new features have been added, based on experience to date, and on some of the developments of European research that have become available to us since the end of the war. New processes are being worked out for test and demonstration at the facilities at Pittsburgh, Pa., and Louisiana, Mo.

In my opinion, one of the most important aspects of this program lies in the development of efficient processes for the use of surplus agricultural products in the manufacture of industrial alcohol and other products. I mentioned the work that was being done at Peoria, Ill., in connection with this problem. It is my feeling that within a very few years we may again be faced with the necessity for disposing of agricultural surpluses in some way. If this research program is pushed aggressively and if we give adequate encouragement to those interested in this problem, I have hopes that we may meet a part of our shortage of liquid fuels and petroleum products through conversion of surplus agricultural crops into alcohol.

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

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

Mr. FULBRIGHT. The Senator has referred to the research which is being carried on. Will the Senator tell me what is being done with the plant at Omaha?

Mr. BUTLER. The plant at Omaha is under private operation. It is being operated, and is contributing to the needs of the times, but it is not in any way connected with the Government. It is not Government operated.

Mr. FULBRIGHT. It still belongs to the Government, and could be available for the purposes of the fuel program if we chose to extend the program to it, could it not?

Mr. BUTLER. I doubt that there is any provision in the bill which in any way affects the operation of the plant at Omaha.

Mr. FULBRIGHT. The reference to agricultural production would seem to be broad enough to include such a plant if the Government chose so to use it, would it not?

Mr. BUTLER. I say very frankly to the Senator that I see no reason at the moment why this piece of legislation could not be made adaptable to the situation which the Senator mentions.

Mr. FULBRIGHT. I should like to know on what scale the plant at Peoria is operating. I am not familiar with that operation.

Mr. BUTLER. The plant at Peoria is one of several experimental plants placed in operation under a previous law. There is one in New Orleans, one in the West at San Francisco, I believe, one in Philadelphia, all having to do with agricultural research. The fourth is at Peoria. The amount of the work being done on this phase of it is only incidental to the total over-all program.

Mr. FULBRIGHT. Is the Senator satisfied that that stage of the program will be adequately taken care of under this bill?

Mr. BUTLER. I certainly hope so.

Mr. FULBRIGHT. Is the Senator satisfied that it will be? I hope so, too, but I do not know anything about it.

Mr. BUTLER. I should not like to try to predict today exactly what the managers of it may do, but I know what I would like to have them do.

Mr. President, I have only a word or two more to say in this connection.

This bill is urgently recommended by the Department of the Interior, which points out that it must be passed soon in order to permit the Bureau of Mines promptly to contract for additional construction. The importance of some such legislation has also been emphasized by the Secretary of Defense. The petroleum industry and the special petroleum committees of both the Senate and the House have recognized the need for this work. The Committee on Interior and Insular Affairs unanimously reported the bill on Monday of this week.

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

Mr. BUTLER. I yield to the Senator from Utah.

Mr. WATKINS. Mr. President, I desire to associate myself with the statement made by the Senator from Nebraska in relation to the bill and the need for such legislation. The plant in Colorado has been making a fine contribution. It is located in the very heart of the oil-shale fields in the Rocky Mountain States, and also in the coal fields. In Colorado, Wyoming, and Utah, there are immense deposits of oil shale, mostly on the surface, where it can be mined by open-cut mining. Many of the counties in those States are underlaid with coal. To the people in the intermountain West it is of great importance, and to the people of the United States and of the world it is of still greater importance, that these great reserves of oil to be produced from coal and shale should be brought to a point where it can be used in the years ahead.

I am glad to associate myself with the statement made by the senior Senator from Nebraska.

Mr. BUTLER. I thank the Senator from Utah for his splendid statement.

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



Mr. BUTLER. I am very willing to yield the floor to the Senator from Wyoming, who I know should speak at some length on this very important measure. He was the author, I believe, of the original legislative proposal, and is the author of the amendment which is under consideration.

Mr. O'MAHONEY. Mr. President, let me say that there is now pending in the House of Representatives a companion bill to Senate bill 134. It was unanimously recommended by the House Committee on Public Lands, just as this bill was unanimously recommended by the Senate Committee on Interior and Insular Affairs.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. For the sake of strict accuracy, I should like to say that because of a personal interest of mine which could be helped or hurt by the pending legislation I did not vote in connection with the committee's action on the bill.

Mr. O'MAHONEY. Mr. President, I am glad the Senator interrupted to point that out, because I am aware that he made the same statement in the committee. What I meant to say was that the bill was reported without objection.

I was about to say that I am happy to be able to advise the Senate that the Rules Committee of the House has today granted a special rule for the early consideration of the House bill. I was delayed in coming to the Senate during the quorum call because I had been requested by Mr. Buckley Griffin, a correspondent of numerous newspapers in New England, to make a radio broadcast with him regarding the synthetic-fuel program. These two things indicate the widespread interest of the country in the development of synthetic fuels.

As the Senator from Nebraska has well said, researches in connection with the program began several years ago. Hearings were conducted by what was then the Senate Committee on Public Lands, in conjunction with the House Committee on Mines and Mining, in Washington, in Pittsburgh, in Utah, and in Wyoming. The testimony which was developed showed a general agreement upon the part of all experts in and out of private industry that the Bureau of Mines should be authorized to construct and operate demonstration plants, the purpose of which is to show that synthetic fuels can be made commercially from these great resources covered by the bill.

When the original bill was under consideration in the committees and on the floor, it was modified so as to include agricultural products, and the appropriations which are here authorized are available and may be made available for the Department of Agriculture to conduct its experiments for the manufacture of synthetic fuel from forestry products and any other agricultural products.

The significance of the measure I think can readily be recognized when it is pointed out that the United States, which has long been the world's greatest producer of petroleum, has petroleum re-

serves of approximately 22,000,000,000 or 23,000,000,000 barrels of oil; but discoveries in the Middle East, particularly in Saudi Arabia, and discoveries in Latin America would indicate that the center of gravity, so to speak, for the production of petroleum has passed from the United States to foreign countries. In Saudi Arabia it is estimated that the reserves of petroleum amount to at least 50,000,000,000 barrels. The Senator from Nebraska in his statement with respect to this bill pointed out that the oil shale deposits in Colorado alone are now estimated as capable of producing not less than 200,000,000,000 barrels of oil. That is four times the estimated reserve of Saudi Arabia in petroleum. But if we take into consideration the oil shale deposits of Utah and of Wyoming, in addition, the reserves on these three public-land States are not less than 300,000,000,000 barrels.

There are also reserves of oil shale in Montana, Nevada, and the Eastern States. I understand that it is estimated that in Pennsylvania the deposits of shale are sufficient to produce approximately from 13,000,000,000 to 20,000,000,000 barrels of oil—oil from shale. West Virginia has supplies of oil shale, and so does Ohio, and so do a score of other States.

But, Mr. President, we are not confined to the use of oil shale. The coal resources of the United States, which are almost beyond imagination, are capable of producing unlimited supplies of synthetic fuel. I need not remind the Senate that Hitler fueled his war machine with synthetic fuel manufactured from coal. The deposits of coal in the United States are estimated as being sufficient, at the present rate of consumption, to supply the United States for at least 2,500 years.

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

Mr. O'MAHONEY. I yield.

Mr. KILGORE. In regard to synthetic fuel, I wonder whether the Senator is aware that before VE-day the German war machine was all set up to power its equipment with synthetic fuel in the form of alcohol in certain mixtures. The Germans were not completely ready in that respect; but the chief of air said that, if they had been given 5 months more, they would have been able to prolong the war 5 years by the use of alcohol as a synthetic fuel.

Mr. O'MAHONEY. I thank the Senator. That is a correct statement of the situation.

Mr. President, the United States has reserves of natural resources sufficient to make it completely independent, in my judgment, of any foreign source of supply.

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

Mr. O'MAHONEY. I yield to the Senator from Oregon.

Mr. MORSE. The remarks of the Senator from West Virginia in regard to the development of alcohol in Germany give me an opportunity to ask the Senator from Wyoming a question in regard to this bill. I am sure the Senator is aware of the fact that during the war a pilot plant for the manufacture of wood alcohol out of wood waste was started at

Springfield, Oreg. As the Senator knows, there are great quantities of wood waste in my State. In fact, one of the great problems of the lumber industry is to develop methods for making use of the present waste in the lumber industry—the sawdust and all the parts of the trees that are not suitable for lumber and do not go into lumber.

Mr. O'MAHONEY. I may say to the Senator from Oregon that during the progress of the hearings on this subject, we were told that it was actually possible to make an appropriate feed for livestock out of wood waste.

Mr. MORSE. That has been alleged. I have not yet fed any of it in any of my livestock production.

The question I wish to raise is whether under this bill the Department of Agriculture could, if it decided to do so, take over that alcohol plant, under the funds provided for in the bill, and continue with its development, to the end of trying to determine whether an economic program for the manufacture of alcohol could be developed out of wood waste.

Mr. O'MAHONEY. It would be altogether within the terms of the bill. I point out to the Senator from Oregon that the hydrogenation experiments of the United States Bureau of Mines, which now are about to take place at Louisiana, Mo., are in a war plant which was constructed for the purpose of making ammonia, and was turned over to the Bureau of Mines by the War Department, for purposes of hydrogenation. Therefore there is no reason why a plant such as the one in Oregon which the Senator has described should not be turned over to the Department of Agriculture for its share of these experiments. The basic law, which by this bill is extended for 3 years, and the authorized appropriation, which is increased by \$30,000,000, specifically provide that all work on agricultural and forestry products shall be carried on by the Department of Agriculture.

Mr. MORSE. I thank the Senator for his answer to my question.

I wish to say now, if the Senator will permit me to say a sentence or two more, that when one considers the great amount of the taxpayers money that has gone into the wood-alcohol plant at Springfield, Oreg., I think inquiry should be made by the Department of Agriculture, if this bill is passed, as to the possibility of continuing the operation of the plant under Government operation, at least for the time being. At the present time the plant has been turned over to the Surplus Property Administration; and as the Senator well knows, when it is disposed of or dismantled through the Surplus Property Administration, that will be done at tremendous loss to the taxpayers of the United States.

Mr. O'MAHONEY. Mr. President, I shall be glad to cooperate with the Senator or with anyone else to make sure that that plant and all other plants are used in the best interests of the people of the United States.

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

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Is the Senator familiar with the program which recently was

suggested by Secretary of the Interior Krug?

Mr. O'MAHONEY. Yes.

Mr. LUCAS. Does that dovetail in with the program the Senator is discussing in respect to his own bill?

Mr. O'MAHONEY. Completely. The Secretary of the Interior has approved this bill.

Mr. LUCAS. I read only part of what the Secretary of the Interior had to say; but it seemed to me that he laid great stress on synthetic fuel made in the way the Senator has described.

Mr. O'MAHONEY. I am glad to be able to tell the Senator that there appears to be complete unanimity between the industry and the experts in the Department of Agriculture and the Department of the Interior that this program should be carried out.

I should point out that at this moment there are cooperative agreements between the United States Bureau of Mines and the Standard Oil Development Co., a subsidiary of the Standard Oil Co. of New Jersey, and between the United States Bureau of Mines and the Union Oil Co. of California, and between the United States Bureau of Mines and the Standard Oil Co. of California, and between the United States Bureau of Mines and the Sinclair Refining Co. These cooperative agreements are for the following purposes: That between the Standard Oil Development Co. and the Bureau of Mines is for the purpose of drafting cost estimates for the construction of a coal hydrogenation plant sufficient to produce 30,000 barrels of oil a day from coal. The Standard Oil Development Co. is also conducting cooperative experiments on the refining of crude oil made from shale. The Standard Oil Co. of California and the Sinclair Co. are similarly conducting joint experiments on refining; and the Union Oil Co. is conducting experiments with the Bureau of Mines on the pumpability through pipe lines of crude petroleum made from shale.

So we have a program, through unanimous action by industry and Government, to produce a result which is very greatly indeed in the public interest.

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

Mr. O'MAHONEY. I yield to the Senator from Colorado.

Mr. MILLIKIN. I think perhaps it might be emphasized to advantage that this is not something that is in the field of fantasy, but that the production of petroleum products from coal has been carried on a long time, notably in Germany; and that the production of petroleum products from oil shale has been carried on for a long time in a number of countries, including Scotland, on a commercial scale, and in Estonia, Lithuania, Manchukuo, Sweden, and also in Tasmania, the basic chemical and physical facts are well known in both fields.

Our problem in this country is to bring out the known facts, and others to be developed by experimentation, and develop processes which will result in products which can be brought into competition with existing petroleum products.

Mr. O'MAHONEY. The Senator is quite right, as the primary objective of the bill is to enable the United States Bureau of Mines to demonstrate the commercial possibilities of making the synthetic fuel at a cost which will enable it to compete with gasoline and fuel oil made from petroleum.

Mr. MILLIKIN. Mr. President, will the Senator yield to me for another observation?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. In further response to the inquiry from the distinguished Senator from Illinois [Mr. Lucas] I do not believe it can be said that this plan is a necessary forerunner of the full-scale Krug plan, but this plan will, it is hoped, develop those scientific and procedural facts out of which private industry could go ahead or Government industry could go ahead according to future decisions. The basic work, it seems to me, is very essential. If the Senator will permit, I would like to say that in the field of oil shale, away back in the 1920's Senator Phipps, of Colorado, sponsored a bill in the Senate calling for a demonstration plant, which was erected at Rulison, Colo., which is close to the site of the present plant.

In that connection, if I may make a personal reference, the then president of the Colorado School of Mines and I brought to Washington a small demonstration apparatus and erected it in one of the committee rooms here, and made oil out of oil shale. We had a very interested group of Senators and Representatives from States where there is oil shale. As the Senator from Wyoming has pointed out, I suppose there are 2 dozen such States, extending pretty well over the country.

Mr. President, as I stated before, I have a personal interest which might be helped or hurt by the proposed legislation, and as I did when the original bill was up before, I shall refrain from voting.

Mr. BREWSTER. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I am very glad to yield to the Senator from Maine.

Mr. BREWSTER. Our attention has of course been increasingly directed to the problem of petroleum, particularly among those of our States that do not have these reserves. We have been getting a rather liberal education on these shortages in recent weeks. In that connection, from high authority in the Government, attention has been turned to the very great oil reserves of the Middle East. The result of their development, to which I know the Senator from Wyoming has directed considerable attention, has been the estimate that there are perhaps 100,000,000,000 barrels of oil out there in the Middle East. Do I understand that the Senator from Wyoming believes, from the studies thus far, that there could be made available ample supplies of petroleum in this country from these other sources on a sound economic basis?

Mr. O'MAHONEY. I have no personal doubt about it at all, I will say to the Senator. The Senator may recall that in the last Congress I introduced a bill

to amend the Oil and Gas Lease Act so as to stimulate research for petroleum in the public-land States. That bill was enacted. It has become a law and has resulted in a very great stimulation of the search for petroleum. Many new discoveries have been brought in; not sufficient as yet, I am sorry to say, to make any tremendous addition to our reserves, but enough to indicate that we have not as yet thoroughly explored all our possibilities for petroleum. But due to the fact that in the United States exploration has been carried on over a period of fifty years, at a much more rapid rate than anywhere else in the world, there is no doubt that we are coming to the end of the road so far as new discoveries of petroleum here in the United States are concerned. But we are only beginning, so far as oil shale, coal, and agricultural products are concerned.

Mr. BREWSTER. If the Senator will yield further, does he feel that there is justification for the fear recently expressed that as long as petroleum continues to be a vital factor in modern economic life, we might arrive at a point where the reserves of the Middle East would be an absolutely essential factor in our functioning in war or peace?

Mr. O'MAHONEY. I have not shared that opinion. I know that it has been expressed. I feel that our resources here are sufficient to make the United States self-sufficient so far as liquid fuel is concerned.

Mr. BREWSTER. What does the Senator envision as to the time involved in this development, as to how soon we might arrive at the happy day when on some economic basis the production of petroleum from shale or coal or fuel from grains would be possible?

Mr. O'MAHONEY. There would be a difference, according to the emergency. In time of peace it probably would take a longer period. If we were required to prepare for war, for example, then of course we would expend the necessary sums to build the necessary plants, but the evidence which is before the committee is, in my opinion, sufficient to indicate that the degree of cooperation between industry and Government now has been developed to such an extent that within a few years we can depend upon an ample source of supply for synthetic fuel.

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

Mr. O'MAHONEY. I yield.

Mr. CHAVEZ. I appreciate the importance of the original legislation, and I fully appreciate what is intended to be done by the proposed measure we are now discussing. But has the Senator from Wyoming any information as to the program of the Department of the Interior under which it proposes to proceed?

Mr. O'MAHONEY. Yes; that has been discussed in the original hearings and in the reports, and in connection with the work that has been done to date. We have these various plants, the one at Riffe, for oil shale; the one at Louisiana, Mo., for coal. If this measure is passed, I am sure the Department will have suggestions for some other plants.

Mr. CHAVEZ. Of course, the Senator knows that in the West, especially throughout the Rocky Mountain area, there are tremendous coal fields. In my State we have millions and millions of acres of coal. I was just wondering whether it is the opinion of the Senator that if the legislation goes through and the extra money is voted, all those areas will be treated alike, and some particular area not be picked out.

Mr. O'MAHONEY. I think without any doubt that all areas will be treated alike, but the degree of cooperation which is going on indicates to me clearly that private industry is now moving into the field and may be expected to do some of the work very shortly. I am advised, Mr. President, that certain of the oil companies are already buying coal lands for the purpose of getting ready, but I have not had the time to get specific information on that point.

Mr. CHAVEZ. Mr. President, I think it is very laudable on the part of the oil companies to cooperate in this wonderful endeavor. But, continuing with what I had in mind when I interrupted the Senator, my State is extremely exercised about the matter. I noticed an article in the paper today containing a statement given by the Interior Department to the press, designating certain States in which the work is to be done. New Mexico was not in the list. I was just desirous of ascertaining whether under the general law we in New Mexico could utilize our coal lands for this laudable idea, in view of the need for more fuel.

Mr. O'MAHONEY. The coal mines in New Mexico can be used and, I think, ought to be used.

Mr. MILLIKIN and Mr. LUCAS addressed the Chair.

Mr. O'MAHONEY. I think the Senator from Colorado wanted to ask a question.

Mr. MILLIKIN. Mr. President, I just wish to suggest, in response to an observation made by the Senator from Maine [Mr. BREWSTER], that it is not a question of providing, overnight, any substitute for our liquid oil supplies. They, of course, being a wasting asset, will decrease as time goes on, and our problem therefore is to supply an increasing supplemental synthetic supply. If we could envision an overnight stoppage of our liquid supplies, something which is not going to happen, we could not hope to replace those supplies within a short period of time with synthetic substitutes. That will be a lengthy process, and it should be developed, I suggest, in a constantly expanding way against that long-distant day, I hope, when our liquid supplies are gone. This merely emphasizes, I suggest, the importance of making a start and getting the techniques well understood.

Mr. O'MAHONEY. Mr. President, in my response to the Senator from Maine [Mr. BREWSTER] I had in mind that ultimate objective of the legislation and of the program.

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

Mr. O'MAHONEY. I yield.

Mr. LUCAS. The inquiry propounded by the able Senator from Colorado is

the same as that I was about to make, and has to do with the question raised by the Senator from Maine who inquired respecting the time element involved. We all know that there is a serious diversion of opinion respecting the oil reserves of the world. We know that a tremendous effort is being made for continuation of the control of the oil of the Middle East. The statement is frequently heard that whoever finally controls the oil in the Middle East will probably control Europe and Asia. In view of the fact that we do have a short supply, and that sooner or later we are going to run out of a liquid supply of fuel, the time element does seem to me to be very important. It is important to know how soon we may be able to get into sufficient production of synthetic fuel from shale and coal and other commodities to the end that at no time would we be caught in short supply of this vital material.

We all know that one of the causes for Hitler's downfall at an earlier period than it might have been was the fact that he ran out of some of the lubricating oil and other petroleum products that were so vital and necessary to the operation of his machine. Any future world conflict will be based, of course, in a great measure upon the quantity of oil any nation can produce.

I wish to state candidly that I knew very little about the program involved, but I want to commend both Senators and the committee for producing this constructive measure. It is my sincere hope that the Congress in the future will take hold of the program, not in a niggardly way, and go along with a further program something like that which was recently recommended by Secretary of the Interior Krug. I do not think we are going to be able to depend upon private industry to do the kind of job that ought to be done. Certainly this oil problem is in the public interest and the interest of national defense. I am glad to see the two able Senators promoting a measure of this character because of its tremendous importance to the future of our Nation.

Mr. O'MAHONEY. Mr. President, I am very grateful to the Senator from Illinois for that comment. It is precisely because I have believed for many years that the United States should concentrate upon the development of its natural resources that I introduced the previous bill, to which I alluded, to amend the Oil and Gas Leasing Act. That bill was enacted into law, and has resulted in finding for us new reserves of oil. The pending bill will find us new reserves of synthetic fuel from oil shale. We know that we can obtain oil from coal, and we should be stepping along as rapidly as possible so that our supplies will not be exhausted.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. I commend the Senator from Wyoming for pressing this matter and for the results he is getting, but I hope he will go a little beyond providing appropriations. I hope that something may be done by the Congress to expedite action in this research.

There is no question it has been lagging. It should not be lagging. I am sure the Congress will provide whatever funds are necessary. I do not know about the \$9,000,000,000. I think that amount of money can probably be provided by private enterprise. But I have no doubt that Congress will take care of the research part of the program. Putting up the money is only part of the program. We must go beyond that, and we must see that those who are entrusted with the program get the lead out of their pants and really move forward in this great enterprise which the Congress is undertaking.

Mr. O'MAHONEY. I thank the Senator from Colorado. It is only fair to the Bureau of Mines to say that they have been diligently at work upon this program. One of their experts, Dr. Schroeder, immediately after VE-day made a special trip to Germany and examined all the German plants and brought home some of their blueprints to use in this program.

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

Mr. O'MAHONEY. I yield.

Mr. WILEY. I compliment all the Senators who have spoken on this subject, especially when they have emphasized the point that America should stop wasting her national resources. Where there is wealth to be gotten for Americans, we should get it. I like the thought which was so ably expressed by the distinguished Senator that here we have a reserve of liquid coal that will make us competent to meet any challenge that may arise in the future. The main problem is to get under way and to meet the fears which have arisen. We have had fears suggested that the oil industry might be injured, and we know now that because of those fears the American people have been injured. In my own State people are freezing. They do not have the fuel they need. In other words, because of those fears, we have not provided for our people as we should have provided.

Mr. President, as I have many times before said, there is another resource of which we should avail ourselves. There are 2,200,000 horsepower going to waste on the St. Lawrence. There is opportunity to provide for transporting the fuel back and forth to 50,000,000 people.

I especially wish to compliment the distinguished Senator from Utah, who today so dramatically and eloquently set forth the needs of the Nation, and who so clearly called to our attention that we were all one people.

I join with my colleagues, Mr. President, some of whom have been in opposition to the St. Lawrence development, in the development of the program now under consideration because I am in favor of all things which are for the general welfare.

Mr. LODGE. Mr. President, will the Senator from Wyoming yield to me for a moment?

Mr. O'MAHONEY. I yield.

Mr. LODGE. It is always a pleasure to agree with the Senator from Wisconsin whenever I can do so, and this is certainly one occasion when I can do so with the greatest enthusiasm. I feel that the

extraction of synthetic oil is of great benefit to the country as a whole. It is a project which has real intelligence and practicality behind it, and is definitely in the national interest. I am happy to give it my support.

Mr. O'MAHONEY. Mr. President, I thank the Senator.

I will not take any further time of the Senate beyond asking unanimous consent that there may be printed in the RECORD at the conclusion of my remarks the full text of the report of the Special Committee Investigating Petroleum Resources in Relation to National Welfare, which I had the honor to file with the Senate on January 31, 1947.

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

INVESTIGATION OF PETROLEUM RESOURCES IN RELATION TO THE NATIONAL WELFARE

INTRODUCTION

Until science succeeds in harnessing atomic energy to the everyday machines of the modern world, petroleum will continue to be the most essential fuel of industry both in peace and in war. The discovery, development, and utilization of petroleum in modern times was one of the principal factors which prior to World War II had made the United States the greatest industrial nation. It is also indisputable that during this war the intensive production of United States petroleum, at a rate in excess of that indicated by scientific principles for maximum efficient recovery, was one of the chief factors of military victory. Therefore, it is not too much to say that the evolution of modern industrial civilization and its preservation from Nazi totalitarianism may be attributed in very large measure to petroleum, to the American oil industry, and to the teamwork between the industry and the Government. But more than that, it is now clear that no nation which lacks a sure supply of liquid fuel can hope to maintain a position of leadership among the peoples of the world. It follows that if the United States is to hold the place it now occupies on the world stage as an effective leader in elevating the standard of living for people, it must develop a national petroleum policy which will make certain that we shall not become dependent upon any other country for our supply of liquid fuel.

This basic fact was recognized by the United States Senate when on March 13, 1944, in creating this special committee of 11 Senators, it declared that "adequate petroleum reserves are essential to our national security and economic welfare."<sup>1</sup> The committee was instructed "to make a full and complete study and investigation with respect to petroleum resources, and the production and consumption of petroleum and petroleum products, both within and outside the United States, in their relation to our national welfare and security," and to "report to the Senate at the earliest practicable date the results of such study and investigation, together with its recommendations for the formulation of a national petroleum policy."<sup>2</sup>

On April 6, 1945, the Intermediate Report<sup>3</sup> of the committee was submitted to the Senate, recording the principal activities of the committee up to the date of the death of Senator Francis Maloney, the former chairman, on January 16, 1945.

Prior to the date of the intermediate report the attention of the committee was largely directed (a) to the wartime proposal that the Government of the United States

construct, own, and maintain a pipe-line system across the Arabian Peninsula designed to make Persian Gulf oil available to the United Nations in the Mediterranean theater, and (b) to the question whether the Anglo-American oil agreement should be an executive agreement or a treaty subject to approval by the Senate under the treaty-making power of the Constitution.

Obviously, the project to build and own a trans-Arabian petroleum pipe line, if carried out, would have taken the people of the United States through their Government into the active development abroad of the natural resources of foreign countries, thus effecting a revolutionary change in national policy. It would have made the Government an owner in an area over which it had no political jurisdiction, thus breaking down, beyond the geographical frontier of the United States, the line of demarcation between the industrial and economic function of the people as individual private citizens, and the political function of the Government as the agent of all the people. Suffice it to say that the executive hearings held by this committee, under the wise and extremely capable leadership of the late Senator Francis Maloney, and the advice given by him, as spokesman for the committee, to President Roosevelt resulted in the abandonment of the project.

As to the constitutional status of the Anglo-American oil agreement, the committee succeeded in having it submitted to the Senate as a treaty, despite the fact that it was originally designed by its authors to take effect between the United States and the United Kingdom merely as an executive agreement. In view of the far-reaching implications and the important subject matter of the agreement, the committee believed that there was no question but that it constituted a treaty and ought to be handled as such according to the Constitution. The committee had observed with alarm the increasing inroads made upon the treaty-making power in recent years through the device of the executive agreement. The committee therefore decided that it would be contrary to public policy and to constitutional limitations if this important international covenant were permitted to escape the scrutiny of the Senate. Again, the executive hearings by this committee (on which sat the chairman of the Committee on Foreign Relations) and the conferences between Senator Maloney and the highest executive officers of the Government, including the President, resulted in the agreement being transmitted on August 24, 1944, to the Senate as a treaty. Subsequently, on January 10, 1945, President Roosevelt withdrew the treaty for renegotiation with the United Kingdom. On November 1, 1945, the revised treaty was resubmitted by President Truman to the Senate, where it is now pending before the Committee on Foreign Relations.

Upon completing the activities referred to in the intermediate report aforesaid, the committee next addressed its attention to the underlying problem of the formulation of a national petroleum policy. In order that there would be made available to the Congress and to the public a complete exposition of the basic facts involved, without which no competent judgment could be rendered, the committee conducted public hearings in Washington, D. C., as follows:

1. Foreign Contracts Act. (S. 11.) Joint hearing with a subcommittee of the Committee on the Judiciary. (May 17, 18, 21, and 22, 1945.)

2. New Sources of Petroleum in the United States. (June 19, 20, 21, 22, and 25, 1945.)

3. American Petroleum Interests in Foreign Countries. (June 27 and 28, 1945.)

4. Petroleum Requirements — Postwar. (October 3 and 4, 1945.)

5. War Emergency Pipe-Line Systems and Other Petroleum Facilities. Joint hearing

with Surplus Property Subcommittee of the Committee on Military Affairs. (November 15, 16, and 17, 1945.)

6. Wartime Petroleum Policy Under the Petroleum Administration for War. (November 28, 29, and 30, 1945.)

7. The Independent Petroleum Co. (March 19, 20, 21, 22, 27, and 28, 1946.)

8. The Oil and Gas Division of the Department of the Interior. (June 17, 1946.)

At each of the above hearings, with the exception of the last, the committee had the benefit of thorough factual presentations by representative groups selected by the petroleum industry. The statistics, charts, historical data, and elaborate descriptive material, thus assembled with painstaking care, together with their logical presentation at the hearings, have been of great aid to the committee in arriving at its conclusions. Likewise, the committee has benefited from the valuable testimony of numerous witnesses from governmental agencies charged with duties relating to certain phases of petroleum activity, and from interested members of the public—to all of whom the committee expresses its gratitude. Indeed, too much credit cannot be given to the representatives of industry and of Government for the thoroughness and the frankness with which they prepared and presented their evidence. The demand which the committee has had for the printed volumes of the hearings bears witness to the value of the material that was gathered.<sup>4</sup>

FACTUAL SUMMARY

The most pertinent facts developed at these hearings may be briefly summarized as follows:

1. Although the demand in the United States for petroleum and petroleum products is greater now than it ever has been, and although the demand gives every indication of continuing to increase,<sup>5</sup> this country is no longer the world's greatest reservoir of oil. More than 63 percent of all petroleum produced in the world between 1859 and 1941 was drawn from deposits within the boundaries of the continental United States.<sup>6</sup> It was United States oil that made this country the industrial leader of the world. It was United States oil primarily that fueled the armies, the fleets, and the air squadrons of the United Nations in the war against Germany, Italy, and Japan. Today, however, less than one-third of the proved oil reserves of the world are located in continental United States.<sup>7</sup>

2. Discoveries of new fields in the United States during the past 10 years have been decreasing in size and importance, while the opposite is true of discoveries made abroad.<sup>8</sup>

<sup>4</sup> Thus far, more than 21,000 copies of the various hearings have been distributed, of which more than half have been distributed by the Government Printing Office through sales in excess of 7,800 copies and through shipments to libraries, etc.

<sup>5</sup> Postwar Demand for Oil Products, World Petroleum, September 1946, pp. 60, 63. See also address by Serge B. Jurenev, of the Continental Oil Co., reported in the Wall Street Journal, Jan. 9, 1947. See also National Petroleum News, Dec. 25, 1946, pp. 24-27.

<sup>6</sup> Hearings, American Petroleum Interests in Foreign Countries, pp. 354-357. The Petroleum Almanac (National Industrial Conference Board), 1946, pp. 293-298.

<sup>7</sup> The Petroleum Almanac, op. cit., p. 42. Hearings, American Petroleum Interests in Foreign Countries, pp. 199-201. In the Middle East alone, the proved reserves greatly exceed those of the United States. *Ibid.*, p. 73.

<sup>8</sup> Hearings, New Sources of Petroleum in the United States, pp. 275-280; Wartime Petroleum Policy Under the Petroleum Administration for War, pp. 6-7, 68 ff., 85, 217; the Independent Petroleum Company, pp. 216, 249, 262; American Petroleum Interests in Foreign Countries, pp. 5-7, 66 ff., 422.

<sup>1</sup> S. Res. 253, 78th Cong., 2d sess., agreed to March 13, 1944; continued until the end of the 79th Cong., by S. Res. 36, 79th Cong., 1st sess., agreed to January 29, 1945.

<sup>2</sup> *Idem.*

<sup>3</sup> S. Rept. No. 179, 79th Cong., 1st sess.

The average new field discovered at the present day in the United States scarcely exceeds 2,000,000 barrels of recoverable oil, while the 300 fields discovered abroad during the 20 years prior to 1943 have an average ultimate yield of about 100,000,000 barrels each.<sup>9</sup>

3. In the United States one wildcat well has been drilled for every 12 square miles of prospective area, but in foreign countries only one wildcat has been drilled for every 480 square miles; and the best evidence available at the moment would indicate that the land area of Russia is a greater potential source of petroleum than continental United States.<sup>10</sup>

4. New sources of petroleum in the United States might be obtained, but to what extent no one can say with any degree of certainty, in the following ways:

(a) New exploratory drilling on the public domain and elsewhere;

(b) Deeper drilling, as a result of improved technology, to horizons hitherto untested;

(c) Stimulated production from old fields by improved methods of secondary recovery and by payment of governmental subsidies;<sup>11</sup>

(d) Exploration of the Continental Shelf;<sup>12</sup>

(e) Manufacture of gasoline and other products from natural gas; and

(f) Extraction of petroleum from oil shale, and manufacture of synthetic liquid fuel from coal as well as from agricultural commodities.

5. The discovery, production, refining, and distribution of petroleum and its products are operations too complex and costly to be feasible for individual enterprise, but may be conducted efficiently and profitably only by corporate organizations.

6. American groups, organized in the corporate form, have not only achieved a high degree of efficiency in the United States but have carried the industry to almost every quarter of the globe.

7. The development of the industry has been marked by the appearance of integration and concentration.<sup>13</sup>

8. During the year 1944, 83.51 percent of all crude oil run to stills in the United States was handled by 21 major companies. The remaining 16.49 percent was refined by approximately 234 independent companies.<sup>14</sup> In the same year, 61.3 percent of the gross domestic production of crude oil was produced by 21 major companies.<sup>15</sup> In the case of American oil companies with investments abroad, from 93 to 95 percent of the total in-

<sup>9</sup> Testimony of James Terry Duce before subcommittee of the Committee on Public Lands and Surveys on S. 1243, 78th Cong., 1st sess., August 3, 1943, *Synthetic Liquid Fuels*, p. 63.

<sup>10</sup> Hearings, *Foreign Contracts Act*, pp. 129-131.

<sup>11</sup> By listing the payment of subsidies as a method of obtaining additional oil, the committee is not to be understood as taking a position either advocating or opposing a subsidy program.

<sup>12</sup> The Continental Shelf is sometimes defined as the submarine extension of the land mass of the coast to a depth of 100 fathoms.

<sup>13</sup> By "integration" is meant the consolidation under the same corporate management of the principal branches of the industry, namely, production, refining, transportation, and marketing. By "concentration" is meant the acquisition by a comparatively few companies of control over a substantial portion of the industry. Integration and concentration of control are the characteristics according to which, by common usage in the business, corporations are roughly designated as "majors" or "independents."

<sup>14</sup> Hearings, *The Independent Petroleum Co.*, pp. 188-189.

<sup>15</sup> *Ibid.*, p. 53. This corresponds roughly with the proportion of the proved reserves owned by the major companies. See state-

ment prepared for the Temporary National Economic Committee by William S. Farish, president, Standard Oil Co. (N. J.), printed in hearings before the said committee (October 23, 1939), pt. 17, *Petroleum Industry*, sec. IV, pp. 9933-9935.

vestments is held by 22 companies and their subsidiaries and affiliates.<sup>16</sup>

9. American oil interests own or have a share of production or of proved crude-oil reserves in 20 foreign countries in both hemispheres.<sup>17</sup> American petroleum investment abroad increased at the rate of \$100,000,000 per annum during the 20-year period beginning with 1920.<sup>18</sup> The American share of foreign proved reserves (excluding Russia) has grown from 22.7 percent of the estimated 9,175,000,000 barrels in 1928 to 46.3 percent of the estimated 37,554,000,000 barrels in 1945.<sup>19</sup> The American share of foreign proved reserves in the Western Hemisphere is 65.2 percent of the total foreign reserves in this hemisphere.<sup>20</sup>

10. The risks and financial costs involved in foreign operations are of such magnitude that only the larger companies can assume the hazards, and even these companies find the difficulties so great that they customarily operate through hundreds of subsidiaries and by means of joint ventures among themselves and with foreign corporations so as to distribute the risk.<sup>21</sup>

ment prepared for the Temporary National Economic Committee by William S. Farish, president, Standard Oil Co. (N. J.), printed in hearings before the said committee (October 23, 1939), pt. 17, *Petroleum Industry*, sec. IV, pp. 9933-9935.

<sup>16</sup> Hearings, *American Petroleum Interests in Foreign Countries*, p. 182. Two of these companies (James B. Berry Sons' Co. and Tide Water Associated Oil Co.) have no investment in foreign exploration or production, but confine their investment abroad to other branches—to marketing in the case of the former of the two companies, and to refining and marketing in the case of the latter company.

<sup>17</sup> Hearings, *American Petroleum Interests in Foreign Countries*, p. 57. American oil interests are known to be directly or indirectly engaged in exploration in at least 11 foreign countries or areas in which there has not yet been developed commercial production or proved reserves. *Ibid.*, p. 57.

<sup>18</sup> At the end of 1919 the total assets employed abroad were \$399,000,000, and at the end of 1939 they were nearly \$2,500,000,000—a growth of 526 percent. *Ibid.*, pp. 157-161.

<sup>19</sup> *Ibid.*, pp. 199-201.

<sup>20</sup> *Ibid.*, p. 200. It should be noted that even in the Western Hemisphere there are vast stretches of untested territory, especially in South America, where the surface geology has been thoroughly studied in only a few countries, and where geophysical methods of exploration have not been applied on a large scale even in all of these. (See *Oil Resources of South America*, World Petroleum, December 1946, pp. 54-57.)

<sup>21</sup> Hearings, *American Petroleum Interests in Foreign Countries*, p. 182. For example, the Iraq Petroleum Co. is owned by British, Dutch, and French interests, together with the Standard Oil Co. (N. J.) and the Socony-Vacuum Oil Co. The Arabian American Oil Co., which holds the well-known concession in Saudi Arabia, is presently a joint venture of the Standard Oil Co. of California and the Texas Co. Recently it has been reported that negotiations are in progress looking to a further spreading of risk by the Arabian American Oil Co. through acquisition of substantial blocks of its stock by the Standard Oil Co. (N. J.) and the Socony-Vacuum Oil Co. The consummation of this realignment of ownership would appear to assume the termination of the famous "red line agreement" whereby the companies associated in the Turkish Petroleum Co. (Iraq Petroleum Co.) undertook not to engage in activity in former Ottoman territory beyond the borders of Mesopotamia (Iraq) except through the medium of the Turkish Petroleum Co. (See *Diplomatic Production of American Petroleum Interests in Mesopotamia, Netherlands East Indies, and Mexico*,

11. American oil companies, managed independently of the Government of the United States, are associated in some joint ventures with foreign oil companies that are controlled by foreign governments.<sup>22</sup>

12. Foreign concessions in which these investments are made involve operations of such magnitude, often affecting vast areas and large segments of native populations in the stage of agricultural or nomadic civilization, that the companies must engage in activities which are normally considered the function of government, charity, or industries of other types.<sup>23</sup>

13. The very size of many foreign concessions, covering areas sometimes greater than most States of the American Union, and affecting the economic welfare of all inhabitants of the regions where located, necessitates complicated negotiations between the companies and the foreign governments concerned. The resulting contracts have, therefore, an intimate relationship both with the economy and the politics of foreign countries.

14. The economic impact of the production and distribution of petroleum upon the people of all nations of the world is so great that not infrequently a strong movement develops toward nationalization of petroleum resources in those countries where oil deposits are found, and toward establishment of state oil-trade monopolies in other countries that are on an import basis.

15. There are vast areas of the globe which apparently are without petroleum deposits. Most of Africa and Australia offer little prospect to the driller. China, Japan, eastern Siberia, a large part of Russia in Europe, the Scandinavian peninsula, France, Spain, Italy, and the British Isles are virtually without local sources of oil supply. Except for the United States, which with approximately 20 percent of the world's potential oil-producing area has furnished more than 63 percent of the world's oil requirements, the more industrialized and populous countries must look beyond their own borders for the petroleum they require. Russia, however, which cherishes among its dominant aspirations the achievement of industrial leadership, possesses in the Ob basin of western Siberia a vast extent of potentially rich oil land, and also has control of important sources of supply in the Caucasus and in

p. 21. S. Doc. No. 43, 79th Cong., 1st sess., prepared by the chief counsel of the committee.)

<sup>22</sup> For instance, the Anglo-Iranian Oil Co., which is controlled through stock ownership by the British Government, owns a 23.75 percent interest in Iraq Petroleum Co. in which two American companies, the Standard Oil Co. (N. J.) and the Socony-Vacuum Oil Co., own an equivalent percentage. Another example is the equal division of control of the Kuwait Oil Co. between the Anglo-Iranian Oil Co. and the Gulf Oil Corp. Not the least of the advantages possessed by the privately owned company is its ability to enter a foreign country which might bar the door to operations therein by a company controlled by a foreign government. The vice president of the Arabian American Oil Co. has stated that King Ibn Saud remarked "that he was glad to make an agreement with a company which would not involve itself in the complicated politics of the Middle East but would carry out its commercial mission of exploring for and developing oil fields." (James Terry Duce, *Aramco Concession*, The Texaco Star, Saudi Arabian Number, 1946, pp. 16-18, at p. 17.)

<sup>23</sup> Thus, the companies often dredge channels, build roads, schools, light and power plants, hospitals, etc. (*Infra*, pp. 39-40.) Sometimes these activities are carried on by the companies in conjunction with foreign public authorities, and sometimes independently. (Hearings, *American Petroleum Interests in Foreign Countries*, pp. 61-65, 271-289.)

eastern European territory which is presently in the Soviet zone of influence as a result of World War II.<sup>24</sup>

16. American oil companies operating abroad have furnished a large proportion of Europe's needs from their Latin-American concessions,<sup>25</sup> and are now preparing to furnish an even larger proportion from their concessions and through their distributing facilities in the Near and Middle East.<sup>26</sup>

The mere recitation of the above facts makes it immediately obvious that the story of oil now unfolding on the international horizon is a political and economic drama of the first magnitude. It is a drama of peace and war and progress that may affect the future of civilization even more profoundly than it has the past.

The formulation of a national oil policy raises questions both domestic and international—questions as to production and consumption at home and abroad; questions of the relationship between the "independents" and the "majors," among the majors themselves, and between the majors and foreign governments; questions of cartelization and imperialism; questions of the relationship between American operators and the Government of the United States; and finally, questions of international understanding among the peoples of the world, so that petroleum, instead of being a possible source of conflicting ambitions among rival powers, may become a means of raising the standard of living of people everywhere and of promoting the dissemination throughout the world of the principles of human liberty.

#### THE NECESSITY FOR PETROLEUM

It is appropriate here to repeat that in time of peace a nation, to maintain a first-class rating in the trade and commerce of the modern world, must have access to an abundant supply of oil because mechanized industry and transportation depend upon it. Oil is also of basic importance for purposes other than the provision of energy. Petroleum lubricates the fleets, airplanes, and machines of the world. It is a raw material in the whole field of chemicals. It is used in the manufacture of pharmaceutical products, paints, solvents, plastics, and synthetic rubber. It is used as fuel for domestic comfort and for heating generally, on an ever-growing scale.

Furthermore, in time of war, as twice demonstrated on a large scale in the present century, a nation, to remain a first-class power, must have petroleum resources immediately and continuously available in virtually unlimited volume. Oil is the sine qua non of military victory.

Although future developments of atomic research may eventually result in supplanting some or many of the peacetime applications of petroleum, an industrialized na-

tion cannot in the immediate nor perhaps in the distant future dispense with oil both for fuel and lubricating use. Moreover, despite the prospect that the military application of atomic fission may render future war briefer and still more catastrophic, a nation in relying solely on the atomic bomb, either for offense or defense, would court disaster.<sup>27</sup> If the use of atomic bombs by one or by both belligerents did not terminate the struggle, the supply of oil might again prove the decisive factor.

Therefore, as a basis for a sound national petroleum policy, the extent and location of our proved oil reserves, their productive capacity, and our domestic requirements must be considered.

#### PROVED RESERVES

However sanguine may be the hopes of geologists derived from historical trends of discovery, or however likely may be the presence of petroleum in untested areas,<sup>28</sup> it would be unwise to rest conclusions for present purposes upon any premise other than "proved" reserves as that adjective is understood by the American oil industry.<sup>29</sup> If present estimates of future productive possibilities are later demonstrated to have been

<sup>27</sup> Frederick S. Dunn et al., *The Absolute Weapon: Atomic Power and World Order*, pp. 21-107. (Bernard Brodie, Ed.; Institute of International Studies, Yale University, New York, 1946.)

<sup>28</sup> Much has been published recently as to potential oil reserves underlying the Continental Shelf. Although it is virtually certain that petroleum is present in the Continental Shelf off some parts of the coast, its recovery by known technical methods would involve prohibitive costs. The greatest underwater depth at which drilling has been thus far successful is about 15 fathoms, and this has been not in the open sea such as the Gulf of Mexico but in the protected waters of Lake Maracaibo in Venezuela. To be sure, research in the technique of underwater drilling should continue vigorously in the hope that recovery of oil in the Continental Shelf may become commercially possible. However, at the present time the United States should not base its petroleum policy upon the expectation that the development of such resources is imminent.

<sup>29</sup> The American Petroleum Institute's committee on petroleum reserves, under the chairmanship of the late J. Edgar Pew, in a report dated February 16, 1945, defined "proved" reserves in the following language: "Proved reserves are both drilled and undrilled. The proved drilled reserves, in any pool, include the oil estimated to be recoverable by the production systems now in operation (whether primary or secondary) and from the area actually drilled up on the spacing pattern in vogue in that pool. The proved undrilled reserves, in any pool, include reserves under undrilled spacing units which are so close, and so related, to the drilled units that there is every reasonable probability that they will produce when drilled." (Report printed in hearings, *New Sources of Petroleum in the United States*, pp. 38 et seq.) It is worthy of note that Soviet geologists take into account, in addition to reserves deemed "proved" under American standards, "supposed" reserves—estimated "on the basis of the geological structure of the field and of the region," and "possible" reserves—believed "possible for various geological reasons." According to Prof. Ivan M. Gubkin, prominent Russian expert, the assessment of "supposed" reserves is necessary for the planning of future oil production, that of "possible" reserves for "long-term general orientation." (Solomon M. Schwarz, *How Much Oil Has Russia?* *Foreign Affairs*, July 1946, vol. 24, pp. 736-741.)

conservative, our national oil policy could be readily adapted to the happy plenitude of supply. If the future proves less roseate, our policy will have run concurrently with the facts and the Nation's security will not have been adventured.

1. Proved reserves within continental United States: The latest (December 31, 1945) estimate by the American Petroleum Institute is 20,826,813,000 barrels of crude oil recoverable under existing operating conditions.<sup>30</sup> Although since 1936 the total estimated reserves have shown an annual increase (with the exception of 1943),<sup>31</sup> this has been owing chiefly to extensions to existing fields and revisions of former estimates, the reserves of new pools discovered each year having of late been far below annual production.<sup>32</sup> Of course, this trend may be reversed by the discovery of one or more great pools, but it is noteworthy that despite greater exploratory effort, increased and deeper drilling, and improved technology, the estimates of reserves found in new fields in 1945 are still less than the annual civilian consumption.<sup>33</sup> Some American authorities, however, are more optimistic in their estimates of the quantity of oil which may be discovered in the United States. They assert that this country should ultimately yield at least 100,000,000,000 barrels of oil, including the 44,000,000,000 barrels already discovered.<sup>34</sup>

2. American interest in foreign crude reserves: Although data comparable in accuracy to estimates of United States domestic reserves do not exist in respect of foreign areas, the total proved reserves outside the United States have been estimated at 43,319,000,000 barrels, of which about 40.1 percent, or 17,371,000,000 barrels, represents our posi-

<sup>30</sup> *The Petroleum Almanac*, op. cit., p. 42. Of course, more oil may become available by secondary recovery methods from fields where such methods have not yet been applied, and from extensions to existing pools, revisions of previous estimates, new discoveries, and improved technology.

<sup>31</sup> *Hearings, New Sources of Petroleum in the United States*, p. 40.

<sup>32</sup> This is true for the past 5 years whether one considers the token figures used by the American Petroleum Institute for new pools or the higher estimates therefor given by Mr. E. DeGolyer. (See testimony at hearing, *New Sources of Petroleum in the United States*, pp. 275-280.) It is of interest to note that discoveries aggregating from 80,000,000 to 100,000,000 barrels have been made on the public domain since the O'Mahoney Act of December 24, 1942 (56 Stat. 1080), and that exploration has been notably stimulated by the act of August 8, 1946 (Public Law 696), amending the Mineral Leasing Act of 1920 (41 Stat. 437).

<sup>33</sup> *Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War*, pp. 84-85. It has been recently asserted that in the last 5 years the oil producer's effort has increased 41 percent, the results have shown a decrease of 58 percent, and his costs have meanwhile increased 256 percent. (H. J. Struth, *Cost of Discovering New Petroleum Reserves Continued to Increase in 1945*, *The Petroleum Engineer*, February 1946, vol. 17, pp. 51-58; see also James V. Brown, *The Trends in Costs of Replacing Petroleum Reserves*, the Independent Petroleum Association of America Monthly, March 1946, vol. XVI, pp. 17-26.)

<sup>34</sup> Wallace E. Pratt, *Oil in the Earth*, p. 68. (University of Kansas Press, 1943.) William R. Boyd, Jr., president of the American Petroleum Institute, also finds no reason to be unduly disturbed at the status of the reserves. "The view," he says, "that crude discoveries of importance are on the decline in this country has, in my opinion, little basis in fact." (*Dallas News*, December 15, 1946.)

<sup>24</sup> *Hearings, Foreign Contracts Act*, pp. 124 ff.; *Wartime Petroleum Policy Under the Petroleum Administration for War*, pp. 120-121.

<sup>25</sup> *Hearings, American Petroleum Interests in Foreign Countries*, p. 213.

<sup>26</sup> It was announced last month that the Standard Oil Co. (New Jersey) and the Socony-Vacuum Oil Co. had concluded "in principle" an agreement for the purchase of substantial quantities of crude from the Anglo-Iranian Oil Co. during a 20-year period. The agreement also involves the possibility of constructing a pipe line from the Persian Gulf to the Mediterranean. This contract, together with the acquisition of an interest by these two American companies in the Arabian American Oil Co. (supra, p. 11 n.), indicates a belief that Europe and the western Mediterranean area will constitute a great future market for petroleum products. (*The Wall Street Journal*, December 27, 1946.)

tion as of January 1, 1945.<sup>33</sup> Of these reserves, about 5,595,000,000 barrels are located in the Caribbean region (Venezuela, Colombia, and Trinidad); about 11,136,000,000 in the Near and Middle East; and the remaining 639,000,000 are distributed in Oceania, Europe, and the Western Hemisphere outside the Caribbean.<sup>34</sup>

#### PRODUCTIVE CAPACITY

1. Fields within continental United States: Crude-oil production for the year 1929 reached a peak slightly in excess of 1,000,000,000 barrels.<sup>35</sup> This total was not attained again until 1936.<sup>36</sup> In 1940 the annual production was about 1,350,000,000 barrels.<sup>37</sup> During the war the total rose in 1945 to a figure in the neighborhood of 1,711,000,000 barrels.<sup>38</sup> At the time of the formal entrance of the United States into the war in 1941, this country had an efficient productive capacity of approximately 4,650,000 barrels daily.<sup>39</sup> The maximum efficient rate of production began to be exceeded in mid-1944; by mid-1945 the maximum efficient capacity was being exceeded by approximately 300,000 barrels per day.<sup>40</sup> During the war the proved reserves within the United States were produced at the average rate of nearly 7½ percent per year.<sup>41</sup> In 1946 the production is reported by the Bureau of Mines to have exceeded 1,730,000,000 barrels. The Bureau estimates a total production of 1,746,000,000 barrels for the current year.<sup>42</sup>

2. Foreign fields owned by or under concession to United States nationals: In 1939 the American share in foreign production totaled approximately 554,000 barrels daily, about 441,000 barrels thereof being produced in the Western Hemisphere, principally in the Caribbean area.<sup>43</sup> It is to be anticipated, however, that a rapidly increasing American production will flow from the extensive reserves in the Middle East.

During the recent war the known foreign reserves, American and other, on the average were drawn upon at the approximate rate of 2 percent per year.<sup>44</sup> In August 1945, total

<sup>33</sup> Hearings, American Petroleum Interests in Foreign Countries, p. 199. Total proved reserves in the Western Hemisphere (exclusive of the United States) are about 8,885,000,000 barrels. In the Near and Middle East the total proved reserves are estimated conservatively at 26,800,000,000 barrels; in Europe (including Russia) at 6,367,000,000 barrels; and in the Far East at 1,184,000,000 barrels. *Ibid.*, pp. 71, 75, 200.

<sup>34</sup> *Ibid.*, p. 200.

<sup>35</sup> Hearings, Petroleum Requirements—Postwar, p. 15.

<sup>36</sup> *Ibid.*, p. 15.

<sup>37</sup> Hearings, Petroleum Requirements—Postwar, p. 15.

<sup>38</sup> The Petroleum Almanac, op. cit., p. 11.

<sup>39</sup> Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, p. 81.

<sup>40</sup> *Ibid.*, pp. 6, 64–65, 81. This excessive rate of withdrawal, although regarded by scientists as unwise, was permitted in order to meet the demands of war. Our allies in the late war received from us 80 percent of their petroleum. (Eugene Holman, We Will Have Plenty of Oil, the American Magazine, January 1946, pp. 28–29, 99–101, at p. 99.)

<sup>41</sup> Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, pp. 111, 118.

<sup>42</sup> U. S. Bureau of Mines, Monthly Petroleum Forecast, No. MFR 137, Dec. 13, 1946. See also Oil Industry Enters Year of Expanding Activity, World Petroleum, January 1947, pp. 36 ff.

<sup>43</sup> Hearings, American Petroleum Interests in Foreign Countries, p. 193.

<sup>44</sup> Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, pp. 111, 118.

foreign crude production (excluding Axis and Russian areas) attained a peak of 1,900,000 barrels daily.<sup>45</sup>

#### DOMESTIC PETROLEUM REQUIREMENTS

In 1938, the last normal prewar year, domestic requirements, civilian and military, were 3,115,000 barrels per day; only 3 years later the 1941 domestic requirements were approximately 4,070,000 barrels daily.<sup>46</sup> During the war, even with civilian rationing, production from reserves within the United States was increased to a peak of 4,890,000 barrels per day for the month of July 1945.<sup>47</sup> In 1946 the demand exceeded even the wartime requirements.<sup>48</sup>

Forecasts presented to the committee in October 1945 indicate a domestic demand in 1950 of 4,955,000 barrels per day, gradually rising to 5,735,000 after 1960.<sup>49</sup> However, since these estimates were made, new forecasts indicate a peacetime demand as high as 5,400,000 barrels daily in 1950; 5,650,000 in 1955; and 5,850,000 in 1960.<sup>50</sup> All these forecasts are made on the assumption that the United States will not engage in war during the period.

#### NATIONAL POLICY IN THE PAST

For some time after the discovery of oil by Drake in 1859 the production and sale of oil were essentially local in scope. No problems immediately arose of a nature to concern the Congress. Under the stimulus of private initiative the industry expanded as the years went by and as the demand for oil increased. During this period, and even in more recent days, it could hardly be claimed that there was a conscious or comprehensive national petroleum policy. To be sure, in the twentieth century the principle of the decision of the Supreme Court in the Standard Oil Case,<sup>51</sup> applying the Antitrust Act to combinations in undue restraint of interstate trade in petroleum, has been generally accepted. The principle of the Mineral Leasing Act of 1920,<sup>52</sup> under which the Federal Government retains ownership of oil lands on the public domain, although leasing them for development and operation by private industry, has likewise been accepted, as has Federal legislation (a) prohibiting interstate shipment of petroleum produced in contravention of State law, and (b) consenting to compacts among the States to prevent wasteful production. Moreover, the Congress, recognizing that production costs were deterring the manufacture of synthetic liquid fuels, recently authorized the Department of the Interior for a limited time to construct and operate demonstration plants for the production of such fuels from coal, oil shale, and agricultural and forestry products.<sup>53</sup> Nor has the Nation been without a foreign-petroleum policy, sometimes more

<sup>45</sup> *Ibid.*, p. 118.

<sup>46</sup> Hearings, Petroleum Requirements—Postwar, p. 30.

<sup>47</sup> Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, p. 81.

<sup>48</sup> An all-time high daily crude-oil production was reached for the week ended June 15, 1946, of 4,960,650 barrels. Two weeks later the daily production was only about 3,000 barrels below this record. (American Petroleum Institute reports.) Based on statistics of the Bureau of Mines through last October, the total domestic demand for petroleum products in 1946 averaged 4,812,000 barrels daily.

<sup>49</sup> Hearings, Petroleum Requirements—Postwar, p. 60.

<sup>50</sup> National Petroleum News, December 25, 1946, pp. 24–27.

<sup>51</sup> *Standard Oil Co. v. United States* (221 U. S. 1 (1911)).

<sup>52</sup> 41 Stat. 437.

<sup>53</sup> 58 Stat. 190.

successful than at other times, based upon the principle of the "open door."

The following generalizations may perhaps be made in respect of the historical development of the American oil industry:

1. The industry has been owned and operated by private enterprise, with a minimum of regulation by Government, either Federal or State;

2. A competitive system with opportunity for small operators to establish themselves, to prosper, and to expand, has been regarded as the ideal;

3. Integration of the various branches of the business—production, refining, transportation, and marketing—has not been prohibited, with the result that some 21 efficient companies with strong financial resources have become capable of operating throughout the United States and 14 of the same companies also operate in many foreign areas;

4. No impediments have been created by the Federal Government to exploration and production abroad. The "open-door" policy has been recognized in principle, and although foreign development has been for the most part undertaken by the operators on their own initiative and at their own risk, they have, in increasing degree, sought the cooperation of the Department of State;

5. Under the Webb-Pomerene Act,<sup>54</sup> American companies have been permitted to operate freely abroad in accordance with the economic and legal conditions there confronting them, so long as the antitrust laws of this country have not been violated;

6. Foreign companies have been allowed to qualify to do business in the United States, and to lease public lands therein, provided American companies were granted reciprocal privileges;

7. Except in the case of public lands, the conservation and production of petroleum, including natural gas, within the United States have been left to the jurisdiction of the State governments, with supplementary Federal legislation to forbid the interstate shipment of petroleum produced in violation of State law, and to authorize interstate compacts for prevention of waste;

8. Because oil, like other minerals, is a diminishing resource, and because investments incident to exploration involve unique risks with danger of large financial loss, the Congress through income-tax provisions has allowed deductions for depletion and intangible drilling costs; and

9. The development of domestic resources by domestic companies has been regarded as worthy of protection against imported oil.

On the basis of the industrial practices and State and Federal law thus far evolved, the American oil industry has developed a technical know-how that is matchless. Proved reserves which in 1918 were only 6,200,000,000 barrels climbed to 20,826,813,000 barrels in 1945.<sup>55</sup> From a daily average production of crude in 1918—a war year—amounting to 975,000 barrels from 203,000 wells, the daily average rose by 1938 to 3,327,000 barrels from 369,000 wells.<sup>56</sup> At the same time the average price at the service station of a gallon of gasoline declined from 25.1 cents in 1918 to 12.75 cents, excluding tax, in 1940.<sup>57</sup>

Meanwhile the utility of oil for a wide variety of civilian uses became more and more apparent. The internal-combustion engine was improved. Road-building programs covered the continent with a network of good highways. The motor industry developed the mass production of automobiles.

<sup>54</sup> 40 Stat. 516.

<sup>55</sup> Hearings, Petroleum Requirements—Postwar, p. 18. The Petroleum Almanac, op. cit., p. 42.

<sup>56</sup> Hearings, Petroleum Requirements—Postwar, p. 15.

<sup>57</sup> *Ibid.*, pp. 14, 36.

The oil industry met the challenge. Per capita consumption increased from 36 gallons a year in 1900 to 367 gallons a year in 1938.<sup>60</sup> In 1918 the refining capacity was 1,186,000 barrels daily of crude oil against about 5,000,000 barrels at the present time.<sup>61</sup> In 1918 the mileage of trunk and gathering crude-oil pipe lines totaled 55,000 in contrast to the present network of 141,000 miles.<sup>62</sup> The United States tank-ship fleet grew from 145 oceangoing vessels of 2,000 gross tons or over in 1918 to 382 in 1938, and to 907 on September 1, 1945.<sup>63</sup> In 1912 the share of American companies in all foreign crude-oil production was 8.4 percent; in 1938 it was 23.8 percent.<sup>64</sup> On January 1, 1945, the total foreign reserve (proved) of American companies was 17,371,000,000 barrels, or about 40.1 percent of all foreign reserves.<sup>65</sup> In 1933—the last normal year—United States production was 60.6 percent of world production, and during the war years—1941-44—nearly 65 percent of the world's estimated total production was supplied from wells in the United States.<sup>66</sup> With only 6 percent of the world's land surface, the United States, for the last 40 years, has produced annually more than one-half of the world's total supply of crude.<sup>67</sup>

A petroleum program that has yielded these magnificent results would seem to require no radical change. On the other hand, this country may not wisely conclude that the

<sup>60</sup> Hearings, Wartime Petroleum Policy under the Petroleum Administration for War, p. 248. In 1938 the annual per capita consumption for the rest of the world was approximately 21 gallons. (Hearings, American Petroleum Interests in Foreign Countries, p. 406.)

<sup>61</sup> Hearings, Petroleum Requirements—Postwar, pp. 18, 113.

<sup>62</sup> Twentieth Century Petroleum Statistics, p. 34. (Prepared in the office of the Director, Naval Petroleum Reserves, November 15, 1945.) The latter of the above-named figures includes approximately 14,000 miles of products lines.

<sup>63</sup> The dead-weight tonnage of these vessels in 1918 totaled 1,221,897 tons; in 1938 the total was 4,364,459 tons; and on September 1, 1945, it was 13,379,143 tons. In terms of T2-SE-A1 equivalent, the United States possessed 38.8 percent of the world tank-ship fleet in 1938, and 59.8 percent thereof on September 1, 1945. (Hearings, War Emergency Pipe-Line Systems and Other Petroleum Facilities, p. 280.) As a result of the emergency of the late war, which required capital expenditure beyond even the resources of the oil industry, a huge fleet of Government-owned tankers came into being. On April 1, 1945, the flag of the United States was flying over 54 percent of all world tanker tonnage (d. w. t.) as contrasted with 26 percent on September 1, 1939. (Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, pp. 199-200, 210-211.) The Government of the United States thus became the owner of 74 percent (d. w. t.) of the present United States fleet. (Hearings, War Emergency Pipe-Line Systems and Other Petroleum Facilities, pp. 272, 317.)

<sup>64</sup> Hearings, American Petroleum Interests in Foreign Countries, pp. 189, 192.

<sup>65</sup> *Supra*, p. 19. The British-Dutch position on that date was also about 40 percent. The remaining 20 percent was owned by all other foreign interests, including the government-operated reserves in Argentina, Bolivia, Mexico, and Russia aggregating in those four countries nearly three-fourths of the said 20 percent. (Hearings, American Petroleum Interests in Foreign Countries, pp. 200-201.)

<sup>66</sup> Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, p. 115.

<sup>67</sup> *Ibid.*, p. 115.

wells will never run dry, nor that the reserves which its explorers have discovered abroad will always be available. Considerations of national security demand everlasting vigilance. In this troubled world, which has not yet learned how to avoid war, the oil policy of this Nation while at peace must, nevertheless, be governed by the inexorable demands of self-preservation.

#### NATIONAL DEFENSE

If the United States should become engaged in a war waged wholly or partially outside its boundaries, the availability of oil from American reserves near the foreign theater of hostilities would be advantageous. To the extent that the war were waged within or near the continental United States, the reserves within this country would be of paramount importance.

It should not be assumed that all future warfare will occur beyond our boundaries. If invaded we would naturally rely first upon local oil reserves. If production from these were inadequate and if the United States controlled the sea, supplementary oil might be imported. However, it should not be assumed, particularly in the light of our experience with hostile submarines off the Atlantic coast in the last war, that the United States would at all times be in control of the routes between our ports and our petroleum reserve situated abroad. This is not to imply that American petroleum interests abroad should receive only lukewarm diplomatic protection, or that we should not emphasize exploration and development of our concessions in other lands. Quite the contrary should be our policy because those reserves will add to prosperity in time of peace and may under certain conditions of warfare be highly useful. But, in the final analysis, the reserves within our own borders are more likely than not to constitute the citadel of our defense.

It follows that nothing should be done to weaken the productive capacity of domestic reserves, and that every possible step should be taken both to increase these reserves and continuously to develop them to such a degree as would occasion no regret in the event of war.

If the Nation during wartime were called upon to supply all its military and essential civilian requirements from reserves located in the United States, and if the war were conducted on a large scale, the task could not be accomplished from the reserves now known. The presence of proved reserves in excess of 20,000,000,000 barrels does not mean that a mere turn of the valves will yield production in any desired amount. There is a limit at which a given supply can be made available. Thus, it is a physical impossibility, even disregarding maximum efficient rates, to produce say one-fourteenth of the reserve supply annually for 14 years. Many an old well, now giving up but small quantities each day, is expected to produce for 20 years to come. The oil will not flow out of the reservoir rock any sooner. Moreover, the Nation no longer enjoys the comfortable margin between production and productive capacity prevailing in 1941.<sup>68</sup>

To say that imports from the Caribbean area can be utilized in wartime by virtue of

<sup>68</sup> "It was fortunate, indeed, that the United States was able to enter the war with a million barrels per day of reserve productive capacity. Probably the most important lesson learned from the war is the need to maintain an adequate reserve productive capacity, and hence the need to keep the petroleum industry in an environment which will permit it to regain and retain the position of readiness in which it entered World War II."—Philip H. Bohart, Director of Production Division, Petroleum Administration for War, in statement before the committee, November 28, 1945. (Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, p. 81.)

our control of the Caribbean is too hazardous a program. Our naval bases and tankers are subject to destruction, to say nothing as to the possibility of attack on the foreign petroleum fields themselves.

The answer is to be found in synthetic production. Synthetic gasoline can be produced from natural gas at costs similar to present costs of producing domestic gasoline from crude petroleum.<sup>69</sup> Oil shale and sub-bituminous coal and lignites also can be utilized to produce gasoline and other liquid fuels at a cost which research has already reduced from 14 to about 8 cents per gallon above that of producing gasoline from crude.<sup>70</sup> These sources of supply, it is estimated, are capable of meeting all domestic petroleum requirements for many centuries.<sup>71</sup> In view of these facts it is folly to be apprehensive that this Nation is facing a shortage of liquid fuel. But it behooves the Nation as soon as possible to take bold steps in the direction of synthetic production so that such production can become readily geared into the oil economy.

Until such time as synthetic production costs are not in excess of those of production from crude oil, there will be a natural temptation in peacetime to meet domestic deficiencies with imported petroleum. But to the extent that the volume of imports is permitted to grow during such period, the Nation-wide industrial plant necessary for synthetic production will fail to emerge through private investment. This is not to say that the manufacture of synthetic fuel should be fostered by a governmental policy designed to force prices up, thereby rendering such manufacture commercially profitable, but rather that the Bureau of Mines should continue to build and operate demonstration plants, and to conduct research, pursuant to the authority conferred by the act of April 5, 1944,<sup>72</sup> to the end that the transition may be made promptly at the appropriate time.<sup>73</sup>

Prior to the transition, it must ever be borne in mind that crude reserves in the ground, no matter how vast, are useless in an emergency unless they are producible to meet the emergency. It requires skilled manpower, expensive equipment, and a long period of time to drill an oil well. Moreover, daily yields are physically limited in volume. After the oil reaches the surface it must find transportation by pipe line, tanker, barge, tank car, or tank truck, or by

<sup>69</sup> Hearings, Petroleum Requirements—Postwar, p. 69. The present gas reserves are of the order of magnitude of two hundred trillion cubic feet. Such reserves may eventually be of even greater importance than our present proved oil reserves. (Hearings, New Sources of Petroleum in the United States, pp. 26, 54-58.) With natural gas costing about 4 cents per 1,000 cubic feet, it is claimed that gasoline can be produced therefrom at 5½ cents per gallon. The current cost of producing gasoline from crude is about 5½ cents per gallon. (Letter from R. R. Sayers, Director, Bureau of Mines, to the chairman of the committee, December 6, 1946.)

<sup>70</sup> Hearings, Petroleum Requirements—Postwar, pp. 69-71. Further, it should not be overlooked that the cost of oil production in the United States has been rising, owing to the increased expense for exploration and development. "As far as can be anticipated at present, there is good justification for the belief that oil from shale may soon be produced at a cost that will bring it within competitive range of the petroleum industry."—R. R. Sayers, letter cited *supra*, note 69.

<sup>71</sup> Hearings, New Sources of Petroleum in the United States, pp. 26-27; The Independent Petroleum Co., p. 399.

<sup>72</sup> 58 Stat. 190. (O'Mahoney-Randolph Act.)

<sup>73</sup> Hearings, Petroleum Requirements—Postwar, p. 71.



a combination of these. Then it must be refined, and the various products thereafter distributed. To do these things upon arrival of emergency requires that certain conditions exist during the period prior to the emergency. Thus, laboratories of research must be maintained; geological and engineering expertise must uninterruptedly progress; wildcat drilling must flourish; patient exploration must take place; and an industrial esprit de corps unhampered by governmental or monopolistic encumbrances or restraints must illuminate the whole.

#### AMERICAN PETROLEUM INTERESTS IN FOREIGN COUNTRIES

Too little understood is the place in our modern economy occupied by the American oil companies operating abroad. They have achieved by their initiative a dominant position in foreign commerce, a position which is maintained, upon the one hand, by contracts, concessions, and understandings with various governments and, upon the other hand, by the routine functions of trade in the refining and distribution of their products. These companies have, therefore, an impact both in the political and in the economic spheres.

In the political sphere, they have relations not only with the governments of the countries where petroleum is produced, but with the governments of the countries where petroleum products are sold and where, not infrequently, the object of the foreign government is to establish some form of state monopoly or cartel by which the course of commerce in petroleum will be guided as the government may desire.<sup>74</sup> Then, too, these companies have relations with the Government of the United States, whereby they endeavor to keep the Department of State advised as to their current activities and programs to the end that the same will not be contrary to American foreign policy and that the companies will be in a position to request prompt diplomatic protection when necessary.<sup>75</sup>

In the economic sphere, the foreign operations of American oil companies constitute a major factor in world trade. These opera-

<sup>74</sup> Hearings, Foreign Contracts Act, pp. 138-189, 256-258.

<sup>75</sup> Hearings, American Petroleum Interests in Foreign Countries, pp. 101, 121. For example, when the celebrated red line agreement affecting the Persian Gulf area was in the making, A. C. Bedford, the chairman of the board of directors of the Standard Oil Co. (New Jersey), called at the Department of State to ascertain the Government's attitude in relation to the progress of the negotiations undertaken privately with British interests for American participation in the development of the Mesopotamian oil fields. The Department took the position that participation by American companies in the Turkish Petroleum Co. would be unobjectionable under the American policy of the "open door," provided that all interested American oil companies had been accorded an opportunity to share in the arrangement, and that no attempt were made to establish a monopoly in favor of the Turkish Petroleum Co., or any other company. However, while Secretary Hughes in his letter of August 22, 1922, to the president of the Standard Oil Co. (New Jersey) made no objection to the proposal that the participants obligate themselves not to be interested in former Ottoman territory beyond the borders of Mesopotamia except through the medium of the Turkish Petroleum Co., he declared that the said proposal would not affect the attitude of the United States Government in the diplomatic protection of American interests in such areas. (Diplomatic Protection of American Petroleum Interests in Mesopotamia, Netherlands East Indies, and Mexico, op. cit., pp. 20-21. See also hearings, Foreign Contracts Act, pp. 158 ff.)

tions, moreover, are not a thing apart from the domestic oil industry—indeed, they are closely meshed with it. The companies which engage in foreign operations do so as a part of their over-all activity, either directly or through subsidiaries and affiliates. Hence, the financial position of the companies is strengthened by the profits of world trade, thereby benefiting directly hundreds of thousands of stockholders including over 42,000 banks, 700 insurance companies, and 3,700 charitable or educational institutions.<sup>76</sup>

Practically all oil imported into the United States is produced by American companies, and, of course, a goodly portion of the purchase price eventually finds its way to American stockholders. The United States Treasury also receives large sums in duties and income taxes arising from these foreign operations. The purchase in this country of drilling machines, pipe lines, and refinery equipment for foreign installation involves an annual expenditure of many millions of dollars. Moreover, it is urged frequently that the increased purchasing power of the foreign oil-producing countries, all of which benefit economically from the American pioneer who so often has been the first to tap the underground resources of distant regions, is reflected in increased exports from the United States in response to the stimulated demand for American-made goods.<sup>77</sup>

There is, however, another side of the picture. The American companies which possess the financial resources to enable them to operate abroad and to sit across the bargaining table from monarchs and foreign diplomats are few in number, but they heavily outweigh in the scope of their operations the hundreds of small companies which function independently in the domestic oil industry.<sup>78</sup> These "independent" companies look with considerable apprehension toward the threat of oil imports into the United

<sup>76</sup> Hearings, American Petroleum Interests in Foreign Countries, p. 290. The Socony-Vacuum Oil Co., Standard Oil Co. of California, Standard Oil Co. (N. J.), and the Texas Co.—the four participants in the projected venture by which Saudi-Arabian oil is to be made available for distribution under a single managerial policy (supra, p. 11 n.) had a total of 470,752 stockholders as of December 31, 1945. (Moody's Manual of Investments, American and Foreign, Industrial Securities, 1946, pp. 1907, 2286, 2522, 2689.) Of course, this total includes numerous duplications, but it still is correct to say that these four companies have a larger number of stockholders in the aggregate than all but a few municipalities in the United States have inhabitants; indeed, a greater number than the population of some of the States of the Union.

<sup>77</sup> Hearings, American Petroleum Interests in Foreign Countries, pp. 290-296.

<sup>78</sup> Thus, in respect of refining operations, while there are in the United States approximately 234 "independent" refining companies with 257 plants having a reported capacity, in terms of crude runs to stills, of about 750,000 barrels daily (hearings, The Independent Petroleum Co., pp. 189, 208), there are but five American companies with significant refining investments abroad namely, Standard Oil Co. (N. J.), Standard Oil Co. of California, The Texas Co., Socony-Vacuum Oil Co., and Sinclair Oil Corp. (hearings, American Petroleum Interests in Foreign Countries, pp. 205-208). There are 66 American-owned refineries in foreign countries, operated by 12 companies, with an estimated crude-distilling capacity in excess of 870,000 barrels daily. (Ibid., pp. 201-208.) In 1944, crude runs to stills in the United States by 21 major companies averaged about 3,800,000 barrels daily, which constituted 83½ percent of the runs for the entire United States (hearings, The Independent Petroleum Co., pp. 55, 188-189).

States by the comparatively few American corporations operating abroad which control a vast productive potential.

In 1938, before the magnitude of the middle eastern oil resources was generally comprehended,<sup>79</sup> South American oil moved into Europe, to a large extent through the instrumentality of American companies, at the rate of 298,000 barrels daily. In addition, 188,000 barrels daily were exported from South America to the United States. At that time Europe imported oil from Iran and Iraq at the rate of only 171,000 barrels daily.<sup>80</sup> Now, in the year 1947 with increasing production in the Middle East, improved facilities for pipe-line transport to the Mediterranean from the Persian Gulf, and more efficient arrangements for European marketing,<sup>81</sup> a problem is posed for the producer in South America and for the producer in the United States. The question is being heard: "Will middle eastern oil displace South American oil in Europe and thereby turn the latter stream toward the United States?"

The Independent Petroleum Association of America, in a brief presented in December 1946 to the Committee for Reciprocity Information (Washington, D. C.), pointed to the increasing flow of petroleum imports which, during the first 9 months of 1946, reached an average of 378,000 barrels daily as compared with an average of 160,000 barrels daily imported by the United States during the 4 years 1936-39. Exports from the United States during the same 9 months of 1946 declined by 35,000 barrels daily from the average during the 4 years 1936-39.

It is not intended in this report to enter upon a discussion of reciprocal trade policies, and these facts in respect of increasing imports and decreasing exports of crude petroleum and its products are cited only to illustrate the impact on the domestic oil industry of the foreign operations of American companies. The facts are that a torrent of foreign oil could be released on our shores and that imports are already rising rapidly and net exports declining. An inundation by low-cost foreign oil could not help but injure the secondary recovery of domestic oil; it would stifle many an independent enterprise which, to exist, must make a profit under the high-cost conditions prevailing in the United States. The danger of this flood is what the independent domestic producer fears.

These facts, on the other hand, must be viewed against the background of the increasing use of petroleum and the slowing-up of important domestic discoveries. Since the turn of the century petroleum has been fast growing in importance as a source of industrial energy. In 1944 petroleum and natural gas furnished to the Nation seven-ninths as much energy as coal, whereas in 1900 they furnished only one-fourteenth as much as coal.<sup>82</sup> Since the termination of the recent hostilities a tremendous peacetime impetus has been given to the utilization of oil as a fuel. The Diesel engine is displacing the steam locomotive on American railroads; the bituminous coal-mining industry is losing a substantial portion of its market to oil; and it is obvious that, unless a national policy to the contrary be adopted, the time might well

<sup>79</sup> The total new reserves to be discovered in the Persian Gulf area may ultimately exceed 150,000,000,000 barrels. Approximately one-third of the prospective part of this area lies within the Saudi-Arabian concession, owned by the Arabian American Oil Co. (James Terry Duce, Aramco Concession, The Texaco Star, Saudi-Arabian number, 1946, p. 16, citing Joseph E. Pogue's estimate.)

<sup>80</sup> Hearings, Foreign Contracts Act, p. 135, exhibit F.

<sup>81</sup> Supra, pp. 11 n., 13 n.

<sup>82</sup> Hearings, Wartime Petroleum Policy Under the Petroleum Administration for War, pp. 241-242, and see Chart No. 36 facing p. 252.

arrive, in view of diminishing discoveries at home, when the domestic petroleum operator would be at a severe disadvantage in competition with the American petroleum operator who was in a position to meet the demand with imported oil. However, the American investment in foreign oil operations could continue to yield a financial return, and at the same time the domestic oil producer remain in business, if the aims of world statesmen were diverted toward the ways of peace and the raising of the standard of living of the people everywhere.

In 1938 the United States and Canada, with less than 7 percent of the world's population, consumed 62 percent of all petroleum that was consumed in the world.<sup>83</sup> The per capita consumption in the United States and Canada for that year was 353 gallons. During the same 12 months the consumption in Australia and New Zealand was 122 gallons; in Russia, 41; in Latin America, 39; in Europe, 31; in Africa, 9; and in Asia, 4 gallons.<sup>84</sup> The great preponderance of consumption in North America is explained principally by the fact that the people of the United States and Canada have a standard of living and an industrial plant which create a far greater demand for petroleum than elsewhere in the world.

It would seem apparent that the danger of a world surplus of petroleum flowing into the United States to destroy the market of the independent oil operator could be readily averted by an increased industrialization in foreign countries and by an improvement of living standards whereby the use of motor vehicles would become more general throughout the world.<sup>85</sup> That such a possibility is not mere fancy is demonstrated by the fact that the gasoline demand in foreign countries during the period 1927-38 showed an average increase of approximately 19,000 barrels per day annually, or 4 percent per year, whereas in the United States the gasoline demand in the same period increased an average of about 24,000 barrels per day, or 2.1 percent per year. It should also be noted that for the same period the demand for all petroleum products abroad, excluding Russia, almost doubled, whereas in the United States the consumption increased about 50 percent.<sup>86</sup>

The prospect of improved living standards abroad is further enhanced by the manifold benefits to foreign countries through the very presence of the American oil investment therein. Likewise the social and educational benefits, resulting from the American investment and the policies of the companies, are

<sup>83</sup> During the same year Europe (exclusive of Russia) consumed only 15 percent; Russia's proportion was 8 percent; Latin America's 6 percent; all Asia used only 5 percent; Australia and New Zealand consumed 1½ percent; and all other countries, the remaining 2½ percent. (Hearings, *Wartime Petroleum Policy Under the Petroleum Administration for War*, p. 248, and see chart No. 39 facing p. 252.)

<sup>84</sup> *Ibid.*, pp. 248-249, and see chart No. 40 facing p. 252.

<sup>85</sup> For the year 1938 United States registrations totaled 31,568,000 private and commercial cars, or 68 percent of the world total. However, foreign registrations increased markedly in the interwar period. In 1919 foreign registrations were only 14 percent of the world total but they rose to 32 percent for 1938, or, expressed in number of vehicles (excluding motorcycles), the foreign total in 1919 was only 1,287,000 but in 1938 was 14,773,000. Foreign motorcycle registrations far exceed those in the United States, which had only about 110,000 out of a world total of 3,515,000 in 1938, or 3.1 percent. Over 3,000,000 motorcycle registrations were in Europe before the war, and over half of those were in Germany. (Hearings, *American Petroleum Interests in Foreign Countries*, pp. 405-410.)

<sup>86</sup> *Ibid.*, p. 406.

manifold. Thus, in 1937, royalties and taxes paid in all foreign countries by American petroleum companies exceeded \$687,000,000.<sup>87</sup> Thousands of the nationals of these countries find welcome employment, skilled and unskilled, by the oil companies, and other thousands find employment indirectly as the result of such large-scale operations.<sup>88</sup> Homes, hospitals, schools, highways, port works, power and light plants, telephone and telegraph lines, airports, water wells, facilities for drainage, irrigation, sanitation, etc., have been constructed in many parts of the world where they had been rarities.<sup>89</sup> It is of small moment that some of these improvements were motivated by a policy designed in the long run to profit the companies. The local benefits are no less real because business enterprise is sufficiently enlightened to cultivate good will.

It is obvious that operations in sparsely populated and remote areas, often in swamps, jungles, and deserts, are extremely costly. When, added to such costs, there is taken into consideration the gamble inevitable in all oil exploration, it is apparent that only companies with vast financial resources could undertake such enterprises. For example, a sum in excess of \$60,000,000 was expended before the first oil was shipped from the Barco concession in Colombia, 23 years after the original acquisition of the concession by American interests. In Venezuela the Creole Petroleum Corp. spent \$42,000,000 between the date of first investment (1920) and the date of first discovery (1928); and before the first oil was commercially marketed 2 years later, the company invested \$6,000,000 more.<sup>90</sup>

Political risks also attend foreign oil operations, ranging from governmental competition, compulsory refinery installation, and trade and exchange control on the one hand, to revision or cancellation of contracts and outright expropriation on the other. In this hemisphere, Bolivia and Mexico took the initiative in nationalizing their petroleum deposits and in expropriating foreign oil properties.<sup>91</sup> In Europe, American oil interests which had made substantial investments in Rumania and Austria and had pioneered discoveries in Hungary now find their holdings after the war under control of Russia which previously expropriated American oil properties acquired under the Empire. Oil lands which have been prospected and developed in Saudi Arabia, Kuwait, Bahrain Island, and throughout the Iraq-Iranian areas are involved in the conflicting politico-economic ambitions of Russia, Britain, France, and the Netherlands, to say nothing of the United States and the inhabitants of Palestine. Across the Indian Ocean in Sumatra the native population is assuming power, and an independence movement has threatened to upset the traditional concepts under which oil concessions were granted and oil interests acquired in the Netherlands East Indies. The new Indonesian government is reexamining these contracts and apparently is demanding at the very least that the Republic be recognized, in lieu of the former Dutch administration, as the successor party to the contracts.

With the labor government in England pursuing a policy of nationalization at home in respect of the coal industry—although abroad striving to maintain the structure of empire—and with the Soviets pursuing a

<sup>87</sup> *Ibid.*, p. 255. About one-third of the total revenue of the Venezuelan Government is contributed by the petroleum industry. American capital constitutes about 62½ percent of the total foreign oil investment in Venezuela. *Ibid.*, p. 265.

<sup>88</sup> *Ibid.*, pp. 254-270.

<sup>89</sup> Hearings, *American Petroleum Interests in Foreign Countries*, pp. 271-289.

<sup>90</sup> *Ibid.*, pp. 226-243.

<sup>91</sup> Hearings, *American Petroleum Interests in Foreign Countries*, pp. 87 ff., 246-249, 311-312.

policy of communism, the rising native governments have example enough to cause them to assume that prewar standards of dealing with natural resources require modification.

Thus is posed a thorny question of foreign policy for the United States. A foreign policy, simple enough when it involved chiefly the exercise of the Government's persuasive diplomatic authority for the preservation of economic conditions under which Americans could operate abroad with a minimum of difficulty, becomes complex indeed when it concerns the activities of modern corporate giants, the ambitions of totalitarian states, declining empires, and revolutionary uprisings.

Prior to the war of 1914-18, American diplomatic policy was not different for oil from what it was for any other commodity in world trade. Our policy then was designed primarily to uphold the right of American nationals to export to foreign countries on equal terms with foreign exporters. But after 1918 the American oil companies enthusiastically applied their great technological skill and financial resources in a successful search abroad for new fields to develop, spurred by the vigorous support of the Department of State sustaining the principle of the open door,<sup>92</sup> and by a widespread fear of an impending oil shortage.<sup>93</sup> Now that the few American companies strong enough to operate abroad are dealing with some foreign governments almost as equals, and three-quarters of the world is worshipping at strange economic shrines, we find ourselves in a new chapter. Diplomatic policy now must be directed toward the establishment of a world economy free from the restraints of monopoly, whether practiced by government, by private cartel, or by a union of government and cartel.

An indispensable corollary of American oil activity in foreign countries, whether primarily producing or consuming countries, is the creation of an economic climate where-in world trade can breathe. To the degree that foreign governments, acting with an eye only to immediate economic advantage, impose severe restrictions, American oil operations abroad will suffer. To be sure, in the absence of a treaty to the contrary, a foreign government is at liberty under international law to legislate to the detriment of foreign business, provided the legislation is of general application and does not deprive foreigners of their lawfully acquired property without adequate compensation. However, it is to be earnestly hoped that all governments will take early steps to create a world economy fostering trade among the nations, and that by international agreement and education the markets of the world will be opened to the international merchant in a spirit of welcome for the goods he offers in exchange for the products of the importing country. Assuredly the inspiring growth of world trade from the days of the ancient Phoenicians and through the period of the Crusades to its modern burgeoning in the age of discovery and its rapid development after the industrial revolution ought not shrivel in the twentieth century. It will not shrivel if men recognize that the prosperity of trade is measured by the number of people who may with profit participate in it, and if the nations of the world will keep the door of opportunity open to all.

There can be no doubt that the American companies have achieved the position of leadership they now enjoy not by withdrawing in the face of artificial and discouraging conditions imposed by foreign governments but by adjusting themselves to the laws and practices of the countries where they found

<sup>92</sup> See *Diplomatic Protection of American Petroleum Interests in Mesopotamia, Netherlands East Indies, and Mexico*, op. cit., passim.

<sup>93</sup> Hearings, *American Petroleum Interests in Foreign Countries*, pp. 298 ff.

themselves.<sup>54</sup> Originally an American company would have had nothing to fear from the antitrust laws in entering into many of these foreign arrangements,<sup>55</sup> but beginning with the *Sisal* case in 1927,<sup>56</sup> it became clear that acts, although performed outside the United States, would violate the antitrust laws if such acts related to and were in direct restraint of trade in the United States. Essentially, however, the *Sisal* case did not introduce novel doctrine, and American companies still had no cause to hesitate where the agreement did not relate to United States trade.

Of late, however, the question has presented itself to what extent an American company may safely go in complying with foreign regulations or indirect pressures, and still not offend the antitrust laws of the United States. Related to this question is the proper delimitation of the scope of the antitrust laws insofar as world trade is concerned.<sup>57</sup> An American company which ventures its capital abroad is entitled to know with a reasonable degree of certainty whether a prospective course of action is not unlawful under the statutes of the United States, if for no other reason than that a wrong choice may affect the extent of diplomatic protection. By the same token the Government is entitled to know at least in outline the principal programs and prospective foreign commitments of American petroleum companies. Although monopolistic practices may be unpopular and unsound, yet American oil interests abroad, if disqualified from participating in trade under the foreign rules and customs, may easily lose position to alien competitors.<sup>58</sup> This, then, is a dilemma of national petroleum policy which calls for decision.<sup>59</sup>

Size alone does not constitute monopoly. Indeed, bigness is frequently essential in

<sup>54</sup> "The one inescapable fact," testified Laurence B. Levi, executive in charge of foreign operations of the Socony-Vacuum Oil Co., "is that American companies, if they are to continue to carry on business abroad, must be in a position to meet, in each particular country, the conditions existing there. In other words, an American concern desiring to carry on business in those areas must 'do as the Romans do' or suffer the consequences." (Hearings, Foreign Contracts Act, pp. 165-166.)

<sup>55</sup> See *American Banana Co. v. United Fruit Co.* (213 U. S. 347 (1909)).

<sup>56</sup> *U. S. v. Sisal Sales Corp.* (274 U. S. 268 (1927)).

<sup>57</sup> The nebulous compass of the antitrust laws in their application to commerce with foreign nations is well illustrated in a colloquy on May 17, 1945, between former Attorney General Biddle and the committee's counsel. (See Hearings, "Foreign Contracts Act," pp. 20-22, 170-171.)

<sup>58</sup> Monopolies and closed economies are unsound, and we are opposed to them," Mr. Levi told the committee, but then he went on to add: "Nevertheless, the trade agreements in foreign countries regulating their domestic marketing, where conditions may differ from ours, are considered by many governments as meeting the needs of their national economies. There is no doubt several foreign-owned oil companies stand willing and able to take the place of any American company which does not participate in these agreements." (Hearings, "Foreign Contracts Act," p. 164.)

<sup>59</sup> In a thoughtful statement to the committee Alfred Jacobsen, president of the Amerada Petroleum Corp. and chairman of the national oil policy committee of the Petroleum Industry War Council, said: "The solution which the American companies would prefer would be to see such countries persuaded by our State Department to open up their oil markets to free competition." (Hearings, "The Independent Petroleum Co.," p. 381.)

modern industry for the greatest efficiency, and has other advantages of importance to society.<sup>1</sup> The attainment of a dominant position in the business world, acquired through honest effort, is not a violation of the law. It is only the unfair methods of trade, which seek to destroy or exclude competitors by means of intercorporate stockholdings, or by agreements between present or potential competitors, whereby control of commerce among the States or with foreign countries is secured, that are anathema to the people of the United States.<sup>2</sup> But how far shall we go in advancing beyond our borders the principles of the laws against restraint of trade?

It may be doubted whether we can abandon our defense of free competitive enterprise at the water's edge and still expect it to survive even within our own borders. At the same time the Nation can ill afford to hazard the position of our petroleum interests in foreign lands by a unilateral policy which might not yield corresponding benefit.

As one step toward the solution of this difficulty confronting American oil companies abroad, in common with other types of business, the Congress might consider the enactment of legislation requiring, with appropriate safeguards, American companies to register with some agency of the United States Government copies of such foreign contracts as by their terms involve the types of trade restraint defined in the statute.<sup>3</sup>

Any broad solution, however, will have to be undertaken on an international scale by international conference. Difficult though it is proving to be to make progress toward a peaceful society, nevertheless this Nation should press unremittingly and with all the peaceful processes at its command for general acceptance of the principle of fair and friendly trade among the nations of the world. When freedom of opportunity is preserved, free enterprise is preserved. The essential condition of such preservation in foreign oil operations is an international understanding that control of this natural and indispensable resource shall not be used for exploitation of the native peoples in the

<sup>1</sup> Peter F. Drucker, *Concept of the Corporation*, pp. 209-229. (New York, 1946.)

<sup>2</sup> George W. Wickersham, *The Changing Order*, p. 141. (New York, 1914.) Perhaps no one has more eloquently expressed the basic meaning of the antitrust laws than President William Howard Taft in a special message to Congress on January 7, 1910, wherein he recommended a national incorporation law. Speaking of the methods of some large business enterprises, he said: "If they attempt by a use of their preponderating capital and by a sale of their goods temporarily at unduly low prices to drive out of business their competitors, or if they attempt, by exclusive contracts with their patrons and threats of nondealing except upon such contracts, or by other methods of a similar character, to use the largeness of their resources and the extent of their output compared with the total output as a means of compelling custom and frightening off competition, then they disclose a purpose to restrain trade and to establish a monopoly and violate the act." (James D. Richardson, editor, *A Compilation of the Messages and Papers of the Presidents*, vol. XVI, p. 7450. Edition published by Bureau of National Literature, Inc. New York.)

<sup>3</sup> The committee, sitting jointly with a subcommittee of the Committee on the Judiciary, held hearings on S. 11 (79th Cong., 1st sess.) embodying a proposal of this type. See hearings, "Foreign Contracts Act." Reference should also be made to the hearing on S. 1476 (78th Cong., 1st sess.), the predecessor of S. 11 aforesaid, by a subcommittee of the Committee on the Judiciary, on May 23, 1944, at which hearing Ralph W. Gallagher, president, and Orville Harden, vice president, of the Standard Oil Co. (N. J.), testified.

producing countries, or of the users of oil in the consuming countries.<sup>4</sup> In a world genuinely devoted to peace and genuinely interested in the promotion of international trade and the raising of living standards, Americans doing business abroad will seldom be there confronted with practical situations posing difficult questions of antitrust law.

#### PUBLIC LANDS

The public-domain lands potentially valuable for oil or gas production are concentrated mainly in California, Colorado, Montana, New Mexico, and Wyoming.<sup>5</sup> Although for the past several years the production from the public domain has averaged only a little more than 3 percent of the total production in the United States,<sup>6</sup> the unexplored potential oil areas within the public domain are relatively large, and it is not unreasonable to assume that the percentage of total production derived from the public domain will show an increase in the years to come.<sup>7</sup>

In general, public-domain land is interspersed with patented land and State-owned land, and, in view of this varied ownership in prospective oil or gas areas, the Federal-owned lands must necessarily be explored or developed simultaneously with lands under other ownership, and vice versa. It follows that unduly restrictive laws or regulations governing the lands of either type may preclude the testing of an area, and that to the extent practicable the leasing provisions for Federal lands should conform to those under which State and private lands are leased.

In December 1942 the Congress enacted a law which offered an inducement to the prospector by granting during the national emergency a flat 12½-percent royalty rate for new discoveries on Federal leases bearing a higher royalty rate.<sup>8</sup> The results were gratifying.<sup>9</sup> In August 1946 the Congress took still further steps toward conforming the mineral leasing laws more nearly to the practices in vogue by the States and by private lessors.<sup>10</sup> Among the principles embodied in the new legislation, which is expected to encourage oil exploration and development on the public domain, is the flat 12½-percent royalty rate for future non-competitive leases and also for existing non-competitive leases under certain conditions.

<sup>4</sup> It should be observed that the consumers in certain European countries, for example, are often required to pay extremely high prices for gasoline and other petroleum products because of local duties and taxes. Sometimes such duties and taxes constitute as much as 77 percent and even 84 percent of the retail price. (Hearings, *American Petroleum Interests in Foreign Countries*, pp. 411-417.)

<sup>5</sup> Hearings, *New Sources of Petroleum in the United States*, p. 454.

<sup>6</sup> *Ibid.*, p. 456. In 1941, when the United States total was 1,400,000,000 barrels, the public-domain production was 46,000,000 barrels; in 1945 the total for the United States was 1,700,000,000 barrels, and the public domain produced 57,000,000. *Ibid.*, pp. 456-457; *The Petroleum Almanac*, op. cit., pp. 39, 42.

<sup>7</sup> Hearings, *New Sources of Petroleum in the United States*, pp. 457-459.

<sup>8</sup> 56 Stat. 1080.

<sup>9</sup> For the period from January 1, 1943, to July 1, 1946, there were 55 new oil pools and fields, and 11 new gas pools and fields, discovered on public-domain lands. In 1944 there were drilled on the public domain in the five principal oil-producing public-land States a total of 123 wildcat wells, whereas in 1942 the total was 68, and in 1941 was only 58. (Data received by committee from Harold J. Duncan, Chief, Conservation Branch, Geological Survey, Department of the Interior. See also hearings, *New Sources of Petroleum in the United States*, p. 469.)

<sup>10</sup> Hatch-O'Mahoney Act of August 8, 1946.

In addition to the public-domain lands within the United States, the Federal Government also owns extensive areas commonly referred to as acquired lands. The extent of such holdings has never been accurately tabulated, but rough estimates place the total at 150,000,000 acres.<sup>11</sup> These lands are not subject to the mineral leasing laws covering the public-domain lands. Some of the acquired lands have been leased for oil or gas development, but it is clear from evidence presented to the committee that exploration of acquired lands has been retarded (a) by lack of statutory authority to lease, (2) by divided jurisdiction among various departments of government, and (c) by a want of uniformity in policy and leasing procedure.<sup>12</sup> The Senate should give early consideration to the various postwar problems arising from the large amount of recently acquired lands, both as to their disposal and as to their mineral deposits.

In addition to such legislation it is submitted that the Senate consider the advisability of discontinuing certain naval petroleum reserves and of assimilating them to other public lands under the jurisdiction of the Department of the Interior. The total estimated recoverable oil from the three naval petroleum reserves, other than Alaska, is only 376,000,000 barrels.<sup>13</sup> It is obvious that the amount of oil producible daily from these modest reserves would constitute but slight assistance in the event of war. As has been demonstrated, the huge supply requisite for war purposes can best be assured by the existence of a strong private industry which is already in full operation when the emergency occurs. Therefore, it is submitted that the naval petroleum reserves of Buena Vista Hills, Teapot Dome, and Elk Hills be discontinued as such, and that they be administered in the future by the Department of the Interior as other public lands. As to the naval reserve in Alaska it is too early to draw conclusions because exploration there has only started.

#### THE INDEPENDENT COMPANY

At home, as well as abroad, a national oil policy based upon the principle of free enterprise would not only safeguard the position of the independent against restraints of trade, but would recognize the handicaps imposed by inequitable tax laws and the preponderant weight of the financial resources of the integrated majors. Small producers, small refiners, small retailers, all find it difficult to compete with the majors which engage in all three branches and in transportation as well. If the big company desires a certain street corner for the retail sale of gasoline, it can usually get it. Lack of financial resources limits the ability of the independent to withstand pressure as well as competition and, in the case of the producer, tends to induce the sale of proven properties by the wildcatter to the major. The wildcatter must turn over his capital, but the major can hold the property in idleness until a favorable time for production.

The majors are corporations with thousands of stockholders of small average holdings, whereas the independents are frequently the ventures of comparatively few stockholders. Again, the major is less affected by the life expectancy of its managers or stockholders, because its executives are drawn from an ample reservoir of talent, and because its stockholders normally do not exercise executive functions. On the other hand, when the founder of a small independent dies, there is often no one among his heirs to succeed him, and the inheritance tax frequently deals such an enterprise a severe

<sup>11</sup> Hearings, *New Sources of Petroleum in the United States*, pp. 196-198.

<sup>12</sup> Hearings, *New Sources of Petroleum in the United States*, pp. 197 ff.

<sup>13</sup> *Ibid.*, p. 260.

blow. These are considerations which emphasize the necessity of antitrust enforcement, and of revision of the tax laws to remove the apathy toward investment of private capital in independent enterprise.<sup>14</sup>

It may be assumed that none of the major companies would welcome an industrial theater where only large companies occupied the stage. In such a drama government itself would soon become the protagonist. Equally it may be assumed that the small companies would view with grave apprehension the disappearance of the major enterprises. The present ready market at the well afforded by the large companies, their transportation and distribution systems which make possible a wide consumer market, their research programs, and their function in the national defense would be lost or greatly minimized if the growth of enterprise were limited by law.

In brief, it is recognized that a big man is not necessarily a bad man. Nor is a small man necessarily a good man.<sup>15</sup> The primacy of the United States in the oil world prevails in large measure because of the spirit which animates those who have ventured their fortunes, and at times their lives, in the vast foreign enterprises that only the strongest companies can undertake. And in large measure is American primacy owing to the wildcatter in the United States who on a shoestring and a prayer doggedly drills his well, be it dry hole or east Texas. Probably two-thirds of the wildcat wells in this country are drilled by independent producers as distinguished from the 20 or so major companies.<sup>16</sup> Approximately one-sixth of the total crude oil refined here is processed by independent refiners.<sup>17</sup> Hence, it is obvious that the functioning of the independent companies is indispensable to a healthy industry. The independent company must be permitted to prosper if for no other reason than to prevent a drift into monopolistic practices with resultant governmental intervention.

#### TWO ALTERNATIVES

Every American unites in the national commitment to dedicate our country's energies and its will, as well as its hopes and prayers, to the establishment of world peace. International understanding in both commercial and political fields is the aim of our people, but, until that understanding is achieved, the United States must under no circumstances abandon to chance its indus-

<sup>14</sup> Hearings, *The Independent Petroleum Co.*, pp. 193 ff., 368 ff., 403-424. In the course of a valuable statement to the committee by Fayette B. Dow, he pointed out that, "recognition should be given to the fact that what might be considered big business in one industry may be very small business in another. In the oil industry a typical independent refining company may have an investment of \$2,000,000 or \$4,000,000 or \$6,000,000, or more than that, but it would still be a small enterprise, a hazardous and marginal enterprise, compared with its major competitors. Under the present tax law the Federal Government will take 38 percent of net taxable corporate incomes of \$50,000 or more regardless of the size of the various enterprises, their need of new capital, or, if estimated in terms of assured continuous earning power, of their ability to pay. So it is suggested that consideration be given to increasing the level of net taxable incomes at which the maximum rate applies and of modifying the rates of taxation on corporate incomes below that level." *Ibid.*, p. 202.

<sup>15</sup> But it is sometimes said, "A good little man is always out of his class when he meets a good big man."

<sup>16</sup> Hearings, *The Independent Petroleum Co.*, p. 33.

<sup>17</sup> *Ibid.*, pp. 188-189.

trial and military capacity to uphold its ideals.

This Nation now faces two alternatives: Either—

1. To wait with hope the discovery of sufficient petroleum within our boundaries that the military requirements of the future will occasion no concern, and in the meantime to depend upon foreign oil and trust that war will not cut off our imports;

Or—

2. To take steps to guarantee a domestic petroleum supply adequate for all eventualities by means of:

(a) Incentives to promote the search for new deposits of petroleum within the boundaries of the United States and in the continental shelf; and

(b) The continuation of the present program looking to the manufacture of synthetic liquid fuels to supplement our domestic crude supply.

#### RECOMMENDATIONS FOR NATIONAL PETROLEUM POLICY

All the facts before us impel the choice of the second alternative. Therefore, the first principle of American petroleum policy should be to sustain our domestic supply of petroleum and to maintain the American system of competitive free enterprise at home and abroad. The second principle is to make human freedom the cornerstone of our policy, liberty and opportunity for people without discrimination or restraint, both within and beyond our borders.

To these ends we should:

1. Enact those laws which are most conducive to stimulating additional exploration and development in the United States. Encourage conservation to prevent waste. Promote interstate compacts so that our reserves may be expanded and used in the public interest, but guard against any danger of misusing conservation laws to restrain unduly any operator. Administer the public lands, not primarily as a source of governmental revenue, but for the purpose of stimulating private initiative in discovering and developing oil on the public domain.

2. Utilize the facilities of Government to promote research in the manufacture of synthetic liquid fuels, but without permitting governmental competition with private industry. Enact such legislation as may be necessary and proper to encourage secondary recovery from old fields which otherwise would not be productive.

3. Encourage free competitive enterprise by tax reforms to provide incentives for the risk of private capital in new ventures. Maintain the atmosphere in which competition may survive by enforcement of the antitrust laws. Adhere to the Federal statute prohibiting interstate shipments of petroleum produced in violation of State law. Continue the provisions of the income-tax law permitting deductions for depletion and intangible drilling costs.

4. Require full disclosure to the appropriate agency of Government of the principal terms, conditions, and obligations by which American companies undertake to carry on the petroleum industry abroad.

5. Follow a foreign policy designed to promote full development of the petroleum resources of the whole world for the benefit of all peoples of the world; to secure adequate supplies of petroleum to all peoples; and to discourage artificial restraints and restrictions, both political and private, which deny full opportunity for the people of all lands to participate beneficially in the production and distribution of petroleum and petroleum products.

#### ADDITIONAL CONCURRING VIEWS

I concur in the general principles, objectives, and suggested policies set forth in the foregoing report of the Special Committee Investigating Petroleum Resources, with three

reservations which I deem it advisable to point out. It is also my desire to emphasize other general observations contained in the report.

The first matter in which I find myself in slight disagreement is the suggestion of the report that the Congress might consider the enactment of legislation requiring American oil companies operating abroad to register with some agency of the United States Government copies of their foreign contracts which, by their terms, involve the types of trade restraint defined in the statute. It is, of course, obvious that American nationals engaged in foreign operations must necessarily comply with the laws of the foreign countries in which they operate. It is likewise obvious that American nationals operating abroad raise questions of diplomatic relations between the United States and such countries. It is, therefore, proper that the basic concession agreements between such governments and American nationals with respect to the scope of operations to be conducted and the obligations assumed by such American nationals and the commitments of the foreign governments affected, should be made known to our Government. This is and has been the prevailing practice for many years. If legislation is necessary in this regard, the Congress should give consideration to the enactment of appropriate statutes. To require disclosures beyond such basic information, might well result in making public competitive trade secrets that would have serious repercussions upon the private enterprise of this Nation and work undue hardships upon the units of private industry.

The application of the antitrust laws to monopolistic practices in interstate commerce has been clearly interpreted by the courts. It is generally agreed that such laws may be employed to protect the freedom of trade in interstate commerce from activities of American citizens or corporations, whether the restraint emanates from a domestic or foreign source. Circumstances abroad, under which international trade is conducted exclusively beyond our borders, are such, however, as to distinguish that character of trade from purely interstate or partly interstate and partly foreign transactions as defined and covered by the antitrust laws. I would hesitate to urge a governmental policy that might destroy that distinction as to application of the antitrust laws.

The second proposal of the report on which I desire to comment is the suggestion for the enactment of legislation as may be necessary and proper to encourage secondary recovery from oil fields which otherwise would not be productive. In general, this objective is heartily approved and I concur in the proposal to the extent that the Federal Government may do so within its constitutional sphere of legislative authority and to the extent that such legislation is equally applicable to the encouragement of recovery of all oil from any source in the United States. The suggestion, however, raises the possibility of subsidy payments to those engaged in the secondary recovery of oil. On principle, it is my opinion that any philosophy of government tending to subsidize uneconomic peacetime operations of any character is unsound and leads to a destruction of the virility of our private enterprise. If private enterprise is to survive in the United States, it must do so by its ability to survive all legitimate competitive hazards. The maintenance of a healthy domestic economy that will result in adequate competitive prices is the best insurance we can have for the continued operation of secondary recovery projects and the preservation of stripper pools.

I raise the third question as a mere matter of clarification. The report suggests that the Federal Government take such steps as may be possible to encourage conservation to

prevent waste. I strongly approve this objective. The Federal Government can do much to encourage conservation to prevent waste. The Congress has done so by ratifying the Interstate Oil Compact, the enactment of the Connally Hot Oil Act, and the enactment of more liberal and practical public-land laws. Much has also been accomplished through the United States Geological Survey and the Bureau of Mines, and other agencies of the Government acting within their proper sphere. It should be made clear, however, that the production of oil and gas is entirely a local matter, wholly within the jurisdiction of the respective States, and that the primary problem of enacting and enforcing conservation measures to prevent waste of these natural resources is exclusively a State matter. The Congress should refrain from any policy that would tend to invade the prerogatives of the States in this purely local field.

The committee report and the policies suggested are indeed a strong argument for the competitive enterprise system which we enjoy in America and which has been the philosophy upon which our private oil industry has succeeded. I, therefore, emphasize that any governmental policy which encourages any department or agency of Government to enter into competition with private enterprise, is contrary to this philosophy. As a corollary it follows that our national oil policy should be to discourage and, if necessary, to prohibit any department or agency of Government from engaging in petroleum activities that directly or indirectly compete with our private industry.

The report properly points out that freedom of markets in international trade and equal access to petroleum supplies for all nations are contributing factors to world peace. In this connection, however, we should not fail to recognize that the United States is the only remaining Nation in the world where the production of petroleum is not a governmental monopoly. With consciousness of this fact it should be made clear that our agreement to these principles does not mean that we open the door to any foreign nation for the exploration of our domestic oil resources in competition with our private industry. Reciprocity in this regard should be limited to the citizens and nationals of foreign countries. Likewise, the United States Government should respect such policy by refraining from engaging in the petroleum business abroad.

E. H. MOORE.

Mr. O'MAHONEY. Mr. President, I hope the Senate may act upon the bill.

Mr. BALDWIN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside in order that the Senate may consider Senate bill 1557, Calendar No. 702, and Senate bill 1375, Calendar No. 704.

Mr. KNOWLAND. Mr. President, I call the attention of the Senator from Connecticut to the fact that the Senate has not yet acted on the bill of the Senator from Nebraska, which is now pending. The St. Lawrence seaway legislation was temporarily laid aside so action might be had on the other bill.

Mr. BALDWIN. I thank my distinguished friend from California. I thought we had acted on that bill. It seems to me we have acted and reacted and acted several times.

Mr. KNOWLAND. Unfortunately, the Senate has not as yet passed the bill.

Mr. BALDWIN. Very well. I will subsidize until action is taken.

The PRESIDING OFFICER. The bill is before the Senate and open to amend-

ment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 134) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the act of April 5, 1944 (58 Stat. 190), is amended by changing the words "five years", in the first sentence, to read "eight years", and by changing the numeral "\$30,000,000" in section 6 to read "\$60,000,000."

INVESTIGATION INTO ACCOUNTS OF THE OFFICE OF THE COLLECTOR OF INTERNAL REVENUE, WILMINGTON, DEL.

Mr. WILLIAMS. Mr. President, I should like to make a brief statement on another subject at this time. Recently an investigation has been conducted by my colleagues the senior Senator from Delaware [Mr. BUCK], Representative Boggs of Delaware, and myself into the accounts of the office of the collector of internal revenue, Wilmington, Del. We have found many discrepancies in the accounts involving the embezzlement of some of the Government funds; and, what is worse, the record indicates that an effort is being made to conceal the true facts of this case from the citizens and taxpayers involved, and at the same time protect certain responsible Government employees from disciplinary action.

In a letter dated today, and signed by the senior Senator from Delaware [Mr. BUCK], Representative Boggs of Delaware, and myself, and addressed to Mr. George J. Schoeneman, Commissioner of Internal Revenue, we have called this situation to his personal attention and insisted that he take immediate steps to clear up this unpleasant situation.

At this time I ask unanimous consent to have printed in the RECORD as part of my remarks a copy of this letter, dated February 4, 1948, addressed to Mr. George J. Schoeneman and signed by the senior Senator from Delaware [Mr. BUCK], Representative Boggs of Delaware, and myself.

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

Mr. GEORGE J. SCHOENEMAN,  
Commissioner, Bureau of Internal Revenue,  
Washington, D. C.

DEAR Mr. SCHOENEMAN: During the latter part of December 1947, we discussed with you the fact that the accounts of several hundred taxpayers in Delaware had erroneously been marked delinquent by responsible officials in the Wilmington office and that as of that date, there was evidence that over \$30,000 of these funds had been embezzled. Since that time the cashier of the Wilmington office has pleaded guilty to this embezzlement and has been sentenced in the Federal court.

During our discussions last December, we called to your attention the fact that an exceptionally large number of special agents had been assigned to that area to investigate the taxpayers. We are not asking that the taxpayers of our State be exempt from the routine audit by your Bureau, but we do think that it is very unfair that they be subjected to the tactics now being used by your agents and at the same time be denied the knowledge that the reason for this rigid examination is that their accounts have been manipulated and some of their payments embezzled by someone in the collector's office.

Since this situation developed in our State, we have been receiving numerous requests from various taxpayers, asking if their accounts were involved. Many of these taxpayers have been receiving bills for unpaid taxes for which they have receipts. It is our opinion that the most important contribution which can be made at this time to restore the confidence of the Delaware citizens in the Revenue Department is to convince them that this case has been fully exposed; therefore, we are today placing in the CONGRESSIONAL RECORD and asking the newspapers in our State to publish a complete list of those taxpayers whose accounts are known to have been tampered with as well as a copy of Mr. McNamee's report of November 13, 1947, addressed to your Department, in which he made the following statement:

"In this connection it is well to note that during the period November 1946, when the collector was first notified by the assistant cashier of an apparent discrepancy in the accounts, the cashier, Mr. Flynn, was left in complete control of his duties by the collector and no satisfactory explanation has been forthcoming from the collector as to why this situation was allowed to exist.

"The efforts of the collector and assistant collector to hide or hush up this affair has been, to my way of thinking, presumptuous, to say the least. The fact that the assistant collector spent several months as a supervisor of accounts and collections prior to his present appointment should have instilled in him a certain esprit de corps which, I am sorry to say, is entirely lacking. He failed to acquaint the supervisors or the Bureau with his knowledge of this irregularity for 6 months after he found it out, during which period the cashier carried on his defalcations. As indicated by the report, a total of \$2,939.26 was embezzled during the period November 1946 to May 28, 1947.

"This amount, in my opinion, should be charged to the collector and his assistant, to be paid out of their personal funds."

Further proof that these two officials were making an effort to conceal these discrepancies in their office is borne out by evidence recently obtained by us, which shows that a written memorandum was delivered on November 15, 1946, to the assistant collector, Mr. Ainsworth, outlining certain manipulations by the cashier. We find that a routine audit was made of this agency during the month of December following this written notice, at which time both the collector and the assistant collector failed to call the written memorandum to the attention of the auditors.

An examination of various reports made by the chief investigator for that area discloses that serious criticism has been made on numerous occasions by the investigator, charging that the records and the bookkeeping system of the office in general were in a state of confusion. They also criticized the looseness of the Department's handling of cash items, and even insisted upon a new system being set up.

We have reviewed these critical reports by your own investigators, charging these men with an attempt to conceal and protect the guilty parties in addition to the many charges of inefficiency, and as representatives of the citizens and taxpayers of that State, we feel obligated to call on your department for an explanation as to why the investigation in the Wilmington office has suddenly been called off. In your reply we want you to explain to us not only why these officials were left in charge of the office but also why it was that you designated these same men for a special promotion and an increase in salary.

We realize that the total amount of this embezzlement cannot be established until such time as all of the accounts in that office prior to July 1947 have been audited, and we are wholly in accord with your thought that this audit should be made as soon as possible; but we do think that there are three

essential points being overlooked in your effort to clear up this situation:

1. You should immediately suspend every employee in that office involved in any manner, either through participation in the embezzlement or through negligence in reporting the situation which they knew to exist to the proper authorities. This should be done immediately in order to restore in the minds of the taxpayers the confidence which they once had for your office.

2. We think that you should immediately notify each taxpayer in the State whose accounts have been tampered with in any manner, giving to that individual all the details and enlisting his support in assisting your office to obtain a true picture of the facts.

3. We think that a thorough audit should be made of the Wilmington Office, and if necessary to expedite this, we suggest that you utilize the services of some of the special agents now assigned to that area who have been devoting their time to auditing the taxpayers.

The evidence now on file in your office against both the collector and the assistant collector is of a rather serious nature and is something which we feel cannot be overlooked.

Yours sincerely,

C. DOUGLASS BUCK,

JOHN J. WILLIAMS,

J. CALEB BOGGS,

Congressmen.

Mr. WILLIAMS. Mr. President, in order that each taxpayer whose accounts are known to have been manipulated might be properly protected and notified, I ask unanimous consent to place in the RECORD a list of their names, with the suggestion that each individual write the Bureau of Internal Revenue, Wilmington, Del., and ask that office for a detailed account of all the manipulations of their funds which have taken place during the past 7 years. It is true that many of these taxpayers' accounts have since been adjusted, but we still feel that they have a right to know all the facts in order that they might check their own records for possible duplications in payments.

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

Lea River Lines, Inc.; Kathryn H. Lewis; George A. and Agnes Passwaters; Samuel McCormick; H. Z. Gabrael; Edward Eisenhandler; S. Summer Bearman; Gre-Sin Gift Shop; Wilmington Dry Goods Co.; E. Clifton and Martha C. Sutton; George B. and Mary Rochelle; William D. and Natalie B. Bradford; Harold V. and Elizabeth Maull; George B. and Elizabeth Carroll; LaSalle Athletic Club; Wooleyhan Transport Co.; Leroy's; Henry Davis; Alfred E. Bissell; Sarah Lipstein; Philip E. Rust; Nelson J. Forney; William H. Peoples; Howard A. Gifford; Howard Tucker, trading as Chiek's Restaurant; Thomas and Leah C. Davis; John J. Williams; Anthony P. and Rose M. Columbo; F. A. Wardenberg; Hotel Rodney; Charles and Bessie Gauss Ingersoll; Vera A. Lindsay; Hotel Olivere; Kennard-Pyle Co.; Eckerds of Wilmington, Inc.; John M. Emory; Crosby & Hill Co.; National Theater; Reese B. Harrington, trading as Reese Theater; Jessie Hall; Dolles Candyland and Recreation Center; Indian River Lines, Inc.; Bayberry Gift Shop; Landis E. Wilson; Henry P. Scott; Howard R. Collins; Dover Base Ball Association, Inc.; Walter E. Brown; Reed Trucking Co.

Pauline B. Eberhardt; Strand Theater; Hercules Country Club; Shusters, Inc.; White Transfer; Fred Knecht; Delaware-New Jersey Ferry Co.; Frank M. Carpenter; Ball Theater; Harris & Gross, Inc.; Wilmington Country

Club; C. E. Major, trading as Major Distributing Co.; Fred D. Nelson, trading as Dragon Run Inn; Mildred Blaska; Joseph Krautter; Grand Voitura of Delaware; Francis and Elizabeth Briggs; Maude A. Davis; Joseph P. and Grace S. Walsh; Harry G. Smith; Mamie E. Bailey; Charles and Emily White; Harry E. Corbett; William M. Nolan; John and Mildred Re, Jr.; Alice Lea Spruance; Harry Unangst; Frank A. Potts; Ellis Sisters, Inc.; Horace W. Jones; Carlisle Fire Co.; Stanley's Men's Shop; Corporation Trust Co.; Alice C. Cooper; Reuben Satterthwaite, Jr.; Albert Bunin; Hervey S. Unangst; John J. Fennessey; Olson's Foods; Charles Lipstein; Leo F. and Frances F. Connell; Albert H. Strotham; Clarke & McDaniel; Loew's Theater & Realty Corp.; John F. and Laura Barlow; Robert E. Bowman, Jr.; Mary E. Taylor; Hugh M. Morris; Joseph J. Moosman.

I. Sophie duPont May; Frank Rosaio, trading as Point Breeze Cafe; Horance W. Jones, trading as Sussex Hotel; Loew's Aldine Theater; Kentucky Bus Lines, Inc.; H. Braunstein, Inc.; Bernice G. Quillen, Louis Cohlend; Walter Grabowski; Sing So Tow; Raymond F. and Mattie J. Murray; Elizabeth McClellan Challenger; Hercules Powder Co.; William B. and Katie M. Sweeny; Ermon W. Taylor; Louis Slomsky; Albert F. and Florence C. Laubacher; Thomas H. Schwamb; Walter T. Hendrickson; Helen Hodgson; J. Daniel Hodgson; Florence H. Brown; Elizabeth K. Holland; B. J. Hoy 5 and 10 Cent Store; Ogden-Howard Clothing Co.; C. F. Millman; Joshua Connor & Son; Seaford Golf and Country Club; Reynolds Reed & Son; Wright Transfer & Supply; Continental Diamond Fiber Co.; Andrew G. Baker; Jas. T. Mullin & Sons, Inc.; John Koczak, trading as Earle Theater; Krueger Brewing Co.; Lerner Shops of Del., Inc.; Holt's, Inc.; Artesian Metal Products Co., Inc.; Newark Home Builders, Inc.; George W. Helm Co.; Lerner Shops of Ill., Inc.; Famous Maids of Wilmington, Inc.; Black Cat Tea Room, Inc.; Marine Transportation Co.; Delaware Power & Light Co.; Daniel G. Elsen; the Interstate Amiesite Co.; Wilmington Suburban Water Co.; the Dimon Corp.; Union Pharmacy; Sigmunds Beauty Supply; B. Kleitz & Bros. Co.

Reiss Steamship Co.; the Pitcairn Co.; Thun Investment Co.; Dunmovin Corp.; the Dimar Corp.; Deanok, Inc.; Silas Mason Co.; Associated Gas Co.; C. Killoran; Engineers Public Service Co.; E. Clifton and Martha C. Sutton; Samuel McCormick; William D. and Natalie B. Bradford; James T. O'Connor; C. E. King, Jr.; Stanley Rothenhausler; Aver McDade; Norris H. Thomas; Fisranto and Mary Barilo; Charles C. Harris; Jesse and Alice E. Przybyled; Cedar Inn, Inc.; W. D. Cooper & Sons; Shoppers Finance Co., Inc.; Ramondo's Barbor Shop; Blue Hen Theater; Ragain's Pharmacy; National Bank of Smyrna; Philip E. Rust; Frederick E. Pickard; Delmarva Brewing Co.; Milford Ice & Coal Co.; Piedmont Securities Co.; Rosalyn K. Hack; D. C. Healy; Lerner Shops of California; Central Ohio Light & Power Co.; Roger Williams; Henry Harris; Addie L. Herring; Dave Harris & Harry Groll, Inc.; Edith E. Kaiser; Tatnall School; Hahn & Alexander; M. Zutz; Robinson Lumber Co.; Norman F. Harris, Inc.; Joanna Textile Mills; Henry Harris Loan Office; George E. and Ruth Cox; Paul A. Lynch.

Arthur Morris; Emples M. Hiltz; Mayflower Open Kitchen, Inc.; Continental Diamond Fibre Co.; the Smith Meal Co., Inc.; Walter Holleger; Equitable Trust Co.; Compania Embotelladora Coco Cola; Diamond State Beer; Krueger Brewing Co.; Vimead Hunt Club; Wilmington Trust Co.; S. L. McKee Optical Co.; Joseph T. Montgomery; Clold Fry; American Republics Corp.; Robert W. Rea; Security Trust Co.; Harry E. Williams; Henry V. P. and Jessie C. Wilson; Anna Kelly; Frank J. Murphy; T. Paruszewski; Thornton Bros.; Andrew J. Baker; William Margolin, trading as Circle Inn; the Arden Club; A. H. Gurvitz; W. E. Valliant Co.; Home Drug Co., Inc.; R.

Miller; E. F. Smith; H. C. Helm; Carolyn's Beauty Shop; Thomas and Lillian S. Cappeau; Herman E. Maxwell; Ernest S. Davis; Thomas H. and Blanche Dunn; Tefoli Sikorski; Charles W. and Elsie Burns; Erva M. Moyle; Raymond F. and Mattie J. Murray; W. Carl and Margaret Blackwell; William S. and Eva B. Pultorak; Alexander W. and Myrtle Erickson; John E. Kreggenwinkle; George Pandelakas; Helen M. Wollaston; DuPont Country Club; Diamond Ice & Coal Co.; St. Hedwige Lodge, Local SJRS; Seidel Drug Store; Gould R. Rheuby.

Vicmead Hunt Club; Wilmington Club; Laird, Bissel & Meeds; Edgemoor Iron Works, Inc.; Newark Box Toe Co., Inc.; Butlers, Inc.; West Dover Candy Co.; Silverside Supply Co.; Hattie Kutz; William Shinn & Co., Inc.; Matilda P. Graham; Cuban Atlantic Sugar Co.; Pierce Ellison Petroleum Co.; Gas & Electric Improvement Co.; Hering, Morris, James, & Hitchens; Henry S. Saunders; William Bellack; American Republics Corp.; Carlton B. Owings; Clifford D. Prickett; Anna Y. Prettyman; J. Lee Phillips; Wilmington Pattern & Manufacturing Co.; Gust Ambagis; John Burris; Red Arrow Steamship Co.; Rockport Steamship Co.; Twentieth Century Bowling Center; Hurley-Powel Co.; Style Shop; Artesian Water Co.; I. Garrett Robinson; Diamond State Brewery, Inc.; Clarence C. Ruppert; Thaddeus J. Schelink; Choy Gum; Beltons Printing Office, Inc.; Robert Chaiken, Inc.; Bruce H. Gordon; Arthurs Apparel Shop, Inc.; Grace-Lloyd Collins; Philip Vaccarini; the Bogota Telephone Co., Ltd.; Benjamin Schreiber; John H. Sweeney, Jr.; Paul A. Mark; Antonio Muller; S. Lentini; Interstate Amiesite Co.; Edel Edes.

Lindy's Delicatessen, Inc.; Robert J. Peoples; Mantle Club; Fred E. Gebhart; John H. Carl; Becker Millinery Corp.; Polly Shop; John A. Carlson; Joseph Berkman; Manain W. Tingle; Jonathon A. Scotton; Albert O. H. Brier; George B. Malone; Samuel and Mary B. Murphy; Bruce F. Slagle; Harry G. and Sue Slagle; Larrimore Andrews; Walter J. Jorison; Arnold L. Brown; Stanley J. and Lucia Pietluch; George M. Hardin; Marion L. Brown; Swanie and Blanche Rossander; George V. Wolsterholme; Loyd L. Warren; DuPont Country Club; Municipal Golf & Tennis Association, Inc.; Harper Signs, Inc.; Edgar A. Lamon; Vincent Rizzo; Capital Theater; Everett Theater; Frank H. Overdeer; Ethel V. Ward; Ann Cox; S. F. Dzielakowski; John Hnatkowski; John McColgan; Catherine Burns; Stanley and Helen Stroycharz; Fisher's; Dr. W. Ralph Staats; Carl A. Doubet, Jr.; Howard P. and Belle Mansfield; James H. Gallagher; Walter R. Archibald; Theodore P. Lynch; Harry Brodsky; Harold Martin; Mr. and Mrs. Philippe E. H. Eichinger.

Roland Conner; Eber C. Brown; Mary Bargielski; John Stachow; Bertha L. Stone; The Gun Wynn Co., Inc.; H. P. Cannon & Son, Inc.; The Gund Co.; Wyndham Realty Corp.; Marjorie Hopkins; George H. Draper, Jr.; Howard and Carolyn A. Greene; Joseph and Mary Wright; Janet C. Bane; Richard Corre Bostwick; James S. Lowe Transfer Co.; Speakman Co.; American Construction Co.; Delaware Realty & Investment Co.; Texaco Development Co.; Henry Janssen Corp.; McCaffrey's Oyster House; Arthur La Mottee; Naomi Hendreckson; B. Kleitz & Bros.; Bernard and George Kleitz; Dominguez Oil Fields; Millsboro Feed Co.; R. D. Morris; Farmer's Bank; Elizabeth V. Quigley; Charles H. Lickle; Beneficial Loan; Sumter Lumber Co., Inc.; Bond Manufacturing Co., Inc.; Tytona Securities Co.; Young Men's Republican Club; Jefferson Food Market; Cargill, Inc.; United Public Service Corp.; David R. and Marian K. Rutter; W. Carroll Coyne; Charles W. Baker, Jr.; Kennard Adams; Rotary Diesel Corp.; Edith duPont Riegel; Stellar Corp.; Temple Theater; Donald E. Repp; The Penn-road Corp.

Wilmer Stradley; Mesrop A. Tarumian; Joseph Lincoln Gillon; Playhouse; Wilming-

ton Whist Club; Mesrop A. and Sonia Tarumian; Howard and Carolyn A. Green; Augustus W. Burr; Henry H. Silliman; William C. Appleton; Martha M. Stine; Andrew Godfrey; Benjamin Brown; G. W. Helme; Edmund M. Flaherty; Southerland; Monarch Services, Inc.; J. Rankin Davis; Eberhardt & Co.; Thun Investment Co.; J. P. Cann; Lumber Industries, Inc.; Arctic Roofings, Inc.; Edgehill Investment Co., Inc.; the Investment Co. of America; Natural Gas Investment Co.; Wilcox, Inc.; Gotham Livestock Corp.; Benjamin Schreiber; Mary C. Ridings; George L. Manchester; Arthur G. Logan; St. Georges Trust Co.; John A. Boers, et al.; Charles C. Kurtz & Sons; Ridge Row Corp.; Simon Estate, Inc.; Fred W. and Howard Kurtz; Downs, Hoopes & Co.; Michener Bros. Garage; Georgetown Trust Co.; Auchincloss, Parker & Redpath, Inc.; Samuel Becker; Diamond State Bottling Co.; Ellis Flotation Co., Inc.; Maria L. Matthews; Otto and Nellie Runger; Frederick E. Ston; Francis J. and Greta S. Byrne; T. V. and Rose T. Volk; Albert W. and Elizabeth B. Wilson; William J. Cunningham; W. W. White; Baltimore Trust Co.; William E. Walsh; A. R. Hudson Co.; U. S. F. Powder Co.; Georgetown Motor Co., Inc.; F. H. Simonton, Inc.; James Healy; Edgar Realty Co.; Lindamere Corp.; First National Bank of Seaford; Harry Haskell; Courtland E. Pierson Co.; Mercantile Discount Corp.; Marshall Park, Inc.; Margoline's Shopping Service; New Deal Garage; John's Sandwich Shop; Protective Realty Corp.; Vaughn Properties Co.; Rockport Steamship Co.; Wilmington Auto Sales Co.; Francis A. O'Brien; James M. and Maude M. Satterfield; James M. Satterfield; the Men-tholatum Co.; Delaware Realty & Investment Co.; John B. and Marion H. Jessup; Willard A. Speakman, Jr.; Karl M. and Alice S. Currier; Mill Finance Corp.; A. S. Kloss; Leo F. Connell; Ida Crezenzio; Patchell's Men's Shop; Commercial Trust Co.; the Homent Co.

Mr. WILLIAMS. Mr. President, at this time I also ask unanimous consent to have printed in the RECORD as part of my remarks copies of two letters, both dated November 13, 1947, addressed to Mr. Paul A. Hankins, Deputy Commissioner, Internal Revenue Bureau, Washington, D. C., and signed by Mr. J. E. McNamee, Supervisor of Accounts and Chief of the Staff of Auditors, who conducted this investigation for the Treasury Department.

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

PHILADELPHIA, PA., November 13, 1947.  
Mr. PAUL A. HANKINS,  
Deputy Commissioner,  
Accounts and Collections Unit,  
Internal Revenue Bureau,  
Washington, D. C.

MY DEAR MR. HANKINS: Transmitted herewith is report of the examination of the Office of Collector of Internal Revenue, Wilmington, Del., for the period July 2, 1940, to June 3, 1947, inclusive.

In this connection it is well to note that during the period November 1946, when the collector was first notified by the assistant cashier of an apparent discrepancy in the accounts, the cashier, Mr. Flynn, was left in complete control of his duties by the collector, and no satisfactory explanation has been forthcoming from the collector as to why this situation was allowed to exist.

The efforts of the collector and assistant collector to hide or hush up this affair has been, to my way of thinking, presumptuous, to say the least. The fact that the assistant collector spent several months as a supervisor of accounts and collections prior to his present appointment should have instilled in him a certain "esprit de corps" which, I am sorry to say, is entirely lacking. He failed to acquaint the supervisors of the bureau with

his knowledge of this irregularity for 6 months after he found it out, during which period the cashier carried on his defalcations. As indicated by the report, a total of \$2,939.26 was embezzled during the period November 1946 to May 28, 1947.

This amount, in my opinion, should be charged to the collector and his assistant to be paid out of their personal funds.

Sincerely yours,

J. E. McNAMEE,  
Supervisor of Accounts and  
Collections in Charge.

PHILADELPHIA, PA., November 13, 1947.  
Mr. PAUL A. HANKINS,  
Deputy Commissioner,  
Accounts and Collections Unit,  
Internal Revenue Bureau,  
Washington 25, D. C.

MY DEAR MR. HANKINS: The following is a report of the examination of the Office of Collector of Internal Revenue, Wilmington, Del., for the period July 2, 1940, to June 3, 1947, inclusive.

On May 28, 1947, Mr. Norman Collison, collector of internal revenue, Wilmington, Del., called me and asked if I would come to his office that day. I arrived at the Wilmington office about noon time and was informed by the collector and his assistant, Mr. Ainsworth, that there was an apparent shortage in the snuff stamps in the Wilmington office. I immediately made a count of the internal revenue stamps in the vault, which revealed a shortage in snuff stamps of \$8,572.50, which shortage still exists.

The cashier was called in and admitted this shortage. The collector then stated that the cashier was over about \$700 in the cash account and that he (the cashier) was prepared to make good this evident shortage of \$7,800 and insisted that this was the total amount of the shortage. He further asked if I would accept this arrangement and forget the incident. I replied that my only reaction was to notify the Bureau immediately and ask for the suspension of the cashier. The collector demurred to this, pointing out that Mr. Flynn was married and has two sons. Upon my insistence that the Bureau be notified, the collector asked if he could accompany me to the Bureau. I acquiesced and, because of previous engagements, the trip was put off to June 3, 1947. Later that day I found other discrepancies totaling \$22,500. The cashier was called to the collector's office and, when informed of these discrepancies, admitted same and said he could make full restitution if given 4 or 5 days. When asked why he did not admit these discrepancies during our first interview, he replied, "my bosses did not open their mouth, so why should I tell on myself."

Upon our visit to the Bureau on June 3, 1947, Mr. Flynn was suspended immediately.

On June 4, 1947, the supervisors instituted a day-by-day check of the cashier's records from June 3, 1947, back through January 1940, which revealed a gross shortage of \$38,018.25. A duplicate credit in the amount of \$7,500 to the 1944 estimated income tax account of Robert W. Rea under date of December 29, 1944 (which erroneous credit still stands) and various penalty and interest items totaling \$84.27 credited to taxpayers on documents filed on time but journalized as delinquent, reduce the gross shortage to a net of \$30,433.98.

The authorized destruction of various records, such as cashier's work sheets and cashier's journals, handicapped the supervisor's investigation as it progressed. The destruction of the various order forms for stamps for 1940 and prior years made it impossible to identify purchasers of documentary and/or stock transfer stamps. Orders for stamps, fermented malt liquor, were reconstructed from brewery records.

On July 2, 1940, orders for documentary stamps and stock transfer stamps in the amount of \$1,297.90 were journalized covered by misapplied checks. Since this was the entire balance of the shortage yet to be identified (except one check for \$8.44 deposited April 17, 1943) and neither the names of the purchasers of the stamps nor whether the original transactions were by cash or check could be ascertained, and since the comparison of remittance registers and document registers back through January 1940 revealed no discrepancies in which misapplication of funds was apparently involved, it was decided that further efforts to identify the balance of \$1,297.90 would be useless.

The defalcations set up a fairly regular pattern as revealed by the schedule of discrepancies in deposits. Documents showing taxes originally paid in cash were journalized under cover of other taxpayers' checks. Sometimes the penciled cash was partially erased. On bills such as forms 17 or 19, an entirely new form was often prepared in pencil with no blue pencil notation and no received stamp. A general laxness in the use of the received stamp in the office, particularly on orders for stamps, contributed to the situation. The documents from which checks had been taken were subsequently put through with still other taxpayers' checks. However, several times taxpayers' checks were used as described above and the document journalized later as a cash transaction. Cash was also used many times to cover the difference between misapplied checks and documents being journalized. On 17 occasions Mr. Flynn used his personal checks for this purpose. These personal checks ranged in amounts from 32 cents to \$153.16. These were verified by the records of the Farmers Bank & Trust Co., Wilmington, Del.

A study of received dates, when available, on cash documents, journalized under cover of checks, indicated that unidentified cash deposited in the operations described in the preceding paragraph came from such documents and not from the cashier's personal funds.

Prior to 1946, the only document not journalized for which the check was deposited was a miscellaneous tax return, Form 727, in the amount of \$8.91 filed by Walter Holliger. A check for \$17.08 was forwarded by mail with forms 727 for May and June 1944. The check was deposited August 11, 1944, but only the Form 727 for June in the amount of \$8.17 was abstracted. This discrepancy, as well as several small excess collections which were not credited to taxpayers, apparently resulted from adding kited documents and checks to the document registers and remittance registers respectively without having first balanced the registers.

In six different cases documents were altered to bring the document register into balance with remittance registers, to bring the stamp control into balance with the stamp inventory, or to bring the kited documents into exact agreement with the kited checks. With one exception these were minor alterations. On June 26, 1942, however, the cash order of the Diamond State Brewery Co. for fermented malt-liquor stamps in the amount of \$780 was not journalized and a fictitious order for fermented malt-liquor stamps in the amount of \$180 was journalized in its stead. In addition, a fictitious order in the amount of \$120 was journalized the same day. The two orders were in the same handwriting and neither the taxpayers' records nor bank statements reveal any such payments. The fictitious order of the Diamond State Brewery Co. differs from the taxpayer's copy only in that an order for four 25-barrel stamps at \$150 each had been removed. The fictitious order in the name of the Delmarva Brewing Co. is for four 5-barrel stamps at \$30 each. Apparently an inventory of fermented malt-liquor stamps revealed an average of four 25-barrel stamps

and a shortage of four 5-barrel stamps and this device was utilized to bring the accounts into balance. It also apparently was used to embezzle \$480. The Diamond State Brewery Co. was not aware that 5-barrel stamps had been delivered instead of 25-barrel stamps. The records of the Diamond State Brewery Co. indicated that a stamp order in the amount of \$780 was paid by cash, on that date, while the Delmarva Brewing Co. had no records of \$120 on that date. Inasmuch as all orders of the Delmarva Brewing Co. were paid by check and this order for \$120 was covered by cash, it is clearly evident that this order was fictitious.

In addition to checks for \$8,572.50, \$5,000, \$500, and \$8.91, mentioned heretofore, the related documents for which were never journalized, checks in the amounts of \$15,000 and \$7,500 were submitted by John J. Williams to cover 1946 estimated income taxes of himself and his wife, respectively. These checks were deposited June 4, 1946, to cover the 1946 estimated income tax of Anthony P. Columbo and Rose M., in the amount of \$2,500, and F. A. Wardenburg in the amount of \$20,000. The documents with which Mr. Williams' checks were related have never been journalized.

On May 13, 1947, a check in the amount of \$605.20 drawn by the Wilmington Country Club in payment of tax on admissions for April 1947, was deposited to cover orders on documentary stamps that are marked "cash." A duplicate return was filed by the taxpayer at the request of the collector's office and was assessed on the October 1947 Spl. No. 1 list, account No. 53160, and is outstanding.

Six cash payments, the documents for which were never journalized, have been definitely established. More may come to light eventually. Howard A. Gifford holds a cash receipt, Form 1, dated April 9, 1946, in the amount of \$185.20 covering the balance of his 1945 income tax. There is no record of this payment in the collector's office. Four taxpayers have submitted affidavits of filing forms 11 with cash payments for various special tax stamps in total value of \$159.50. The exact amount of the items claimed appear on the teller's cash sheet of the assistant cashier as payments for stamps and are included in the daily recapitulation of cash tallied as on hand at the close of business May 27, 1947, by the cashier. A comparison of the teller's stamp sheets with Forms 11 and other stamp records, leaves these items unrecalled.

It had not been the custom of the cashier's office to give a receipt for cash payments for stamps which could not be issued immediately. Now, a Form 1 receipt marked "in lieu of stamp to be issued" is given to taxpayers in all such cases.

In the schedule of discrepancies, under the heading, "Net cash," there appears 91 items which represent payments by the cashier from his cash reserves. Seventeen of these items marked "\*" are his personal checks; the balance are cash payments. These payments total \$10,329.47. It was necessary for the cashier to deposit these amounts to balance the various days' work. It is entirely possible that part of these payments represent cash payments by taxpayers whose returns were destroyed and owing to the volume of unfinished work of checking the unmatched documents received from the Processing Division and the migration of many war workers, it will be impossible to complete this part of the investigation. It is also possible that additional discrepancies will be uncovered when the revenue agents check the 1945 and 1946 income tax returns (Bureau) and make comparison with the credit documents attached to the return with the amount of credit taken by the taxpayer on his return.

Sincerely yours,

J. E. McNAMEE,  
Supervisor of Accounts and  
Collections in Charge.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to have printed in the RECORD as part of my remarks a copy of a letter dated November 7, 1947, addressed to Hon. John J. Morris, Jr., United States district attorney, Wilmington, Del., and signed by Mr. Eugene C. Miller, senior investigator, General Accounting Office; which further explains the method used in juggling these taxpayer accounts.

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

GENERAL ACCOUNTING OFFICE,  
Washington, D. C., November 7, 1947.  
Hon. JOHN J. MORRIS, Jr.,  
United States District Attorney,  
Post Office Building,  
Wilmington, Del.,

MY DEAR MR. MORRIS: There is submitted for your consideration the following items resulting from the use of cash received by Maurice A. Flynn, Jr., as cashier in the office of the Collector of Internal Revenue at Wilmington, District of Delaware, and the substitution of checks prior to giving credit to the drawers of said checks.

George W. Helme Co. gave their check for \$8,572.50 in purchasing snuff stamps. The check was deposited with the Federal Reserve Bank of Philadelphia on March 21, 1947, without giving credit to the snuff-stamp account and there is no credit as yet given and it has resulted in a shortage in the snuff-stamp account.

The credit of the above remittance was applied as follows:

Delaware-New Jersey Ferry Co.: Form 727 for December 1946.....	\$2,860.26
Frank M. Carpenter: Form 727 for December 1946.....	73.99
Reese Theater: Form 729 for De- cember 1946.....	1,125.47
Ball Theater: Form 729 for De- cember 1946.....	568.78
Harris & Groll, Inc.: Form 729 for December 1946.....	3,186.01
Shortage in cash deposit for docu- mentary stamps on Mar. 21, 1947.....	413.27
Shortage in cash deposit for mis- cellaneous taxes in addition to cash paid by Fred Knecht shown below.....	324.76
Fred Knecht: Form 728A for Feb- ruary 1946 (paid in cash).....	19.96
Total.....	8,572.50

The document "Order for stamps—Snuff" dated March 20, 1947, factory No. 4, George W. Helme Co., Yorklyn, Del., totaling \$8,572.50 was placed in the hands of Thomas Ainsworth, assistant to the Collector of Internal Revenue, in the presence of Hon. Norman Collison, collector, on May 27, 1947, thus indicating a shortage in the snuff-stamp account by Mr. Maurice A. Flynn, Jr., then cashier of the collector's office.

John J. Williams sent two checks to the Collector of Internal Revenue, Wilmington, district of Delaware, in the amounts of \$15,000 and \$7,500 respectively. The checks were deposited in the Federal Reserve Bank, Philadelphia, on June 4, 1946, but credit has been withheld leaving the accounts due and unpaid and the checks applied to the credit of the following accounts:

Anthony P. Columbo and Rose M., for estimated income tax for 1946 in the amount of \$2,500.

F. A. Wardenburg, for estimated income tax for 1946 in the amount of \$20,000.

The checks from Anthony P. Columbo and Rose M., and F. A. Wardenburg having been applied to credit the accounts of other persons on March 8, 1946.

Henry Davis paid his estimated income tax for 1946 by a check in the amount of \$5,000 which was deposited on March 28, 1946, in the



Wilmington Trust Co., Wilmington, Del. Credit has been withheld leaving the account due and unpaid.

The check was used to credit the account of Alfred E. Bissel for estimated income tax for 1945 in the amount of \$5,000, Alfred E. Bissel's check for \$5,000 having been deposited on November 9, 1945, and credit applied to accounts of other persons.

EUGENE C. MILLER,  
Senior Investigator,  
General Accounting Office.

#### ORDER OF BUSINESS

Mr. BALDWIN. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside in order that the Senate may proceed to the consideration of Senate bill 1557, Calendar 702, a bill to incorporate the Catholic War Veterans of the United States of America, and Senate bill 1375, Calendar 704, a bill to incorporate the Jewish War Veterans of the United States of America.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. LUCAS. Mr. President, this is a controversial question, and in view of the understanding which we have had with respect to taking up measures which are controversial while a number of Senators are out of the city and will be absent for some time, I am constrained to object to the unanimous-consent request.

Mr. BALDWIN. Mr. President, I understand that there is an agreement, in which both parties have joined, that no matters of a controversial nature shall be considered during the remainder of this week and next week. I shall not attempt to break that agreement by making a motion that these bills be considered.

I hesitate to make a motion for the further reason that we should dispose of the St. Lawrence waterway measure. However, I should like to have an understanding that when the St. Lawrence waterway is disposed of, we can make these bills the order of business, so that they can be disposed of. They have been on the calendar for a long time.

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

Mr. BALDWIN. I yield.

Mr. MORSE. Mr. President, I share the views expressed by the Senator from Connecticut, with this reservation: I hope that no understanding has been entered into that we are not to transact any business of a controversial nature in the United States Senate between now and February 27, because I think there is some legislation which we certainly ought to take care of between now and that date. There are a great many so-called minor bills on the calendar, very important bills, which are unanimously reported from committee. I think we should dispose of them if no Senator wishes to speak on the St. Lawrence waterway.

I think it would be an unfortunate state of affairs, merely because some of our colleagues are to be out of the city between now and February 27, if we were to drag our feet and take a sort of slow-down vacation until February 27.

I serve notice now that so far as House bill 3484, Calendar 365, is concerned, I shall move to take up that bill. It is a

bill to transfer the Remount Service from the War Department to the Department of Agriculture. I commented on the bill the other day when the calendar was called. The bill has been unanimously reported from the Armed Services Committee. It involves reaching some decision as to how we are to handle the Remount Service. We cannot go ahead with the so-called emergency grant which we were able to get through in the closing days of the last session.

I, for one, will protest any attempt to reach an understanding that legislation of that type is not to be considered before February 27 merely because some Senators are absent or intend to be absent.

I serve notice now that at the first opportunity after today I shall move to take up House bill 3484.

Mr. LODGE. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. LODGE. I was momentarily out of the Chamber. I should like to know whether Calendar No. 696, Senate bill 1356, a bill providing for the incorporation of the Franco-American War Veterans, has been called.

The PRESIDING OFFICER. It has not.

Mr. LODGE. I should like to know if there is any objection to bringing up that bill at this time.

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

Mr. BALDWIN. I yield.

Mr. KNOWLAND. Let me suggest to the able Senator from Massachusetts that we try to settle the question which the Senator from Connecticut [Mr. BALDWIN] has raised. He has asked unanimous consent for the present consideration of Senate bill 1557, Calendar 702, and Senate bill 1375, Calendar 704. I understood that there was objection from the Senator from Illinois [Mr. LUCAS] to taking up those bills in the absence of a number of Senators.

Mr. LODGE. Does the Senator from Illinois also object to the consideration of Calendar 696, Senate bill 1356, providing for the incorporation of the Franco-American War Veterans?

Mr. LUCAS. Mr. President, I regret that the Senator from Massachusetts was not present when I made my statement a moment ago. The two bills referred to by the Senator from Connecticut and the third bill, which was mentioned by the Senator from Massachusetts, are controversial measures, and in my judgment they will require considerable discussion and debate. I therefore cannot agree to a unanimous-consent agreement at this time, because a number of Senators who are interested in those bills are out of the city.

Mr. President, I am not responsible for Senators being out of the city. There has been a tentative understanding that while those Senators were absent making speeches in behalf of the Republicans, and while Democratic Senators are absent during the following week, no really controversial matter should be brought before the Senate for decision. I presume that that agreement can be overturned at any time, but I understood that that was the gentlemen's agree-

ment, from all I have listened to in the past few days, and from the statements of the distinguished acting majority leader, Mr. WHERRY, and other Senators with whom I have talked. I have nothing to do with the policy of the Senate at the present time. It is a matter for Senators on the other side of the aisle to decide what they wish to do.

Mr. LODGE. Mr. President, is the Senator personally opposed to these bills?

Mr. LUCAS. The Senator from Massachusetts cannot get the Senator from Illinois into a debate about those bills.

Mr. LODGE. I am not trying to debate them. I am merely seeking information.

Mr. LUCAS. The Senator will not get that information at this time.

Mr. LODGE. Mr. President, I express my regret that the Senator sees fit to block these bills. I thought that all the opposition to them had been removed. The bill to which I refer in particular is sponsored by the Senator from Rhode Island [Mr. McGRATH]. I had hoped that that might have a little weight with the Senator.

Mr. LUCAS. Mr. President, the Senator from Massachusetts regrets that I have blocked these bills. On an occasion of this kind, I have some responsibility on this side of the aisle, as acting minority leader. There are other Senators on this side of the aisle besides the Senator from Illinois, whom he must consider in this connection, or in connection with any other measure with respect to which there is controversy.

All I am saying to the Senator from Massachusetts is that there is a controversy with respect to these bills. Whether or not the Senator from Rhode Island or any other Senator on this side of the aisle happens to be for a certain bill might or might not make any difference to the Senator from Illinois from the personal angle. There are some Republicans who are for the St. Lawrence seaway, but that makes no difference to the Senator from Massachusetts in his opposition to it. The Senator from Wisconsin [Mr. WILEY] has no influence on the Senator from Massachusetts with respect to such an important measure; yet the Senator from Massachusetts seeks to catechise the Senator from Illinois because he objects to the consideration of a certain bill.

Mr. LODGE. Mr. President, I am not seeking to catechise the Senator at all. I am simply asking the question whether or not he is personally against the bill.

Mr. LUCAS. The Senator will find out in due time whether I am for it or against it.

Mr. BALDWIN. Mr. President, I should like to make my position clear. I made the request which I submitted because some time ago I spoke with the acting majority leader [Mr. WHERRY], who told me that he thought there might be an opportunity at this time to consider these bills. I had no idea that there would be so much controversy about them. Twice they have been called during the call of the calendar, and each time there has been objection. In each instance I explained the bill to the Senator who objected, and afterward the objection was withdrawn.

Mr. President, I am aware of the parliamentary situation. I agree with the distinguished Senator from Oregon [Mr. MORSE]. I do not believe that we ought to drag our feet. However, since there is an indication that these bills may be of a controversial nature and require some debate, I do not wish to interfere with the debate on the St. Lawrence waterway, which is a very important matter, and which has priority, by making a motion the effect of which would be to divert the attention of the Senate to these two bills. They are important bills, but they can be considered after the St. Lawrence waterway measure is disposed of. I merely ask my distinguished friend from Illinois and other Senators who may feel that consideration of those bills ought to be postponed at this time to join with me after the St. Lawrence waterway question is disposed of, when I make the motion that those bills be made the pending business so that they may be disposed of. I wonder if that suggestion meets with the approval of the distinguished Senator from Illinois.

Mr. LUCAS. I will say candidly to my friend that I have nothing to do with the program which will be in operation from now on. It is a matter for the policy committee of the majority as to what they wish to do in connection with these matters. I shall not be in position either to cooperate or not to cooperate with the able Senator. When the proper time comes I shall be glad to give the Senator my decision.

Mr. BALDWIN. My reason for addressing the distinguished Senator from Illinois is that he is the one who is making objection, and I thought he might be in position to give me some assurance, because he is the acting minority leader.

Mr. LUCAS. I suggest that we let the matter ride along. That is all we can do until the St. Lawrence seaway joint resolution is out of the way.

Mr. BALDWIN. The suggestion has been made, and I serve notice at this time that after the vote on the St. Lawrence seaway is had, I shall make a motion that these bills be considered.

Mr. LODGE. I shall join with the Senator from Connecticut in making that motion.

Mr. BALDWIN. And I shall join with the Senator from Massachusetts.

Mr. TAFT. Mr. President, while the St. Lawrence seaway project is under debate, these actions can be taken only by unanimous consent. I assume that the debate on the St. Lawrence seaway will soon come to a close. After that, any motion may be made to take up any measure. I assume the floor leader of the majority will move to take up certain bills. He has already suggested taking up on the 17th the budget resolution, and on the 18th the rent-control bill. I think that if the distinguished Senator from Connecticut will apply to the majority leader he will no doubt add to the list the bills in which the Senator is interested.

#### AUTHORITY OF MARITIME COMMISSION TO DISPOSE OF VESSELS

Mr. TAFT. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and

that the Senate proceed to the consideration of Calendar No. 902, Senate Joint Resolution 173, dealing with the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The CHIEF CLERK. A joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

Mr. TAFT. I may state that the urgency in this matter arises from the fact that the present legislation will expire on the 29th of February. So far as I have been able to discover, the resolution has the approval of Senators on each side of the Chamber.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. SPARKMAN. Mr. President, it is not my purpose to object to taking up the joint resolution at this time. When it was called on Monday I asked that it go over because the Waterman Steamship Corp., having its home office in the State of Alabama, had indicated an interest in the resolution, and a desire to offer certain amendments. I asked for time in order to present those amendments. I submitted them on Tuesday, and they are now on the table. Following that, I discussed the matter with the Senator from Washington [Mr. MAGNUSON], who has been very much interested in the measure. The Senator from Washington had told me that there was merit in the amendments proposed by the Waterman Steamship Corp., but that, unfortunately, it was a matter that should be discussed in committee, that of course it was impossible to take the matter back to the committee for further consideration, but that there would be ample opportunity for the presentation of amendments and discussion of them in the hearings to be held in the House committee.

Because of the urgency of this matter, Mr. President, I shall not press my amendments further, since the Senator from Washington has told me he did not feel it would be possible to accept the amendments here without having had some consideration of them in the committee. I believe there is merit in the amendments, and that very careful consideration ought to be given to the objective sought to be reached. As I understand the situation, it would be the intent of Congress to work out a merchant marine which might become a real and permanent part of the shipping industry, and every encouragement was sought to be given to people to buy ships in order that they might enter into that industry. As it is, a great many people are simply chartering ships and are not making headway as fast as it should be made in the purchase of ships and the setting up of a permanent and regular business. The purpose of the amendments was to lend an incentive for the purchase of ships, rather than have the business carried on merely under a temporary charter arrangement. I wish that the amendments might have been

considered, but, due to the urgency of getting the law extended, I shall not insist on my amendments.

I ask, Mr. President, for unanimous consent to insert in the RECORD at this point a statement which I requested the Waterman Steamship Corp. to prepare for me in explanation of the amendments, and why they should be incorporated into the legislation.

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

#### MEMORANDUM WITH REFERENCE TO PROPOSED AMENDMENTS TO SENATE JOINT RESOLUTION 173, PARTICULARLY WITH REFERENCE TO THE EXTENSION OF THE AUTHORITY OF THE MARITIME COMMISSION TO CHARTER DRY-CARGO WAR-BUILT VESSELS

The proposed amendments to Senate Joint Resolution 173 may be considered qualifications and/or limitations to the authority of the United States Maritime Commission to charter dry-cargo war-built vessels, so that the resolution will conform more nearly with the spirit and intent of the Merchant Ship Sales Act of 1946. The "spirit and intent" of the act was in effect to dispose of Government-owned war-built vessels to American shipping companies in order to re-establish a privately owned and operated American merchant marine. The intent was not to have the Government remain in the shipping business through continuing to charter vessels to operators who did not demonstrate their intent to purchase the ships.

Section 14 of said act stipulates that no contract of sale or charter shall be made thereunder after December 31, 1947; however, the Congress subsequently and generously extended the dead line date until February 29, 1948. The proposal to further extend the Commission's chartering authority until July 1, 1949, is not within the scope of the intent of the Merchant Ship Sales Act and, if the Congress feels that the authority should be extended in view of international conditions, certain limitations and qualifications should be attached thereto in order to bring it more in line with the intent of the act. The amendments suggested propose to meet this problem.

We heartily endorse the proposal outlined in Senate Joint Resolution 173 that would deny the Maritime Commission the authority to charter or sell war-built vessels to any person not a citizen of the United States. It is felt that recent proposals to charter vessels to foreign nations would be extremely detrimental to national interests and to the American merchant marine.

We take no position with reference to section 2 of the joint resolution which would waive compliance with the navigation and vessel-inspection laws, submitted by the Coast Guard, inasmuch as our interest lies primarily in dry-cargo merchant vessels.

Senate Joint Resolution 173 provides in section 1, subsection (a), that the temporary authority of the Maritime Commission to charter war-built dry cargo vessels shall be extended from March 1, 1948, to July 1, 1949. We suggest that this latter date be changed to May 1, 1949, with the provision that all charters entered into shall terminate not later than 60 days thereafter. Without this 60-day provision, the original intent of the committee, as expressed in Senate Joint Resolution 173, would be partially nullified inasmuch as many vessels on uncompleted voyages could not possibly be returned to the Maritime Commission in less than 60 days. Therefore, the changing of this date to May 1, and the 60-day provision, will permit compliance, in fact, with the intent of Senate Joint Resolution 173, i. e., the limitation of the chartering authority to July 1, 1949.

The second suggested amendment is noted on the attached as subsection (b) of section 1

(of S. J. Res. 173). It provides that, after February 29, 1948 (the deadline set by the last Congress), vessels shall be chartered for operation in the foreign trade only to citizens who actually own and operate American-flag vessels and/or those who have made unqualified commitments on or before that date to purchase dry cargo war-built vessels from the Maritime Commission. It proposes further that the number of vessels which any citizen may charter for operation in said foreign trades shall not exceed the ratio of two chartered vessels for each vessel the charterer actually owns or had made unqualified commitments to purchase.

Since March 8, 1946, all American citizens who seriously intended to acquire modern dry cargo war-built vessels from the Government have been afforded every reasonable opportunity during this 2-year period to demonstrate their alleged sincerity of purpose by assuming the inherent risks by investing their own private funds in the purchase of such vessels as might have been required to enable them to restore their prewar services and such postwar services as they intended to operate. Every inducement was made in the Merchant Ship Sales Act of 1946 to have these war-built vessels purchased by private industry for the purpose of reestablishing the privately owned merchant marine. Some elements of the industry, recognizing the intent and purpose of the Ship Sales Act, have invested their own funds and have reestablished their prewar American-flag fleet. Other elements of the shipping industry have not felt that it would be necessary to invest their private capital in war-built vessels as long as the Maritime Commission continued to charter the vessels to them without requirements as to the necessity to purchase vessels.

Obviously, therefore, the continuation of this chartering program, without the qualifications and limitations as suggested in these amendments, is a distinct discrimination against those American-flag ship operators who have purchased vessels and have thereby attempted to abide by the word and the intent of the act to reestablish a privately owned and operated American merchant fleet.

The suggested ratio of chartering two vessels for each one owned should actually result in the enlargement of the present American-flag dry-cargo fleet now being operated in the foreign trade of the United States. This fleet presently is made up of roughly 1,650 vessels. Approximately 550 are privately owned, and about 1,100 are chartered Government-owned vessels. Therefore, on the suggested basis of "two for one," the actual number of vessels in operation will not diminish inasmuch as it can very well be assumed that all owners of private fleets will take advantage of these suggested terms.

In addition, however, there can be no question but that many of the shipping companies who have not felt it necessary to purchase vessels will invest the profits they have accumulated through the operation of chartered Government-owned vessels, through the purchase of ships from the Commission. Therefore, this amendment will without doubt assist in the carrying out of the original intent of the Merchant Ship Sales Act of 1946 and, at the same time, should actually increase, rather than decrease, the present number of American-flag dry-cargo vessels in operation.

In the domestic shipping trade, i. e., the coastal and intercoastal trade, there are no national or international problems that necessitate the continuation of the operation of Government-owned vessels via charter arrangements with the Maritime Commission. The recent increase of 20 percent in rail rates has made it possible to increase domestic shipping rates to the extent that the reasons stated in the report (No. 856) on Senate Joint Resolution 173 for the continuation of the chartering authority in the

coastal and intercoastal trades are not warranted. This rate increase has now placed the domestic shipping industry in a competitive position whereby it can rehabilitate itself by the use of privately owned vessels and without the necessity of confining its operations in such trade to the use of vessels chartered from the Government at nominal or reduced rates.

Under these circumstances, an amendment has been suggested (subsection (c) of section 1) which would extend the authority of the Commission to charter vessels in the domestic trade to not later than 60 days after September 30, 1948.

Mr. SPARKMAN. Mr. President, I also ask unanimous consent to insert at this point in the RECORD a letter addressed to me by the Waterman Steamship Corp. relating to the same matter.

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

WATERMAN STEAMSHIP CORP.,  
Mobile, Ala., February 4, 1948.

HON. JOHN SPARKMAN,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR SPARKMAN: Confirming our conversation of yesterday morning, I am attaching hereto a brief memorandum in support of the two proposed amendments to Senate Joint Resolution 173. Further confirming our conversation, we feel that these suggested amendments, which in fact are limitations to the authority of the Maritime Commission to charter or sell war-built dry-cargo vessels, are vital if the American merchant marine is to be conducted as a private enterprise financed by private capital.

As you no doubt are well aware, the Waterman Steamship Corp. is an Alabama corporation with main offices in Mobile. We now own 55 dry-cargo war-built vessels which we have purchased from the Maritime Commission since the enactment of the Merchant Ship Sales Act of 1946, exclusively with our private funds, and in accordance with the terms of the said act. Eleven of these vessels have just recently been purchased from the Maritime Commission and will be part of our active fleet as soon as reconversion work, which we hope will be done in our yards in Mobile, has been completed.

With the addition of these 11 ships, the total dead-weight capacity of the American-flag fleet owned and operated by Waterman in domestic and foreign trades will be approximately 577,000 dead-weight tons. I am confident that Maritime Commission records will indicate that this is the largest privately owned and operated fleet under the American flag.

In addition to these privately owned vessels, we operate under charter arrangement with the Maritime Commission some 67 vessels, making a total fleet of 122 vessels, all with their home port in Mobile.

I bring these facts to your attention only to indicate to you our qualifications to speak in reference to the matters involving the American merchant marine and to indicate to you that the management of Waterman has made a concrete demonstration of their desire to comply with both the letter and the spirit of the Ship Sales Act of 1946.

Due to circumstances beyond our control, which I explained to you, we were unable to study Senate Joint Resolution 173 and to make known our views on this proposed resolution in time for proper consideration of our suggestions by the Senate Interstate and Foreign Commerce Committee. Therefore, your cooperation and interest in bringing our views to their attention and to the attention of the United States Senate before final action is obtained on Senate Joint Resolution 173, as reported by the Interstate and Foreign Commerce Committee, is deeply appreciated.

Trusting you will call on me if I can be of further service, I am,

Most cordially yours,

MARSHALL F. BANNELL,  
Director, Public Relations.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 173) to continue until July 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments.

Mr. TAFT. Mr. President, I ask that at this point in the RECORD there be inserted the report of the committee, without the accompanying letters, which I think states clearly the purpose of the proposed legislation, and to which I think there will be no objection.

There being no objection, the report of the Committee on Interstate and Foreign Commerce was ordered to be printed in the RECORD, as follows:

The Committee on Interstate and Foreign Commerce, to whom was referred the joint resolution (S. J. Res. 173) which continues until July 1, 1949, the authority of the United States Maritime Commission to sell, charter, and operate vessels and also continues the present waiver against compliance with certain navigation and vessel-inspection laws, having considered the same, report favorably thereon with amendments and recommend that it do pass, as amended.

#### PURPOSE OF LEGISLATION

The joint resolution would accomplish three objectives: (1) Extend until July 1, 1949, the temporary authority heretofore granted the Maritime Commission under the act of June 28, 1947 (Public Law 127, 80th Cong.), to continue to sell, charter, and operate vessels; (2) write into law the policy now followed by the Maritime Commission of not selling or chartering vessels to foreigners; (3) extend until July 1, 1949, the authority granted the United States Coast Guard under the act of March 31, 1947 (Public Law 27, 80th Cong.), to waive compliance with vessel-inspection and navigation laws for vessels under American registry. The recommended resolution has the approval of the United States Maritime Commission, the Department of State, the United States Coast Guard, labor organizations directly involved in maritime matters, and the National Federation of American Shipping. However, only the latter organization submitted its views on the committee amendment.

#### NEED FOR LEGISLATION

The legislation herewith reported by the committee was formally recommended by the President in a message to Congress on December 2, 1947 (H. Doc. 468, 80th Cong.). Calling attention to the fact that the authority of the Maritime Commission to sell, operate, or charter Government-owned vessels built during the war will expire on February 29, 1948, the President declared that—

"It is now clearly apparent that this authority must be continued beyond that date in order to prevent a break-down in vital shipping services."

And concluded with the statement that—  
"Our most immediate need, however, is to assure the maintenance of essential shipping services by continuing in effect the present provisions of law which make possible the use of Government-owned ships."

The Department of State, in even more urgent terms, advised this committee in a letter dated January 27, 1948, that the extension was of paramount importance in carrying

out this Government repatriation program and called attention to a report of a special subcommittee of the House Foreign Affairs Committee recommending that the repatriation program not be allowed to lapse. The State Department also points out that any failure in the International Refugee Organization's basic mission to liquidate the displaced-persons problem would throw a large additional burden of maintenance cost upon United States taxpayers, estimated by the State Department as \$130,000,000 annually. The text of the President's message and the State Department's letter are made a part of this report.

While the basic purpose of the resolution here recommended is contained in section 1 (a), which continues authority to carry on ship-operating functions and the sale and charter authority of the Ship Sales Act of 1946, the committee desires to call particular attention to its amendment contained in section 1 (b). The amendment, in specific terms, forbids after March 1, 1948, the sale or charter by the Maritime Commission of any United States war-built vessel to a non-citizen of the United States. The committee desires to point out that the United States Maritime Commission has followed the policy for several months of making no more sales to noncitizens, and it never has, of course, chartered any vessels to noncitizens. The committee believes the Maritime Commission is to be commended for this policy. In adopting the amendment the committee is making explicit in law what is presently implicit in administration and thereby definitely precluding shifts or changes in policy which might vitiate what it conceives to be a sound policy based on the facts available to it.

The committee believes there is no justification for the sale of war-built vessels to noncitizens after March 1, 1948. More than 950 such vessels have been sold to foreign buyers under the Merchant Ship Sales Act of 1946. These sales, coupled with the construction programs of the 16 so-called Marshall-plan nations, including vessels under construction and those for which contracts have been let, will result in merchant-fleet tonnages for these nations substantially in excess of their prewar levels. The merchant fleets of the friendly Allied Nations also will be larger than their prewar levels upon completion of their construction programs. Thus, the further sale to foreigners of American vessels would, in the committee's opinion, result in a competitive disadvantage to American-flag operators.

Data available to the committee would indicate that the total merchant-ship tonnage of the European nations which this country is aiding will in 1951 represent about 8 percent more of the world tonnage on that date than they had in 1938. Moreover, there are authoritative reports that some European nations which buy or would charter American vessels are presently busily engaged in ship-construction programs for the sole purpose of trading such new construction for other commodities necessary to their economies, meanwhile expecting to use the purchased or chartered American vessels to build up their own fleets. In effect, this is a program of using American war-built vessels to trade with nations with which we ourselves do not trade for the mutual advantage of the two participating nations but to the detriment of the United States, whose own merchant-fleet tonnage, both active and reserve might be lowered beyond safe, economic, and national-defense standards.

And while there is no authority in the Merchant Ship Sales Act to charter vessels to noncitizens and the Maritime Commission has not chartered American vessels to foreigners, the committee believes that it is desirable to make affirmatively certain that the law forbids such chartering of American vessels. It has been suggested that chartering will insure American ownership of the vessels and prevent reduction of the Ameri-

can merchant marine below safe limits. The committee, however, is impressed with testimony offered which indicates that chartered vessels are not always returned; for example, this country is still awaiting the return of 95 ships lend-leased to Soviet Russia when she was our ally. Moreover, American experience with chartering foreign demonstrates that the vessels returned are far from being in satisfactory condition. The cost of repairs to put them into operating condition is frequently more than the vessel is worth.

Beyond all this is the basic question of what tonnage should be retained in the American active and reserve fleets from a standpoint of national defense. The importance of a large merchant fleet to render vitally necessary auxiliary and logistical support to our military forces has been sharply demonstrated in two world wars. The report of the President's Advisory Committee on the Merchant Marine (Keller report) shows that the Navy deems as a minimum requirement a merchant fleet of 11,400,000 tons. The present privately owned American merchant marine is less than this total. This same report declares that when all Government vessels, including those now engaged in transporting relief and recovery cargoes, are returned to the reserve fleet, they will total about 2,000 vessels. Whether this number of vessels, which will have to be drawn upon from time to time to replace casualties and transport essential civilian requirements and strategic materials, is ample for the Nation's defense requirements is yet to be established. But, in the opinion of the committee, this is not the time to gamble with the future, or take a chance that we will not require a large, quickly available merchant fleet.

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

Mr. TAFT. I yield.

Mr. SPARKMAN. I wonder if the Senator would also insert in the RECORD the very brief statement he showed me earlier in the day. I should appreciate it if he would.

Mr. TAFT. Yes. Mr. President, I ask that there be inserted in the RECORD at this point a statement, which I understand is a statement of the Maritime Commission regarding the amendments offered by the distinguished Senator from Alabama, and which merely states that while the amendments have merit they raise a controversial point, one on which hearings should be held.

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

Senate Joint Resolution 173, introduced by Senator TOBEY, provides for the extension of the Merchant Ship Sales Act of 1946, and the operating authority of the Maritime Commission until July 1, 1949.

The extension of such authorities is deemed essential, whether to July 1, 1949, or to such earlier date as may be deemed appropriate.

The amendment (in the nature of a substitute) proposed by Senator SPARKMAN modifies Senate Joint Resolution 173 in several material aspects. Although these proposed modifications are supported by substantial merit, they may be subject to considerable controversy. It is believed, therefore, that they should be considered separately so as not to prejudice the immediate passage of the extension of the authorities provided for in Senate Joint Resolution 173, as introduced.

Separate consideration of the proposed modifications will permit the holding of hearings and the making of unhurried conclusions which the amendments deserve. It will also make possible the opportunity to better

correlate the proposals and will result in amendments which will most effectively accomplish the intended purposes to the greatest ultimate benefit of the American-owned and American-operated merchant marine.

The PRESIDING OFFICER. The clerk will report the first amendment of the Committee on Interstate and Foreign Commerce.

The CHIEF CLERK. It is proposed to insert on page 1, line 3, after the word "that", the letter "a" in parentheses.

The amendment was agreed to.

The next amendment was, on page 1, to insert a new subparagraph (b), as follows:

(b) Notwithstanding the provisions of subsection (a), no contract of sale under section 6 of the Merchant Ship Sales Act of 1946 shall be made after March 1, 1948; and nothing contained in this or any other act shall be deemed to authorize the United States Maritime Commission to charter any war-built vessel (as defined in the Merchant Ship Sales Act of 1946) to any person who is not a citizen of the United States (as defined in the Merchant Ship Sales Act of 1946).

Mr. McMAHON. Mr. President, as I understand, the committee amendment prohibits any more foreign sales after the end of the present month. Is that correct?

Mr. TAFT. It merely writes into the law the practice which has already been adopted by the Maritime Commission itself. It makes it a matter of statutory policy instead of merely a policy of the Commission.

Mr. McMAHON. Of course, the Senator is aware that in the so-called Marshall plan there is a provision for the transfer of approximately 400 vessels. I am not sure of the number, but I believe there is a provision in the plan for the transfer of such vessels. Is the Senator informed as to that?

Mr. TAFT. I am not fully informed, but of course if it were desired to make that prohibition it would supersede the present practice.

Mr. McMAHON. If the Senator is correct, the Maritime Commission has, as a matter of Commission policy, stopped some months ago foreign sales, at least to any great extent.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 173) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That (a) section 1 of the act entitled "An act to continue temporary authority of the Maritime Commission until March 1, 1948," approved June 28, 1947 (Public Law No. 127, 80th Cong.), is amended by striking out the date "March 1, 1948" and inserting in lieu thereof the date "July 1, 1949."

(b) Notwithstanding the provisions of subsection (a), no contract of sale under section 6 of the Merchant Ship Sales Act of 1946 shall be made after March 1, 1948; and nothing contained in this or any other act shall be deemed to authorize the United States Maritime Commission to charter any war-built vessel (as defined in the Merchant Ship

Sales Act of 1946) to any person who is not a citizen of the United States (as defined in the Merchant Ship Sales Act of 1946).

Sec. 2. Section 2 of the joint resolution entitled "Joint resolution authorizing the Commandant of the United States Coast Guard to waive compliance with the navigation and vessel-inspection laws administered by the Coast Guard," approved March 31, 1947 (Public Law No. 27, 80th Cong.), as amended, is amended by striking out the date "April 1, 1948" and inserting in lieu thereof the date "July 1, 1949."

#### THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Mr. TAFT. Mr. President, I should like to make a 2-minute statement on the St. Lawrence seaway, if I may.

Mr. President, after full consideration of the issues involved in the St. Lawrence seaway, I have decided to vote against it at this time. So long as this country is involved in the expenditure of billions of dollars for armed forces, more likely to increase than decrease, so long as it is involved in costly aid to other countries to check the growth of communism in the world, so long as we have the tremendous obligations to our veterans of two world wars, I do not think the Federal Government should undertake any large increase in its public-works projects, unless the case in favor of proceeding is clear beyond question. Already the effort to do too many things at one time is causing hardship and inflation.

While I think the power development of the St. Lawrence is important and desirable, the greater part of the expense relates to navigation. The navigation project seems to me of questionable economic value at this time.

I also believe it is of questionable defense value. I believe our steel companies should be forced to develop the low-grade iron ores of Minnesota and not become entirely dependent on iron ore imported from other countries. I find this is the prevalent view also in northern Ohio, where so much of the steel industry is located.

Therefore, I am not willing to vote to authorize the navigation project at this time.

Mr. MORSE. Mr. President, I wish to make a brief statement in regard to one or two matters.

Before doing so, I wish to propound a parliamentary inquiry, because I am not sure that I correctly understood the Senator from Ohio, and I should like to have him give me his attention for a moment in regard to a point he made a few moments ago concerning the procedure which has to be followed under the unanimous-consent agreement in regard to the St. Lawrence seaway joint resolution.

I propound the parliamentary inquiry whether a Member of the Senate has a right to make a motion at any time to have the Senate lay aside the unfinished business, the St. Lawrence seaway joint resolution, which is now before the Senate, and take up any other measure on the calendar.

The PRESIDING OFFICER. A motion to take up any other measure is in order at any time.

Mr. MORSE. Then, if I correctly understand the ruling—

Mr. TAFT. Mr. President, as I understand the distinction, a motion is now in order to have the Senate take up any measure; but the effect of the adoption of such a motion would be to do away with the status of the St. Lawrence seaway joint resolution as the unfinished business. I suppose that under the unanimous-consent agreement that joint resolution would automatically recur as the business before the Senate on February 27.

However, until we have completed action on the St. Lawrence seaway joint resolution, I do not think we should entertain a motion which would remove the St. Lawrence seaway joint resolution from the status of the unfinished business.

So the only other recourse is a unanimous-consent agreement to set aside temporarily the unfinished business. It seems to me that a motion to set it aside is not in order.

The PRESIDING OFFICER. The Senator from Ohio has correctly stated the situation.

Mr. MORSE. That was my impression. I simply wished to make sure, because as I understood the Senator's previous remarks, it seemed to me they left the impression that such a procedure would not be in order.

I wish to say that until the debate on the St. Lawrence seaway joint resolution has in fact ended, it would certainly not be out of order, although not cricket, for any Senator to make such a motion. I have no intention of making such a motion; but when I am satisfied that every Senator has said all he wishes to say in regard to the St. Lawrence seaway measure, I intend to press for action on Calendar No. 365, House bill 3484, for reasons which I stated earlier today, for I think all of us understand that the real reason why the date February 27 was fixed under the unanimous-consent agreement, insofar as the St. Lawrence seaway joint resolution is concerned, was the fact that all of us knew there would be a considerable amount of absenteeism in the Senate between now and February 27, and both the proponents and the opponents of the St. Lawrence seaway wished to be sure of selecting a date when the maximum number of Senators would be in the Chamber when the Senate came to vote on that measure. That is one reason why I went along with the unanimous-consent proposal, quite contrary to my usual custom in regard to such matters, plus the other reasons I stated in the RECORD yesterday—the fact that the agreement gives ample time for all Members of the Senate to debate the issue, and also ample time for the country to be heard from in regard to it.

But I wish to point out this afternoon, Mr. President, that as soon as the Senator from Wisconsin [Mr. WILEY], who is the leader for the proponents, and the Senator from Massachusetts [Mr. LODGE], who is the leader for the opponents, can make clear to us that they

think debate on the St. Lawrence seaway joint resolution has in fact stopped, then I think the Senate should proceed with some of these minor but controversial measures, and should do the business of the Senate which should be done between now and February 27.

That is why at a later time, when I have such a notification from the Senator from Wisconsin and the Senator from Massachusetts, I shall at least urge that some action be taken by the Senate on some minor but nevertheless controversial bills.

#### DR. FRANK P. GRAHAM

Mr. MORSE. Mr. President, the next thing I wish to comment on in these brief remarks is the speech made earlier this afternoon by the Senator from Texas [Mr. O'DANIEL]. I wish to refer particularly to that part of the speech in which he commented upon a man who I think is one of the greatest of living Americans.

I am sure that those who read the speech of the Senator from Texas may at least infer that Dr. Frank Graham, president of the University of North Carolina, was the subject of criticism in that speech. I do not need to say anything in defense of Dr. Graham; and the remarks I now make, Mr. President, are not in defense of him, but, rather, are in fairness to him, because I think on the same day when the CONGRESSIONAL RECORD carries the type of remarks about Dr. Graham that were included in the speech of the Senator from Texas, a statement in support of Dr. Graham's great Americanism should also appear in the CONGRESSIONAL RECORD.

I served with Dr. Graham for 2 years on the National War Labor Board, during the war. He is the personification, let me say, Mr. President, of the idealism of Americanism. I know of no living man who is more Christlike in character than the great president of the University of North Carolina, Dr. Frank Graham. He is the son of a Confederate officer, one of the great sons of the South, a man who I think must be included in any list of the 25 greatest living Americans, a man who is a great inspiration to the youth of the South—not only to the youth of the South, Mr. President, but to the entire South and to the Nation as a whole. He is a man who recognizes the liberalism of the Constitution of the United States, and who fully appreciates the significance of the freedoms of its Bill of Rights, a man who recognizes that we do not answer opposition by trying to drive it underground, a man who has appeared on the platforms of America before all types of organizations in defense of constitutional government.

Mr. President, I hope we have not reached such a point in America that when one accepts an invitation to speak before any organization, he thereby becomes an endorser of the platforms or policies or principles of that organization. The fact that Dr. Graham, as was pointed out this afternoon by the Senator from Texas, has appeared on the programs of some organizations that we know to be leftist organizations, is no reflection upon his Americanism. Mr.

President, as an American liberal I am perfectly willing to appear, at my convenience, before any leftist organization in America and defend the principles of Americanism for which I stand. I have done so on many occasions. I have done so, making perfectly clear my opposition to the principles for which those organizations stand.

Let me say, Mr. President, that in my opinion the way to meet the Communist menace is to keep that menace right out in the open, beard the Communists in their dens, so to speak, go before them and their constituencies and point out to them wherein they stand for principles that cannot be reconciled with the freedoms of our Constitution. Point out to them that the principles for which they stand constitute, in the last analysis, police-state methods, and cannot be reconciled with the individual liberty guaranties of our form of government.

Frank Graham is such a liberal fighter for American principles. I wish to say that the test is not before what audiences a man speaks, but what he says before those audiences. That is the test. I am perfectly willing to let Dr. Graham's record, as set forth in his speeches, speak for itself.

I make these remarks because I think there is a danger that from the remarks made this afternoon by the Senator from Texas about Dr. Graham, president of the University of North Carolina, some persons might draw an implication reflecting upon the patriotism of Dr. Graham. I make them with this concluding statement, Mr. President, that it is my honest opinion that a more patriotic American does not live in our country than the distinguished president of the University of North Carolina, Dr. Frank Graham.

Mr. WILEY subsequently said: Mr. President, I was greatly moved by the statement of the Senator from Oregon. I agree 100 percent with the sentiment he expressed. I do not know the doctor to whom the Senator referred, but I do know that in these fast-moving days the thing to do is not to indulge in personalities, but to argue principles, and not so to act that nefarious forces must go underground, but if we can, argue the merits. As I have said so many times on the floor of the Senate, and as I have said in relation to Europe, we Americans have a good bill of goods to sell. The question is whether we are salesmen. The thing to do is to sell the bill of goods, and the way to counteract or to provide an antidote to communism is to expose its irrationality and lack of common sense and to expose further what communism breeds and what citizens under that form of government get. The way to do that is to show the facts, and to sell our bill of goods. So I join with the Senator in what he so ably said, only wishing that I could get on my feet and express as forcefully, as dynamically, and as clearly as he did, what I think is one of the great needs of the day, that when we disagree with a person's philosophy we present our reasons for our beliefs. It was only four or five hundred years ago that the Catholics and Protestants burned each other at the

stake, thinking they were doing God's will. Each group thought they were doing God's will. We in America today know that that is not God's will; it is man's blindness. So today, we must not be so cocksure that we have arrived. America is a growing nation, and that is why we are asking for the St. Lawrence seaway.

#### BREAKING NEW GROUND, BY GIFFORD PINCHOT—ARTICLE FROM THE INTERNATIONAL WOODWORKER

Mr. MORSE. Mr. President, I ask to have printed in the body of the RECORD, at this point, as part of my remarks, a very excellent review of Gifford Pinchot's book, *Breaking New Ground*, dealing with one of the great domestic problems of America, namely, the conservation problem. I ask to have the review printed in the body of the RECORD because I wish to associate my views with those expressed in the review.

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

[From the International Woodworker of January 21, 1948]

#### A BOOK TO SHOUT ABOUT

(*Breaking New Ground*, by Gifford Pinchot)

Here is a book to shout about. It's so worth while anyone's time reading that when you finish the last page you will want to tell the whole world about it.

The book starts with forestry, which itself is a pretty big thing, especially to woodworkers. But Pinchot's story broadens and deepens mightily as it goes along, until it becomes the best book we know on what the whole twentieth century in America is all about.

It is an especially timely book for this crucial political year of 1948, but it will remain timely for many years to come. Here is why:

The twentieth century is the century of American revolt against plutocracy, the century of struggle for the general welfare against the evils of concentrated wealth. *Breaking New Ground* tells what that fight is all about. It tells the story, not by theorizing, nor from library research, but by actually reporting the first-hand experiences of a man who was in the thick of the first big round of that battle, early in the century. That round, of course, was Theodore Roosevelt's Square Deal, which was to be followed, between reactionary lapses, by Woodrow Wilson's New Freedom, Franklin Roosevelt's New Deal, and—well, the people have yet to decide what and when the fourth and succeeding rounds will be. If we give Truman a good Congress to back him up in November, maybe it will be soon.

#### CONSERVATION IS ANTIMONOPOLY

Pinchot shows how the whole pattern and direction of the twentieth-century struggle in America was set during the Square Deal years. The crux of the whole progressive movement against concentrated wealth, Pinchot points out, is the conservation policy that was formulated and popularized, and partly put into effect, during the administration of "TR."

Pinchot makes it clear that the conservation policy was not and is not the obscure, technical, rather negative thing which some people evidently regard it to be. Instead it is a dynamic policy for the development and use of the world's resources for all the people, against the restrictive, exploitive schemes of monopoly. As such it is the most basic material problem of all.

The "TR" conservation policy laid the foundations and started many of the works

of the twentieth century which have done most to provide opportunity to the common man and to raise his standard of living and better his conditions. Those works now include the Nation's great electric-power projects like Bonneville and Grand Coulee, the unified development of river basins, as in the Tennessee Valley, the mighty irrigation projects on the western deserts, rural electrification, the soil-conservation program, and the conservation and wise use of oil, coal, and mineral lands, as well as the fight to conserve and develop the forests for the public welfare against the greed and ignorance of a scheming few.

Pinchot shows clearly how the fight against monopoly is a part of the conservation policy. As he puts it, "the rights of the people to govern themselves shall not be controlled by great monopolies through their power over natural resources." That he presents as one of the three great purposes of the conservation policy. The others are (1) wise use and development; and (2) control of such use in the common interest (p. 506).

#### CONSERVATION SPLITS REPUBLICAN PARTY

How the fight of special privilege against the conservation policy split the Republican Party from stem to stern (leading to Woodrow Wilson's election in 1912) is part of the story. Since that split the number of progressives left in the Republican Party can very nearly be counted on the fingers of one hand, although Pinchot does not go into that. Except for world conservation policy, Pinchot's story ends right after the bumbling, reactionary President Taft (father of the present Senator) fired Pinchot for continuing to fight for the conservation policy when Taft's friend, Ballinger, as Interior Secretary, was scuttling it.

#### KEY TO WORLD PEACE

As regards world affairs, Pinchot shows that the conservation policy is the key to peace. And he brings that part of the story down to 1946 and the plans for a world-conservation conference to start the ball rolling. Such a conference, the book says, has been placed on the UN agenda for this year.

Pinchot comments, also, how President after President since TR has "discovered" conservation. But he makes clear that the Presidents who count are those who do something about it, rather than giving mere lip service. By that measure, of course, Franklin Roosevelt counted high. Indeed, Pinchot reports that FDR was the first President since TR who immediately grasped the significance of the conservation policy in relation to world peace. Plans for the coming UN world-conservation conference were started by Pinchot and FDR.

The first part of the book is especially interesting to a forester, but it is good reading and helpful for anyone who wants to understand what the twentieth century is all about. That is because it shows, in rewarding detail, how the conservation policy got its start in the fight for the forests. And it tells much that a woodworker as well as a forester, will be glad to know about forestry.

#### THE PEOPLE VERSUS PRIVILEGE

The latter part of the book tells what the conservation policy is, and the kind of opposition it met, and has met ever since. This part of the book, except for names and dates, reads just like today's news: On one hand, the same kind of clear, constructive proposals, the same honest courage on the part of men who put the public welfare first; on the other hand, the same kind of demagoguery, dishonesty, evasion, and stupidity which has always characterized the spokesmen and stooges of monopoly and special privilege.

Replete with actual quotations from both sides of the controversies of the TR days,

the book does something mighty helpful for the reader: It enables him to see that there is a consistent steady direction to the drive for democratic progress in the twentieth century. If you are on the democratic side of the struggle, you will get from the book not only insight on what to do, but also a warm feeling of kinship and fellowship with some really great souls who pioneered in the same fight that woodworkers and all decent-minded people are waging today.

If you are on the reactionary side, the book should make you feel like a heel, which, of course, is the first step in reforming a reactionary.

So it is a useful and timely book. It's also good, entertaining reading. The action moves along well, except in a few spots. It is livened with many a pungent phrase, for GP was a master phrase maker.

#### MONOPOLY ON THE LOOSE

The whole book is worth reading, but for those who don't read whole books, at least the concluding section, *What It All Means*, is a must. Among other things it has pungent, honest things like these to say:

"Monopoly on the loose is a source of many of the economic, political, and social evils which affect the sons of men. Its abolition or regulation is an inseparable part of the conservation policy" (page 507).

"Concentrated wealth attributes to the prosperity and progress of the United States to what it calls free enterprise. To it free enterprise means freedom to take, keep, and control all the resources \* \* \* and charge for them the last possible cent. \* \* \*

"The monopolists must accustom the people to their tyranny by a constant stream of praise for great corporations and of free enterprise according to their own interpretation, as well as discrediting of liberal movements and leaders—all of which is facilitated by their ever-increasing control of the press, the radio, and other news outlets" (page 508).

"It is time for America and the world to move on from a social order in which unregulated profit is the driving force. \* \* \* When it comes, I want it to come by development and not by revolution" (page 509).

ELLERY FOSTER,  
Research Director.

#### THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

Mr. WILEY. Mr. President, we were ready to go forward today. The Senator from Illinois [Mr. LUCAS] was to have carried on. He yielded to other Senators having business to come before the Senate. I do not want the impression to go out that we are trying to delay the consummation of the argument. I have been informed by the acting majority leader that it is proposed to recess until Monday. We would be ready to carry on tomorrow; we shall be ready to carry on on Monday. I do not know what the program for Monday is, whether the St. Lawrence seaway matter has gone over until Wednesday or not. We should like to conclude the arguments on the St. Lawrence waterway, but for reasons that have been stated many, many times, we are in a sort of hiatus, with Lincoln's Birthday coming next week. I do not want it to appear for one moment that we are trying to be dilatory or following any delaying tactics.

#### RECESS TO MONDAY

Mr. KNOWLAND. Mr. President, I now move that the Senate recess until Monday next at noon.

The motion was agreed to; and (at 5 o'clock and 9 minutes p. m.) the Senate took a recess until Monday, February 9, 1948, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 5, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, as we pause in this sacred quietness, hear our supplication for divine help, that we may approach the pattern and similitude of our Redeemer's character. As each day sets its task, steady us with concentration and perseverance and hold us to the conviction that triumph or failure rests with us.

Open the fountain of Thy wisdom that we may be most seriously concerned with the welfare of our Nation, which must rest forever upon the mental, moral, and spiritual nature of our people. Give us humility, without which faith becomes presumption and hope a delusion. As we ponder the tangled problems of today, O keep us out of the easy paths of acquiescence and vouchsafe unto us the profound insight of true statesmen. Make us wise by our mistakes and stronger by every temptation overcome. Thou who art our ruler and our guide, without whom nothing is strong or enduring, hear our prayer and give us peace. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS TO SIT DURING SESSION TODAY

Mr. RICH. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### THE WRIGHT BROTHERS

Mr. BURKE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BURKE. Mr. Speaker, citizens the world over in recent days have been paying tribute to the genius of the late Orville Wright, who, through the invention of the airplane with his brother, Wilbur, made the name of Wright one of international fame.

On the North Carolina coast nearly 45 years ago, the Wright brothers negotiated the first successful flight with a heavier-than-air machine. No one, even today, can truly evaluate and estimate the importance of this achievement.

Nevertheless, as coinventor of the airplane, Orville Wright did have the opportunity, unlike his brother, to witness and harvest some of the fruits of the combined efforts of their revolutionary development.

The story of the development of modern-day aviation started from a mere toy which was brought home to the Wright brothers by their father, Bishop Martin Wright. Fired by the enthusiasm of this toy helicopter, their imagination and capabilities took on such tangible form that today great distances have largely been nullified. As a result of this inventive skill, we find it necessary to adjust our thinking and actions to meet the resulting changes.

I should like to insert into the RECORD a copy of an editorial which appeared in the Dayton (Ohio) Herald on Saturday, January 31. It takes note not only of his international fame, but also of his value to the community.

#### ORVILLE WRIGHT

The world knew and honored Orville Wright as the coinventor of the airplane, as the man who with his brother brought to realization the age-old dream of mankind to conquer the air.

But Dayton knew, honored, and loved Orville Wright because he was Orville Wright, because he was the son of his reverend father, and the brother of his equally famed, honored, and beloved brother.

Dayton knew, honored, and loved Orville Wright because he was such a good citizen, all round. Great fame, we are convinced, never rested so lightly upon anyone. He was such a modest man, so unassuming, so friendly.

He has been an institution here in Dayton for so long that it is hard to believe that he is gone, hard to believe that no more shall we see him at public gatherings sitting quietly well out of the limelight. He shunned all personal prominence as if it were positively painful, yet that trait never prevented him from putting his shoulder to the wheel whenever community or country called.

The tale of his achievements is told elsewhere in the Herald. There is no need of reciting it again here. That story in its broader outlines is well known to every Daytontian as, indeed, it is to almost everyone in the civilized world.

It is an inspiring story, a story of the surmounting of difficulties which seemed really unsurmountable, until the Wrights, Wilbur and Orville, came along. No more illuminating commentary can be made on their accomplishment than to point out that, when at last they succeeded and made their machine actually fly, people generally simply wouldn't believe.

The thing was too astounding! Why, here in Dayton, their home, people wouldn't believe. And the Dayton newspapers, this Dayton newspaper is sorry to have to admit, didn't even cover the story—certainly in its wonder and in its consequences one of the greatest stories ever to break.

Orville Wright is no more, but his memory will endure while civilization survives.

#### ADJOURNMENT TO MONDAY NEXT

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at noon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJOURNMENT FROM MONDAY UNTIL  
THURSDAY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday next it adjourn to meet on Thursday following at noon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. MUHLENBERG and Mr. DAVIS of Wisconsin asked and were given permission to extend their remarks in the RECORD and include an article.

Mr. DAGUE asked and was given permission to extend his remarks in the RECORD and include a letter in support of the fine record of Dr. S. H. Scott, a resident of his district.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an article.

DOES RUSSIA REALLY OPPOSE MARSHALL  
PLAN?

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ELLIS. Mr. Speaker, does Russia really oppose the Marshall plan is a question that is causing much speculation today.

It is refreshing to find a Member of the other body courageous enough to challenge the administration's position that Russia, in her fight on democracy, is opposing the Marshall plan. The facts, I am sure, will sustain the distinguished Senator from Indiana when he says, as quoted in the press:

Reds fight Marshall plan in ruse to aid it. Russia thus can continue to take reparation out of Europe.

And he continues:

Stalin is cagily pretending to oppose the Marshall plan—just to make sure the United States approves it.

And, to quote again, he said:

We are playing the sucker to Stalin's devious oriental mind. This is a colossal game of put and take; Russia can continue to take reparation out of Europe only so long as we continue to put it in.

The Senator is correct.

You will recall, during the debate on the European interim aid bill last December, the communistic strikes were in progress in Italy and in France. As the day of voting in the Congress approached, the strikes developed into riots and general disorder. This was perfect timing on the part of Stalin, and no doubt its effect was reflected in the support the measure received.

Yes, the Senator is correct when he says: "Stalin is aiding in the Marshall plan by opposing it, which he well knows will provide a basis for the desired propaganda."

The objective of the cold war has been evident for weeks. Russia has de-

manded \$10,000,000,000 reparation from Germany, knowing full well that Germany cannot pay one dime. His plan is to receive the reparation in American dollars and the prospects appear to be good, if the administration has its way.

Yes, truly, the communistic bear is feeding on American dollars and is playing Uncle Sam for a sucker.

Another interesting bit of news is that 29 students just in from Europe touring America express surprise at the prevalence of war talk in the United States. Is the administration becoming trigger-happy in its mad fight for European aid?

DON'T QUIT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, as I was coming over here to attend the session of the House today I was asked, "Where are you going to get the money?" I do not want to make America weak by assuming the burdens of the world and I do ask the question, "Where are you going to get the money?" to finance all Europe and the world.

Mr. Speaker, I hold in my hand a little poem that was given me this morning entitled "Don't Quit," which I think is rather pertinent at this time. It reads:

DON'T QUIT

When things go wrong, as they sometimes will,  
When the road you're trudging seems all uphill,  
When funds are low and debts are high,  
And you want to smile, but you have to sigh,  
When care is pressing you down a bit,  
Rest if you must, but don't you quit.  
Life is queer with its twists and turns,  
As everyone of us sometimes learns,  
And many a failure turns about,  
When he might have won had he stuck it out;  
Don't give up, though the pace seems slow—  
You may succeed with another blow.  
Often the goal is nearer than  
It seems to a faint and faltering man.  
Often the struggler has given up  
When he might have captured the victor's cup.  
And learned too late, when the night slipped down  
How close he was to the golden crown.  
Success is failure turned inside out—  
The silver tint of the clouds of doubt.  
And you can never tell how close you are,  
It may be near when it seems afar;  
So stick to the fight when you're hardest hit—  
It's when things seem worst that you mustn't quit.

—Selected.

Mr. Speaker, I do not want to make America weak by financing the other nations of the world.

Do not give up the ship. Let us not make America weak by trying to remedy the troubles of the peoples of all the world.

Do not quit.

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the

RECORD in two instances and include in each newspaper articles.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an address he delivered before the Mississippi Valley Association in St. Louis.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include cryptic endorsements that Lincoln made on the backs of some of the letters he received while President of the United States.

SKILLED STENOGRAPHER AVAILABLE

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, skilled stenographers who attend to business and use their heads are rare jewels. Such a young woman is now at work in my office but is surplus solely by reason of the return of a former employee. I will be glad to furnish the full particulars to any Member interested.

SOCIAL-SECURITY COVERAGE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 458, Rept. No. 1343), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 296) to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the joint resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the joint resolution shall be considered as having been read for amendment. No amendment shall be in order to said joint resolution except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the joint resolution at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion, except one motion to recommit.

REGIONAL AGRICULTURAL CREDIT  
CORPORATION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 459, Rept. No. 1344), which was referred to the



House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 275, to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers, and for other purposes, and all points of order against said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

**COMMEMORATION OF THE FIFTIETH ANNIVERSARY OF THE VICTORY OVER SPAIN**

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 140.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RANKIN. Mr. Speaker, reserving the right to object, will the gentleman please explain what this measure is?

Mr. VAN ZANDT. Under House Concurrent Resolution 108 there was created a joint congressional committee for the purpose of perfecting arrangements to observe the fiftieth anniversary of the American and Cuban victories in the war with Spain. The joint congressional committee has submitted its report to the Congress, recommending a program of observance, and we now ask that the authority of the committee be continued for a period 30 days after April 19, the date of a joint session of the Congress of the United States to observe the victory over Spain. For the information of the Members of the House I am inserting at this point the report of the Joint Committee on the Observance and Celebration in Cuba of the Fiftieth Anniversary of American and Cuban Victories in the War With Spain, created by House Concurrent Resolution 108:

**REPORT OF THE JOINT COMMITTEE ON THE OBSERVANCE AND CELEBRATION IN CUBA OF THE FIFTIETH ANNIVERSARY OF AMERICAN AND CUBAN VICTORIES IN THE WAR WITH SPAIN**

*To the Congress of the United States:*

The Joint Committee on the Observance and Celebration in Cuba of the Fiftieth Anniversary of American and Cuban Victories in the War with Spain, created by House Concurrent Resolution 108, Eightieth Congress, agreed to July 26, 1947, submits the following report pursuant to section 2 (b) of said resolution:

In the discharge of its duties under House Concurrent Resolution 108, your committee has considered various plans for the observance contemplated by the resolution, and has had the active cooperation of representatives of the Cuban Embassy in Washington. After discussion of all plans your committee

has unanimously agreed upon the following recommendations:

(a) In connection with the observance of the fiftieth anniversary of the sinking of the United States battleship *Maine* in Habana Harbor, it is recommended that a delegation be appointed to be composed of two Members of the Senate to be appointed by the President of the Senate, two Members of the House to be appointed by the Speaker, and two representatives of the United Spanish War Veterans, consisting of the commander in chief and one other member of that organization to attend the ceremony that will be held in Habana, Cuba, on Sunday, February 15, 1948. This action was approved after it was indicated by a spokesman for the Cuban Embassy that the Cuban Government would formally invite the delegation, through diplomatic channels, within the next few days. Expenses in connection with the visit of the delegation to Cuba are to be paid from the moneys authorized by House Concurrent Resolution 108.

(b) It is recommended that a joint session of the Congress of the United States be called for Monday, April 19, 1948, at which time the President of the United States will address the joint session. The President has already agreed to such action. In Habana, Cuba, on the same date, a joint session of the Cuban Legislature will be held, with the President of Cuba addressing the joint session. National and international broadcasting companies have indicated their willingness to cover these two joint sessions.

(c) While your committee is submitting this report not later than February 2, 1948, as provided in House Concurrent Resolution 108, it is recommended that the committee, together with its authority and authorized moneys, should be continued for a period of 30 days after April 19, 1948.

The necessary resolutions to carry out the foregoing recommendations will be submitted contemporaneously with this report.

Mr. RANKIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the concurrent resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That House Concurrent Resolution 108, Eightieth Congress, agreed to July 26, 1947, is amended by striking out the last sentence of section 2 (b) and inserting in lieu thereof the following: "The committee shall cease to exist upon the expiration of 30 days after April 19, 1948."

The resolution was agreed to.

A motion to reconsider was laid on the table.

**COMMEMORATION OF THE FIFTIETH ANNIVERSARY OF THE VICTORY OVER SPAIN**

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 139.

The Clerk read the concurrent resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in commemoration of the fiftieth anniversary of the victory over Spain, resulting in the liberation of Cuba, the two Houses of Congress shall assemble in the Hall of the House of Representatives at 1 o'clock in the afternoon, on Monday, April 19, 1948.

That the joint committee created by House Concurrent Resolution 108, Eightieth Congress, is empowered to make suitable arrange-

ments for fitting and proper exercises for the joint session of Congress herein authorized.

That invitations to attend the exercises be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the General of the Armies, the Chief of Staff to the Commander in Chief, the Chief of Staff, United States Army, the Chief of Naval Operations, the Chief of Staff, United States Air Force, the Commandant of the Marine Corps, and the Commandant of the Coast Guard, and such other persons as the joint committee shall deem proper.

That the President of the United States is hereby invited to address the American people at the joint session of the Congress in commemoration of the fiftieth anniversary of the victory over Spain.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT:

Page 1, line 3, strike out "the victory over Spain, resulting in."

Page 2, line 13, strike out "victory over Spain" and insert "liberation of Cuba."

The amendment was agreed to.

The concurrent resolution was agreed to.

The title was amended so as to read: "Providing for a joint session of the two Houses on Monday, April 19, 1948, in commemoration of the fiftieth anniversary of the liberation of Cuba."

A motion to reconsider was laid on the table.

**PALESTINE**

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a portion of a Kiplinger letter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, it has been brought to my attention that a portion of the Kiplinger letter of January 31 reads as follows:

**PALESTINE**

The partition endangers oil. Army and Navy are worried. They fear Arabs may cut pipe lines, or Jews may do it and blame Arabs. So, United States has sent into the Middle East 200 specially trained officers to woo the Arabs, and to try to keep Russia from getting the Arab oil.

By summer, 40,000 United States troops in Palestine; that is the prospect. Also same number of Russian troops, to enforce partition at UN request. Arabs do not like the United States, for this country forced partition through UN.

Palestine will become increasingly a danger spot.

Mr. Speaker, I think that such statements as this in a letter which has as wide a distribution as the Kiplinger letter are inflammatory and absolutely not based upon the facts of the case. They stem either from the standpoint of creating propaganda or from a lack of knowledge of the provisions of the United Nations Charter.

## COMMITTEE ON THE JUDICIARY

Mr. MICHENER. Mr. Speaker, the bill (H. R. 2948) to regulate and control the operation of foreign agencies acting within the United States or its Territories or dependencies was referred to the Committee on the Judiciary. Bills dealing with the same subject matter have been referred to the Committee on Un-American Activities. I have conferred with the author of H. R. 2948 and with the acting chairman of the Committee on Un-American Activities, and it is agreeable to them that I submit this request. I therefore ask unanimous consent that the bill, H. R. 2948 be rereferred to the Committee on Un-American Activities, and that the Committee on the Judiciary be discharged from the further consideration of this bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## MILK SHORTAGE

Mr. POAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Speaker, this morning's paper carries a front-page article quoting the Department of Agriculture to the effect that there will be an increasing shortage of milk during the coming year. In fact, it is now stated that the shortage of milk will be more serious than the expected shortage of meat.

The milk we do have can go either into bottles or into butter. Fresh milk in bottles brings a better return to the farmer and brings far more food to consumers than milk which is diverted into butter. The less butter we produce the more fluid milk we will have.

Coffee and cokes make a poor substitute for fresh milk for our babies, but most grown-ups could get along very well with less butter and more margarine. If we sincerely want to make our food supplies go further, if we want our dairy farmers to enjoy a higher income, and if, at the same time, we want to reduce the cost of living, let us hasten to repeal the discriminatory laws against the production of pure, healthful margarine.

## BYPRODUCTS OF MILK

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, we have been listening to this kind of counsel for long years. As I told you the day before yesterday, the more oleo you buy the less milk your babies will have to drink. The reason we are having a reduction in milk products is due to the practices of the present administration. Any time they want to support the byproducts according to the Steagall amendment butter prices will come down.

If the administration will not even announce the support price for milk and will not support the price of dairy by-products, they must assume the responsibility for prices, whether high or low. The administration has the power, authority, and money to control prices any time it wishes to assume the responsibility of doing something about them. You can take 10 cents off the price of butter tomorrow if this administration will give Steagall support on the byproducts. When the gentleman from Texas or anyone else tells you what is in a hundred pounds of milk, I will just say to you, and ask any scientist to refute it, that there is nothing in a hundred pounds of milk that is not in five pounds of butter and the 8 ounces of dried skimmed milk that is obtained from that hundred pounds of milk.

The more we talk about oleo the less cattle we will have and the less milk we will have. The more oleo we have the less cattle in the United States and less meat will be available to the consumers. We are on the road to lower milk production now. The reign of Luckman will cost the consumers of this Nation millions of dollars.

More oleo, less milk; more oleo, less beef and veal; more oleo, less fertile soil. Remember you cannot make oleo without dairy products.

## OLEOMARGARINE VERSUS BUTTER

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, my friend, the foster mother of the American people neglected to tell you that while he embraces the philosophy of cutting down on the taxes of the people of this Nation, he favors keeping a duty and tribute imposed on the housewives of this Nation.

I want to call to his attention the fact that oleomargarine does not give you tuberculosis; it does not give you brucellosis; it does not give you Bang's disease, or undulant fever, and what not. When you take my cottonseed meal and take it up yonder to your country; when you take my soybean meal up to your country, and take my peanut oil away from my people to sell it back to them in the form of Bang's disease, we are not for it—we are against it. You cannot get away from it. Republican housewives of this Nation eat oleomargarine, too. All the people who consume oleo are not Democrats only; you are going to repeal this tax, whether you like it or not. We are going to make you repeal it. Whether you sign my discharge petition No. 12, you are going to repeal it. You cannot get away from it. You can sit down here for the rest of your lives and shed crocodile tears about the butter industry, but this tax must go. It will disappear before the Eightieth Congress is history.

## EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to extend his remarks in the Record and include extraneous material.

## OLEOMARGARINE VERSUS BUTTER

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I am surprised at some of the gentlemen on the Committee on Agriculture who do not know what is the matter with milk. I will tell you frankly, on my desk in my office yesterday there was a letter from some farm folks that I know quite well. They tell us that the farmers all around them are disposing of their dairy cows. They cannot afford to buy this high priced dairy feed and sell their milk at present prices. I might also add to the gentleman from South Carolina, who throws the burden on us for the repeal of the oleo tax, that his party had control of the House up to the 1st of January 1946, if my memory serves me correctly. Why did he not do something about it under the Democratic administration?

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. HILL. I am glad to yield at any time to the gentleman from Texas.

Mr. POAGE. Does not the farmer get more for milk that he sells as fluid milk than for milk that he sells in the form of butter?

Mr. HILL. May I say to the gentleman from Texas that he could not make a pound of oleo unless he used milk with it. It is a part of it despite all that he says.

Mr. POAGE. Will the gentleman answer my question?

## THE LATE MOHANDAS K. GANDHI

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, immediately upon learning of the death by assassination of Mohandas K. Gandhi, I wrote down my reaction, which I would like to suggest to the House at this time. My judgment is that Gandhi will go down in history as the man of the century. Why? Because of all the public leaders of this day, he was the best and nearest prototype of Christ of any man who has lived on earth in this century. He not only committed the Golden Rule to memory, but committed it to life as suggested by the poet. He actually gave his life in behalf of peace. I wish we had more leaders in the world today like the fallen hero of mankind, Gandhi, the little Indian.

## THE FUEL OIL SITUATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, let me say to the gentleman from Massachusetts [Mr. HESELTON] and all the other representatives of the people who are shivering with cold in that section of the country that I have found the solution of your problem.

You secede from the Union and get in under the Marshall plan. Then, you can get all the fuel you need and will not have to pay for it, nor will you have to pay the taxes to raise the money which the Government would lose on it.

I promise you now that if you decide to take such a step we Confederates will not whip you back into the Union again—at least until the weather warms up.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Mississippi has expired.

#### NAILING A LIE ON PALESTINE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

Mr. CELLER. Mr. Speaker, I listened with interest to the statement of the gentleman from California [Mr. HOLIFIELD] countering to the sly propaganda that appears in the Kiplinger letter wherein Kiplinger says "by summer 40,000 United States troops in Palestine. That is the prospect. Also the same number of Russian troops."

There is no desire by responsible people, Jews or non-Jews, to place United States troops or Russian troops into Palestine. The Jews in Palestine, if properly armed, can take care of their own. They need no outside assistance, if properly supplied with arms. They can adequately handle the situation with arms assured them and if Moslems from neighboring lands are kept out. The United Nations Palestine Commission has recommended an international constabulary. They do not mention Russian troops; they do not mention United States troops. There are plenty of historical precedents for the sending of contingents of volunteers from the smaller nations, and the smaller nations have already indicated their wish and their desire to send contingents of volunteer troops to Palestine to form an international constabulary if that be necessary.

This man, Kiplinger, has no right to grasp will-o'-the-wisp opinions from irresponsible sources. His statement is a sly, mean, and contemptible canard.

The SPEAKER. The time of the gentleman from New York has expired.

#### SPECIAL ORDER GRANTED

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that, after the other business on the Speaker's desk and any other special orders today, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. HESELTON]?

There was no objection.

#### THE FUEL OIL SITUATION

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I can assure you, speaking individually, that I am deeply grateful for the suggestions that are made, but I am more grateful for the interest that is obviously taken in the difficulties we are having in our section of the country, in the Northeast, by our friends from the Southern States. I tried to express that gratitude in the RECORD yesterday to all of you, particularly to the former Speaker, who used his influence in trying to help us on one phase of this problem.

I am not prepared to accept the suggestion of secession at the moment, but I am afraid some of our people may be prepared to take drastic action if something constructive is not done soon.

I suggested yesterday that whenever and wherever there has been a tragedy in another part of the country the people of the Northeast have been quick to respond. If, as the result of a tornado, an explosion, or a flood, people were without food, clothing, medicine, or shelter, every instinct of the people of the North prompted immediate remedial action. I am sure you will understand why they are becoming a bit more than impatient when, having been without necessary fuel, their health and comfort have been endangered, and their work has been threatened, and it seems to take such a long time to obtain any effective response. Please understand that there is no disposition to blame the people of other sections of the country. We do not need and do not ask for charity. We do ask for better judgment and the exercise of common sense on the part of those having the power to see that the situation is relieved in the Northeast.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. RANKIN. The point I was bringing out was that the oil that ought to go to New England was being shipped abroad.

Mr. HESELTON. I may say to the gentleman from Mississippi that again this morning the Committee on Interstate and Foreign Commerce addressed itself to that very vital problem. As a result of this hearing I am hopeful that a resolution will be brought to the floor.

I want to say also that I am having prepared three additional different kinds of embargo resolutions. There are two pending already, which I submitted for consideration. The other three will set various periods of time, one 15 days, one 30 days, and one 60 days. It is my hope that we can present to the House a considered, reasoned, and a sound method of trying to retain in this country for the period of time which the Interstate and Foreign Commerce Committee recommends, sufficient of our domestic fuel to get us over this particular crisis.

You will recall that that committee has expressed repeated concern as to the

effect of continued exports of petroleum and petroleum products without the guarantee of the most careful kind of screening and that in its report filed only a week ago, it stated that—

The existing and threatened situation is now so grave that exports should be stopped completely until it can be determined whether further exports are damaging to the economy of this country.

I have been seriously concerned as to the effectiveness of the procedure under which the requests made for exports are examined. I think the fact that the export allocation to Japan and the Ryukus is reported to have been cut back from 2,470,000 barrels of petroleum products to 100,000 barrels is convincing evidence that the original allocation could not have been based upon anything remotely resembling a careful examination of the request. Rather, it seems to me to be the best possible illustration of the unfortunate fact that in certain responsible quarters the admitted needs of our domestic economy has carried little, if any, weight in arriving at these determinations.

You will note that I have chosen three relatively short periods during which such an embargo would be effective. Personally, I think much can be said for the selection of the 60-day period. While it may be argued that it is too long, I think we must recognize that this will be the most critical period for most of the northern sections of the country and that if we can somehow manage to divert these amounts of heating and fuel oils to those areas, it is just possible that we can avoid more serious consequences. It also seems to me to be self-evident that no one is prepared to tell any of us what the stock piles are in any of these countries. Consequently, I do not see how it can be stated with any assurance by anyone that such an admittedly drastic step, which certainly will help to relieve conditions here, would necessarily make conditions elsewhere any worse than they are within the borders of this country.

Since I understand it is not possible to file the resolutions until Monday and because I want the text before the committee during these hearings, as well as available to all of the Members of the House, I am including the text of the first resolution. The only change in the other two resolutions will be the substitution of the periods—of 30 and 60 days, respectively.

Joint resolution to temporarily prohibit the exportation of petroleum and petroleum products

Whereas there are current and anticipated shortages in the United States of petroleum and petroleum products essential to satisfy fuel needs; and

Whereas while such shortages continue, the health, safety, and welfare of the American people are threatened and industry is severely handicapped in the effort to attain production of commodities necessary (1) to the economic welfare of the United States, and (2) to insure the success of such program as may be adopted for aiding in the economic recovery of Europe; and

Whereas the Committee on Interstate and Foreign Commerce of the House has been conducting a study of this problem, and, in its preliminary report to the House on January 26, 1948, stated that the existing and

threatened situation "is now so grave that exports should be stopped completely until it can be determined whether further exports are damaging to the economy of this country": Therefore be it

*Resolved, etc.*, That during the period of 15 days beginning with the day after the date of the enactment of this joint resolution, and notwithstanding commitments heretofore made, it shall be unlawful to export petroleum or petroleum products from the United States to any foreign country.

SEC. 2. Whoever violates the provisions of the first section of this joint resolution shall, upon conviction, be punished by a fine of not more than \$10,000 or by imprisonment for not more than 2 years, or by both such fine and imprisonment.

SEC. 3. As used in this joint resolution the term "United States" includes the Territories and possessions of the United States.

#### EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his own remarks in the Appendix of the RECORD and include two resolutions.

Mr. LODGE (at the request of Mr. JAVITS) was given permission to extend his remarks in the RECORD by including an article.

Mr. POULSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. COLE of New York asked and was given permission to extend his own remarks in the Appendix of the RECORD and include a letter.

Mr. COLE of New York. Mr. Speaker, last Monday I received permission to have inserted in the RECORD an address by David E. Lillenthal on the subject of atomic energy. I am advised by the Public Printer that this matter exceeds the limit established by the Joint Committee on Printing and will cost \$213. I renew my request.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

Mrs. NORTON asked and was given permission to extend her remarks in the Appendix of the RECORD and include an article by Marquis Childs.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include a speech delivered in New York City on January 30 by the national commander of the American Legion.

Mr. MILLER of California asked and was given permission to extend his remarks in the Appendix of the RECORD and to include the proceedings honoring General Marshall, Chief Justice Gibson, and Dr. Robert Gordon Sproul.

#### FOREIGN-HELD ASSETS IN THE UNITED STATES

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, the National Advisory Council, the administration's spokesman on international financial problems, whose president is the Secretary of the Treasury, and whose members include the Secretaries of

State, Treasury, and Commerce, and the chairman of the Federal Reserve Board, and the Export-Import Bank has disclosed to the country that the assets held by foreign nationals in this country amount to \$4,300,000,000.

Admittedly, the Council cannot vouchsafe the accuracy of this figure. This disclosure, however, long rumored to be a fact, makes it clear that assets in considerable quantity are now held in this country belonging to nationals of those nations which seek our financial and material assistance.

Insofar as the Council fosters a plan to assist the European nations to locate assets of their nationals in this country, it deserves our endorsement. It is all right so far as it goes. The first step is, as I pointed out during the debate on the interim-aid bill, to insist that the foreign nations request information from this country and that we furnish them the data as to the identity of each of their nationals holding assets in the United States, together with the character, location, and value, if determinable, of such assets.

The Washington Post, an ardent supporter of the European-recovery program, states in an editorial this morning:

American taxpayers are being asked to make large contributions to European recovery. Consequently, it seems only fair to assist the efforts of foreign governments to obtain control of dollars concealed by their own people in defiance of the laws of their several countries—dollars that can, to a limited extent, relieve the burden imposed on the American people.

Certainly there can be no possible quarrel with this step. It is one which should have been taken long since.

But we must, in my judgment, go further. Negotiations must be entered into between the United States and the governments concerned to establish satisfactory conditions, guaranteeing that these assets either may be held by the United States as security against Export-Import Bank loans or any governmental credits from the United States to such countries, or may be made available as security against loans from the International Bank for Reconstruction and Development under conditions agreed to by our Government. Nothing less than this, Mr. Speaker, will be the discharge of our obligation to the people of our own country, upon whose pay envelopes we must levy a deduction to implement any relief and reconstruction program.

Secretary Snyder and the Council oppose the forced liquidation of these foreign-held assets as a condition to receiving aid on the ground that this would further aggravate the monetary difficulties of the foreign countries and would deprive them of dollars and dollar earnings at the very time when we are being asked to grant dollars and dollar credits to them. There may be some merit to this contention.

It does not, however, answer the argument which I made on the floor of this House on December 11 that these extensive assets of foreign nationals, who seek to benefit under a program of aid from this country, should be pledged as security for our advances. If it becomes nec-

essary over a period of time to liquidate those assets in a systematic fashion and apply the proceeds to the advances we have made, that action need not disrupt the monetary systems of the foreign countries or have any other adverse effect, except upon those foreign nationals who have left their own countries, to which they owe first allegiance, and have brought with them to this country their extensive assets, which should be the first source of aid to their own countries before American taxpayers are called upon to make their contribution.

From the chairman and members of the Committee on Foreign Affairs in their detailed study of this great problem with its complex ramifications I beseech a sympathetic consideration for the inclusion of protective provisions which will insure that the burden of foreign aid be not shifted from the banks and brokerage accounts of the foreign wealthy to the pocketbooks of the American poor—a result which will surely follow unless some such plan as I have advocated is adopted.

#### POSTAGE ON FOREIGN RELIEF PACKAGES

Mr. BLATNIK. 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 Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, I rise to take issue with the report of the special subcommittee of the House Committee on Foreign Affairs relating to voluntary foreign aid, and to question its conclusion pertaining to Federal subsidies for individual parcel-post packages mailed overseas.

In this report, the subcommittee has asserted that it is actually less expensive for the Government to purchase and transport foreign aid than it would be to subsidize postal rates on relief packages which have been purchased by individual citizens. It is difficult to understand why transportation on private relief is more costly than the purchase price plus transportation costs on Government relief.

On Tuesday of this week, the distinguished gentleman from New York [Mr. KEATING] answered this criticism of voluntary foreign aid very ably, and I most certainly concur in everything he has said.

Last December 15, 1947, I introduced H. R. 4740, which would substantially reduce the postage for overseas shipment of private relief packages. The gentleman from New York [Mr. KEATING], the gentleman from Michigan [Mr. SADOWSKI], and several other colleagues have introduced bills providing for some such assistance.

It seems to me that it is the responsibility of the Committee on Post Office and Civil Service to study this question, and render a report, instead of the subcommittee on Foreign Affairs, and I am happy to have learned just a short time ago that the Committee on Post Office and Civil Service will consider these bills and is holding hearings beginning tomorrow morning, Friday, February 6. I hope that a favorable report on voluntary foreign aid will soon be forthcoming.

## EXTENSION OF REMARKS

Mr. WALTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Star.

Mr. MANSFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech by Franklin D. Roosevelt, Jr.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an article by David Lawrence.

## ARMED SERVICES PROCUREMENT ACT OF 1947

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1366) to facilitate procurement of supplies and services by the War and Navy Departments, and for other purposes, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That this act may be cited as the 'Armed Services Procurement Act of 1947.'

"Sec. 2. (a) The provisions of this act shall be applicable to all purchases and contracts for supplies or services made by the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Coast Guard, and the National Advisory Committee for Aeronautics (each being hereinafter called the agency), for the use of any such agency or otherwise, and to be paid for from appropriated funds.

"(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 2 (c) of this act, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least 15 days, wherever practicable, as determined by the agency head.

"(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 3, except that such purchases and contracts may be negotiated by the agency head without advertising if—

"(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

"(2) the public exigency will not admit of the delay incident to advertising;

"(3) the aggregate amount involved does not exceed \$1,000;

"(4) for personal or professional services;

"(5) for any service to be rendered by any university, college, or other educational institution;

"(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

"(7) for medicines or medical supplies;

"(8) for supplies purchased for authorized resale;

"(9) for perishable subsistence supplies;

"(10) for supplies or services for which it is impracticable to secure competition;

"(11) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning 6 months

after the effective date of this act and at the end of each 6-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this subsection (11) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

"(12) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

"(13) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

"(14) for supplies of a technical or specialized nature requiring a substantial initial investment or an extended period of preparation for manufacture, as determined by the agency head, when he determines that advertising and competitive bidding may require duplication of investment or preparation already made, or will unduly delay procurement of such supplies;

"(15) for supplies or services as to which the agency head determines that the bid prices after advertising therefor are not reasonable or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder, (B) the negotiated price is lower than the lowest rejected bid price of a responsible bidder, as determined by the agency head, and (C) such negotiated price is the lowest negotiated price offered by any responsible supplier;

"(16) the agency head determines that it is in the interest of the national defense that any plant, mine, or facility or any producer, manufacturer, or other supplier be made or kept available for furnishing supplies or services in the event of a national emergency, or that the interest either of industrial mobilization in case of such an emergency, or of the national defense in maintaining active engineering, research and development, are otherwise subserved: *Provided*, That beginning 6 months after the effective date of this act and at the end of each 6-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this subsection (16) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder; or

"(17) otherwise authorized by law.

"(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

"(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 3, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1),

(2), (3), (10), (11), (12), or (15) of subsection (c) of this section.

"Sec. 3. Whenever advertising is required—

"(a) The advertisement for bids shall be a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

"(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

"Sec. 4. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 2 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 2 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

"(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 percent of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 percent of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 percent of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract, of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impracticable to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 percent of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plants and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

"Sec. 5. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price

upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

"(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited, and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

"SEC. 6. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General, on the recommendation of the agency head, is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

"SEC. 7. (a) The determinations and decisions provided in this act to be made by the agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this act, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

"(b) The power of the agency head to make the determinations or decisions specified in paragraphs (12), (13), (14), (15), and (16) of section 2 (c) and in section 5 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (11) of section 2 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000.

"(c) Each determination or decision required by paragraphs (11), (12), (13), (14), (15), or (16) of section 2 (c), by section 4 or by section 5 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least 6 years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

"(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 2 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of 6 years following final payment on such contract.

"SEC. 8. No purchase or contract shall be exempt from the act of June 30, 1936, as amended (49 Stat. 2036, as amended by the act of June 28, 1940, 54 Stat. 681, and by the act of May 13, 1942, 56 Stat. 277; U. S. C., title 41, secs. 35 to 45) or from the act of March 3, 1931, as amended (46 Stat. 1494, as amended by the act of August 30, 1935, 49 Stat. 1011, and by the act of June 15, 1940, 54 Stat. 389; U. S. C., title 40, secs. 276a to 276a-6), solely by reason of having been entered into pursuant to section 2 (c) hereof without advertising, and the provisions of said acts and of the act of June 19, 1912, as amended (37 Stat. 137, as amended by the act of September 9, 1940, 54 Stat. 834; U. S. C., title 40, secs. 324 and 325a), if otherwise

applicable, shall apply to such purchases and contracts.

"Sec. 9. As used herein—

"(a) The term 'agency head' shall mean the Secretary, Under Secretary (if any), or any Assistant Secretary of the Army, of the Navy, or of the Air Force; the Commandant, United States Coast Guard, Treasury Department; and the executive secretary, National Advisory Committee for Aeronautics, respectively.

"(b) The term 'supplies' shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type, and description, aircraft, parts, accessories, equipment, machine tools, and alterations or installation thereof.

"SEC. 10. In order to facilitate the procurement of supplies and services by each agency for others and the joint procurement of supplies and services required by such agencies, subject to the limitations contained in section 7 of this act, each agency head may make such assignments and delegations of procurement responsibilities within his agency as he may deem necessary or desirable, and the agency heads or any of them by mutual agreement may make such assignments and delegations of procurement responsibilities from one agency to any other or to officers or civilian employees of any such agency, and may create such joint or combined offices to exercise such procurement responsibilities, as they may deem necessary or desirable. Appropriations available to any such agency shall be available for obligation for procurement as provided for in such appropriations by any other agency through administrative allotments in such amount as may be authorized by the head of the allotting agency without transfer of funds on the books of the Treasury Department. Disbursing officers of the allotting agency may make disbursements chargeable to such allotments upon vouchers certified by officers or civilian employees of the procuring agency.

"SEC. 11. (a) The following acts are hereby repealed:

"Revised Statutes, section 3716 (U. S. C., title 10, sec. 1202);

"Revised Statutes, section 3717 (U. S. C., title 41, sec. 9);

"Revised Statutes, section 3718 (U. S. C., title 34, sec. 561);

"Revised Statutes, section 3719 (U. S. C., title 34, sec. 562);

"Revised Statutes, section 3720 (U. S. C., title 34, sec. 563);

"Revised Statutes, section 3721, as amended (U. S. C., title 34, secs. 569-570);

"Revised Statutes, section 3722 (U. S. C., title 34, sec. 572);

"Revised Statutes, section 3723 (U. S. C., title 34, sec. 573);

"Revised Statutes, section 3724 (U. S. C., title 34, sec. 574);

"Revised Statutes, section 3726 (U. S. C., title 34, sec. 577);

"Revised Statutes, section 3727 (U. S. C., title 34, sec. 578);

"Revised Statutes, section 3729 (U. S. C., title 34, sec. 579);

"Act of June 14, 1878, No. 30 (20 Stat. 253; U. S. C., title 34, sec. 565);

"Act of March 3, 1893 (ch. 212, sec. 1, 27 Stat. 732; U. S. C., title 34, sec. 566);

"Act of March 2, 1907 (ch. 2512, 34 Stat. 1193; U. S. C., title 34, sec. 571);

"Act of March 4, 1913 (ch. 148, 37 Stat. 904; U. S. C., title 34, sec. 575);

"Act of June 30, 1914 (ch. 130, 38 Stat. 398; U. S. C., title 34, sec. 567);

"Act of May 15, 1936 (ch. 400, 49 Stat. 1277; U. S. C., title 10, sec. 1199 (a));

"Act of July 13, 1939 (ch. 265, 53 Stat. 1000; U. S. C., title 10, sec. 313);

"(b) The following acts shall not apply to the procurement of supplies or services by

the Department of the Army, the Department of the Navy, the Department of the Air Force, the United States Coast Guard, Treasury Department, or the National Advisory Committee for Aeronautics:

"Revised Statutes, section 3709, as amended (U. S. C., title 41, sec. 5);

"Revised Statutes, section 3735 (U. S. C., title 41, sec. 13);

"Act of October 10, 1940, ch. 851, sec. 1, 54 Stat. 1109, as amended (U. S. C., title 41, secs. 6 and 6a).

"(c) The following parts of acts are hereby repealed:

"(1) That portion of the act making appropriations for fortifications, approved February 24, 1891 (26 Stat. 769), relating to 'Armament of fortifications', which reads as follows: '*Provided*, That no contract for the expenditure of any portion of the money herein provided, or that may be hereafter provided, for the purchase of steel shall be made until the same shall have been submitted to public competition by the Department by advertisement.'

"(2) Those portions of the Army Appropriation Acts approved March 2, 1901 (ch. 803, 31 Stat. 905; U. S. C., title 10, sec. 1201); and June 30, 1902 (32 Stat. 514), relating to 'Quartermaster's Department, Regular Supplies', which read as follows: '*Provided further*, That hereafter, except in cases of emergency or where it is impracticable to secure competition, the purchase of all supplies for the use of the various departments and posts of the Army and of the branches of the Army service shall only be made after advertisement, and shall be purchased where the same can be purchased the cheapest, quality and cost of transportation and the interests of the Government considered.'

"(3) That portion of the Army Appropriation Act approved June 12, 1906 (ch. 3078, 34 Stat. 258; U. S. C., title 10, sec. 1205), relating to 'Ordnance Department', which reads as follows: 'Hereafter the purchase of supplies and the procurement of services for all branches of the Army service may be made in open market, in the manner common among businessmen, when the aggregate of the amount required does not exceed \$500; but every such purchase exceeding \$100 shall be promptly reported to the Secretary of War for approval, under such regulations as he may prescribe.'

"(4) That portion of the Army Appropriation Act, approved May 11, 1908 (ch. 163, 35 Stat. 125; U. S. C., title 10, sec. 1199), relating to 'Ordnance Department', which reads as follows: 'Whenever proposals are invited for the furnishing of articles of ordnance property, the character of which or the ingredients thereof are of such a nature that the interests of the public service would be injured by publicly divulging them, the Chief of Ordnance is authorized to purchase such articles in such manner as he may deem most economical and efficient.'

"(5) That portion of the War Department Appropriation Act, approved May 15, 1936 (49 Stat. 1299), relating to 'Arms, uniforms, equipment, and so forth, for field service, National Guard', which reads as follows: '*Provided*, That specifications for motor vehicles, which shall be so drawn as to admit of competition, shall to the extent otherwise practicable conform with the requirements of the National Guard.'

"(d) All other laws and parts of laws to the extent that they are inconsistent with this act are hereby repealed.

"SEC. 12. The Secretary of the Navy shall have the same authority with respect to contracts of the Department of the Navy as the Secretary of the Army has with respect to contracts of the Department of the Army under the act of April 10, 1878, as amended (20 Stat. 36, as amended by the act of March 3, 1883, 22 Stat. 487; U. S. C., title 5, sec. 218). The Secretary of the Army and the

Secretary of the Air Force shall have the same authority with respect to emergency purchases of war material abroad as the Secretary of the Navy has with respect to such purchases under the act of June 30, 1914 (38 Stat. 399; U. S. C., title 34, sec. 568).

"Sec. 13. This act shall become effective 90 days after the date of enactment."

Amend the title so as to read: "An act to facilitate procurement of supplies and services by the Departments of the Army, the Navy, and the Air Force, the Coast Guard, and the National Advisory Committee for Aeronautics, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, the majority of the amendments adopted, including both those which the Senate committee adopted last year and those which were added by the Senate on January 12, represent merely changes in language or technical amendments necessary to provide for the inclusion of the Air Force within the provisions of the bill. Only a few of the amendments relate to matters of substance and I will briefly discuss the more important of these as follows:

First. The bill has been extended to include the Coast Guard and the National Advisory Committee for Aeronautics. Inclusion of the Coast Guard was recommended by the Secretary of the Treasury and is felt to be logical in view of the fact that that service is faced with the same procurement problems as the Army, Navy, and Air Force; furthermore, it becomes a part of the Navy in wartime and therefore it is desirable to have its equipment interchangeable with that of the Navy. The inclusion of the National Advisory Committee for Aeronautics is desirable in view of the large number of contracts which that agency must enter into covering research and development in the field of aeronautics.

Second. As you recall, the essence of H. R. 1366 is that it permits the services to enter into contracts on the basis of negotiation rather than requiring them to advertise in certain specified cases, namely, in the event of a national emergency, where public disclosure would not be in the public interest, for research and development, and so forth. One more exception has been added to this list which would permit the negotiation of contracts for services to be rendered by any university, college, or other educational institutions. This provision is designed to supplement Public Law 729 of the Seventy-ninth Congress which relates to the payment of tuition, procurement of books, and so forth, for Naval Reserve officers. This exception is

believed to be essential in view of the impossibility of entering into such contracts by the method of advertisement and competitive bid.

Third. The Senate has reinstated the provision which would permit agency heads to let contracts be negotiated in any case where he determines that the bid prices after advertising are not reasonable or have not been arrived at in open competition. This provision was contained in the bill as it was originally introduced in the House, but was deleted as the result of objections raised by members of this committee on the ground that it might be susceptible of administrative abuse. The Senate has added to the original language of the House bill certain specific safeguards which are felt to be adequate to insure against the possible abuses which were feared by members of our committee. These safeguards are as follows:

(a) Before any such contract may be awarded by negotiation, advance notification and a reasonable opportunity to negotiate must be given to each responsible bidder.

(b) The negotiated price must be lower than the lowest rejected bid price of a responsible bidder as determined by the agency head.

(c) The negotiated price must be the lowest negotiated price offered by any responsible supplier.

It is believed that the inclusion of this provision to permit the negotiation of contracts in those instances where there is apparent collusion is extremely desirable. Contracts were negotiated repeatedly during the war by various Government agencies under a similar authority contained in the War Powers Acts with great savings to the Government. The Federal Bureau of Supply has furnished a number of significant examples where such savings were effected pursuant to authority of this kind. A few of these examples are cited in the report of the Senate Armed Services Committee to the Senate. It is expected that a provision of this sort in the bill before us now will be most useful in breaking the following practices:

Collusive bidding, follow-the-leader pricing, rotated low bids, identical bids requiring drawing of lots, uniform estimating systems, refusal to classify the Government as other than a retail buyer regardless of the quantity purchased. The Government should have the power to inquire into the reasons why it is not securing competition—to call for facts and figures and to negotiate to eliminate unwarranted charges, excessive reserves for contingencies, unwarranted profits, and so forth.

Fourth. Paralleling the provision which would permit the negotiation of contracts where collusion is suspected, the Senate has added a new section which requires agency heads, in cases where they believe that bids received after advertising evidence any violation of the antitrust laws, to refer these bids to the Attorney General for appropriate action. It is certainly logical that if the agency head is allowed to reject bids and to negotiate contracts he should

likewise be required to undertake the responsibility of reporting the circumstances to the appropriate law-enforcement authorities of the Government.

Fifth. The Senate has added to section 4 (b) of the bill, which sets forth the requirements as to the types of contracts which may be entered into under its provisions, a new provision, which will require:

(a) That all cost and cost-plus-a-fixed-fee contracts must contain a provision requiring that the contractor give advance notification to the procuring agency of any subcontract exceeding \$25,000, or 5 percent of the total estimated cost of the prime contract.

(b) That the procuring agency shall have the right to inspect the plants and audit the books of any prime or subcontractor under a cost or cost-plus-a-fixed-fee contract.

To quote the observation made by Senator BYRD on the floor of the Senate, these provisions are "designed to remedy the situation created by General Meyers in connection with the fraud he perpetrated on the Government."

Sixth. The Senate has amended section 7 (b) by limiting the authority of the agency head to delegate the power to make determinations. Under the bill as it passed the House the authority to make the determinations and decisions required before contracts for research and development can be awarded on the basis of negotiation could be delegated to a chief officer responsible for procurement and his first assistant. The Senate has restricted this provision to permit the delegation only to the chief officer and further limiting such delegations to contracts which will not require the expenditure of more than \$25,000.

Seventh. A very important change which should have far-reaching effects in facilitating the efficient procurement of supplies for all of the armed services is contained in section 10 of the bill. Originally this section, as it appeared in the bill when it passed the House, provided merely that the provisions of H. R. 1366 would apply to purchases made by an agency for its own use or otherwise. The intent of the language "or otherwise" was to permit cross procurement and joint procurement. The Senate has expanded this section in such a manner as to spell out in detail effective means by which these objectives may be achieved in actual practice. Section 10 now permits agency heads to enter into mutual agreements whereby, to take a specific example, the Secretary of the Army can assign or delegate the procurement responsibility of his agency to a procurement officer of the Navy charged with the procurement of a particular item which the Army desires to obtain. In such a case the appropriations available to the Army for the purchase of that particular item can be made available for obligation by the Navy procurement officer. This may be accomplished under section 10 by means of administrative allotments between the agencies, in such amounts as may be authorized by the head of the allotting agency, without transfer of funds on the

books of the Treasury Department. In actual practice, in the hypothetical example which we assumed a moment ago, the Army then will requisition of the Navy the item which they desire. The Army's bookkeepers then set up an administrative allotment to the Navy of the necessary funds to cover the purchases in question. There will be no necessity for a transfer of funds between the departments. Payment will be made by an Army disbursing officer who is authorized under this section to make disbursements chargeable to such administrative allotments upon vouchers certified by the Navy procuring officer.

I have discussed all of the important amendments which relate to matters of substance. All of the other amendments adopted by the Senate are purely technical in character. I might say in passing, however, that a number of these technical amendments have resulted in substantially improving the bill. I have in mind particularly a number which were adopted by the Senate after informal consultation with the General Accounting Office as a result of which it was determined that that agency would interpret a number of sections in the bill much more strictly than had been anticipated by the departments or by our committee during its consideration of the bill. Accordingly, corrective amendments were adopted as safeguards against the undesirable results which might follow from a restrictive interpretation of some of the provisions. These amendments have the full approval of the Comptroller General and the General Accounting Office. Thus, for example, in the section which permits the negotiation of contracts for equipment where standardization is necessary, the Senate has rewritten the language to permit the agency head to determine what is or is not such technical equipment. During the hearings before our committee the witnesses cited the purchase of trucks as an example. Informal advice was received from the General Accounting Office that trucks would not be construed to fall within the terms of this authority. The amendment, by permitting the agency head in an appropriate case to determine that trucks do constitute technical equipment of a kind where standardization is necessary, will obviate the possible danger of his being second-guessed by the General Accounting Office. Similarly, in this same provision, the Senate has deleted the requirement that a showing be made that standardization is necessary, because the General Accounting Office advised that under that language a notation would have to be made on each individual voucher to the effect that such a showing had been made. I will not attempt to cite any further examples as it is sufficient to say merely that they all fall within the same category of changes which are highly desirable to avoid restrictive interpretations which indeed were never contemplated by this committee under the language of the bill as it passed the House.

#### PRESERVATION OF THE FRIGATE "CONSTELLATION"

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1796) to provide for the preservation of the frigate *Constellation* and to authorize the disposition of certain parts of such vessel as souvenirs, and for other purposes, with House amendments thereto, insist on its amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. ANDREWS of New York, COLE of New York, and VINSON.

#### AUTHORIZING COMMITTEE ON ARMED SERVICES TO CONTINUE ITS INVESTIGATION

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 447.

The Clerk read the resolution, as follows:

*Resolved*, That, effective from December 19, 1947, the Committee on Armed Services, acting as a whole or by subcommittee, is authorized to continue the investigation begun under authority of House Resolution 141 of the Eightieth Congress, and for such purposes shall have the same power and authority as that conferred by such House Resolution 141. The committee shall report to the House of Representatives during the present Congress the results of its studies and investigations with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH] and at this time I yield myself such time as I may use.

Mr. Speaker, I can assure the House that we will not use all of the time granted on this resolution because it is a very simple measure. House Resolution 447 simply corrects a typographical error which was made in House Resolution 141 wherein the words "present session of Congress" was included instead of the words "present Congress."

House Resolution 141, the original resolution, authorized House Committee on Armed Services, acting as a whole or by subcommittee, to conduct investigations on matters coming under the jurisdiction of that committee. The Armed Services Committee has conducted a number of investigations under the original resolution which, of course, expired on December 19, when Congress adjourned sine die. So, House Resolution 447 simply corrects the typographical error which limited the committee's authority to that particular session and continues this investigative power for the duration of this Congress. It is hoped that the resolution will be given the unanimous vote of the House.

#### INVESTIGATIONS FOR POLITICAL PUBLICITY

Mr. SABATH. Mr. Speaker, it is to be regretted that other committees, unlike

the Committee on Armed Services, instead of devoting themselves to real investigations for which they were created, should devote their efforts to purely political publicity.

In the first session of this Congress when you appointed a multiplicity of these committees to investigate the war frauds—as you have made the country believe—I stated on this floor that as soon as you started to penetrate into the war frauds and found that 98 percent of all the war profiteers were Republicans, the investigations would cease. With a few exceptions, these investigations have lent themselves to a great deal of publicity, such as the Garssons, who were thrown into bankruptcy; the Howard Hughes fiasco, and the so-called communistic Hollywood probe.

#### INVESTIGATION OF REAL WAR PROFITEERS SHOULD BE MADE

Although I have urged the investigation of many of the real war profiteers who have made millions out of the war, after a year and a half, as I charged, you have stopped short. But I repeat, the Committee on Armed Services has actually performed its duties, and the time for continuing investigations should be extended.

However, I feel that if the membership of many of these investigating committees had devoted their time to legislation it might not have been necessary for the House to adjourn until Monday—from Monday until Thursday—and from next Thursday until next Monday, because during those 10 days we could have at least acted on some of the legislation urged by the President. I do not know, but the question is in my mind, whether these recesses are for the purpose of preventing the passage of the rent-control bill which will expire in about 3 weeks; namely, on February 29.

#### NEED FOR LEGISLATION TO REDUCE COST OF LIVING, EXTENSION OF RENT CONTROL, LOW-COST HOUSING FOR VETERANS AND CITIZENS

Today many speeches were made on the floor by many of my colleagues, but unfortunately no one has urged the need of legislation that would bring about the reduction in the high cost of living, or urged action on the Wagner-Ellender-Taft housing bill that aims to bring about the construction of low-cost housing for the veterans and thousands of American citizens.

Personally, I feel that it is our duty to the veterans and those in the low-income brackets to attempt to relieve them of the deplorable conditions under which they are obliged to live. Instead of acting upon the President's recommendations to bring about price control and rationing, you, in the last special session, passed a ridiculous bill to reduce the high cost of living by a so-called voluntary action on the part of the various industries and businesses, who are the very ones responsible for the ever-increasing cost of living. But instead of industry doing as it promised and what you claimed it would do to bring about a reduction in the high cost of living, industry continuously increased their



prices, notwithstanding its tremendous profits.

#### UNFAIR OLEOMARGARINE TAX

Yesterday and today we heard several gentlemen who made speeches for the removal of the tax on margarines, which was forced through by the Republican farm bloc years ago. I have urged the repeal of this tax many times because it is a tax on the poor people who cannot afford to buy high-priced butter. In that connection may I say that not only are the people of lower incomes unable to buy butter, but are unable to buy milk which is 22 cents a quart today, as well as meats and many imitations of cheeses which are 300 to 400 percent higher than formerly.

With respect to these products, not only a real investigation is needed to place the responsibility for the manipulations which have brought about these outrageous prices, but legislation should be forthcoming without delay or procrastination to check any further increases and to bring them down to their legitimate price levels.

#### SECRET AGREEMENTS AND CONSPIRACIES TO INCREASE PRICES

The National Association of Manufacturers, known as the NAM, with their affiliates and various institutes have continuously through secret agreements conspired to increase the prices of all products.

To prevent the passage of price and rent control and rationing in order to continue their mulcting of the American people they are again trying to mislead and scare the American people that the return of controls and rationing would bring on black marketeering. But, Mr. Speaker, we have no price control now and there is black marketeering to a greater degree than ever before.

#### GRAY MARKETEEING IN STEEL

As to gray marketeering in steel, today only through the insiders can a few favored manufacturers obtain steel, for which product the small manufacturer, in many instances, is obliged to pay from \$200 to \$300 per ton. This also applies to lumber, insulation, hardware, and other materials going into home construction. These industrial czars are responsible for the high cost of living and for the delay of constructing lower-priced homes because an honest contractor cannot pay the black-market prices for materials needed for home construction.

Mr. Speaker, it seems to me that the majority do not realize the unfortunate existing conditions, but I hope that these three recesses for 10 days will give the Republican Members an opportunity to familiarize themselves as to the situation and that they will come back and begin to adopt some of the legislation recommended by the President to relieve these deplorable existing conditions and at the same time pass other legislation to arrest dangerous inflation.

Regardless of what I and the members of the minority, who have the interest of the common people at heart, may say or

try to do, I am satisfied that no legislation will be enacted to relieve present conditions, and unless you will come to the conclusion that something must be done, you will be done.

In that connection I just received a letter bearing on rent control which expresses the sentiments of the vast majority of the American people, which I insert as part of my remarks.

The letter is as follows:

CHICAGO, ILL., February 3, 1948.

Subject: Federal rent control.

HON. ADOLPH J. SABATH,

House of Representatives,

House Office Building,

Washington, D. C.

SIR: I believe that Federal rent-control regulations should receive the immediate attention of Congress and I urge that you support the enactment of this legislation at the earliest moment possible.

Without the prompt extension of Federal rent regulations there are millions of people daily becoming more alarmed in the full knowledge that unless regulations are enacted before February 29, 1948, there will be a wave of unjustified and exorbitant rental advances. I do not need to tell you what this will mean to millions in the lower and middle income bracket, who are, at today's general living conditions and costs, barely able to keep their heads above water and there are many, many thousands, who are not, under today's present economic conditions, even able to do this.

May I offer that almost all residential rental property today was constructed, financed, and amortized before the war or during the first years thereof; rental property was, at those times, amortized on a basis of rents in existence at the time and based on from 10 to 15 percent vacancies. We all know that property has been 100 percent occupied—there have been no vacancies, consequently the 10 to 15 percent basis on which the property was amortized, under the lower building and materials costs of that time, makes them at today's rentals, in a great majority of cases very profitable investments for the owners.

May I again urge that you support the speeding and enactment of regulations extending Federal rent controls to at least December 31, 1949.

Respectfully yours,

FRED P. GREEN.

Mr. BROWN of Ohio. Mr. Speaker, this measure has been approved unanimously by the Committee on Rules. It is simply to correct a typographical error.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### SPECIAL ORDER GRANTED

Mr. VURSELL. Mr. Speaker, I have a special order for 30 minutes for next Tuesday, but since I am informed that the House will not be in session on that day, I ask unanimous consent that on Monday next, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. HESELTON] is recognized for 15 minutes.

#### FUEL SHORTAGE

Mr. HESELTON. Mr. Speaker, on yesterday I placed in the RECORD, on page 1097, a tabulation showing the revised export quota for petroleum products for the first quarter of 1948. I have now completed a computation of the differences between that quota and the quota announced in January, which I shall insert at this point in the RECORD for the information of the Members of the House.

Revised first quarter, 1948, country quotas of petroleum products in barrels:

#### Kerosene

	Announced Jan. 16	Announced Feb. 4	Reduction
Australia.....	70,000	40,000	20,000
Belgium.....	8,000	8,000	None
British Honduras.....	2,000	2,000	None
China.....	110,000	85,000	25,000
Costa Rica.....	3,500	3,500	None
Denmark.....	5,000	0	5,000
El Salvador.....	1,500	1,500	None
Eire.....	5,000	0	5,000
Guatemala.....	2,000	2,000	None
Honduras.....	2,000	2,000	None
New Zealand.....	20,000	20,000	None
Norway.....	7,000	7,000	None
Panama, Republic of.....	7,000	7,000	None
Philippines.....	70,000	60,000	10,000
Portugal.....	40,000	30,000	10,000
Sweden.....	50,000	50,000	None
United Kingdom.....	130,000	80,000	50,000
British West Africa.....	25,000	25,000	None
Switzerland.....	10,000	10,000	None
French West Africa.....	10,000	10,000	None
Total.....	578,000	453,000	125,000
Reserve.....	322,000	149,000	173,000
Grand total.....	900,000	602,000	298,000

Result: Reduction in varying percentages in exports to 7 countries; no reduction in exports to 13 countries. Over-all reduction accomplished by drawing from reserve an amount which is 58 percent of total purported reduction of exports.

#### Gas oil and distillate fuel oil

	Announced Jan. 16	Announced Feb. 4	Reduction
Australia.....	100,000	100,000	None
Belgium.....	175,000	175,000	None
British Honduras.....	3,000	3,000	None
China.....	100,000	100,000	None
Costa Rica.....	10,000	10,000	None
Denmark.....	120,000	120,000	None
El Salvador.....	3,500	3,500	None
France.....	300,000	200,000	None
Mexico.....	100,000	75,000	25,000
New Zealand.....	35,000	35,000	None
Panama, Republic of.....	10,000	0	10,000
Philippines.....	160,000	135,000	25,000
Portugal.....	10,000	10,000	None
Sweden.....	250,000	250,000	None
United Kingdom.....	1,200,000	1,000,000	200,000
Netherlands.....	60,000	60,000	None
Iceland.....	40,000	0	40,000
British West Africa.....	20,000	20,000	None
Switzerland.....	50,000	50,000	None
Total.....	2,746,000	2,446,500	300,000
Reserve.....	453,500	353,500	100,000
Grand total.....	3,200,000	2,800,000	500,000

Result: Reduction in varying percentages in exports to 5 countries; no reduction in exports to 14 countries. Over-all reduction accomplished by drawing from

reserve item an amount which is 20 percent of total purported reduction of exports.

*Residual fuel oil*

	An- nounced Jan. 16	An- nounced Feb. 4	Re- duc- tion
Australia.....	50,000	25,000	25,000
Belgium.....	100,000	70,000	30,000
Costa Rica.....	20,000	20,000	None
Cuba.....	200,000	200,000	None
Denmark.....	70,000	60,000	10,000
El Salvador.....	40,000	40,000	None
Guatemala.....	55,000	55,000	None
Mexico.....	400,000	250,000	150,000
New Zealand.....	70,000	70,000	None
Panama Republic.....	25,000	25,000	None
Portugal.....	19,000	19,000	None
Sweden.....	100,000	60,000	40,000
United Kingdom.....	300,000	300,000	None
British West Africa.....	10,000	10,000	None
French West Africa.....	15,000	15,000	None
Total.....	1,474,000	849,000	625,000
Reserve.....	326,000	151,000	175,000
Grand total.....	1,800,000	1,000,000	800,000

Result: Reduction in varying percentages in exports to seven countries; no reduction in exports to eight countries. Over-all reduction accomplished by drawing from reserve item an amount which is 24 percent of total purported reduction of exports.

I submit that several conclusions are clear:

First. This action is not in compliance with the unanimous recommendations of the House Committee on Interstate and Foreign Commerce (a) of December 19, 1947, that "the export control authority granted by section 6 of Public Law 703, Seventy-sixth Congress, as amended, should be exercised to place such prohibitions or curtailments on the exportation of fuel oil and other petroleum products for such period of time as may be necessary to alleviate such shortages," or (b) of January 26, 1948, when the committee recommended "the immediate cessation of the exportation of all petroleum products," stating:

It appears that the situation is now so grave that exports should be stopped completely until it can be determined whether further exports are damaging to the economy of this country.

Second. The announcement of the Department of Commerce of the revision on the afternoon of January 30, 1948, emphasized that it was a reduction of 18.5 percent. In terms of the withdrawal from reserves and the limited number of countries affected, I submit that this is an unfortunate statement. It certainly appears that the effort to reduce exports was a scattered, piecemeal one.

Third. It is difficult, and I find it impossible to reconcile the position of the Department of Commerce through its authorized representatives in a period so short as between Monday and Friday of last week. On Monday Hon. William C. Foster, Under Secretary of Commerce, testified before the House Interstate and Foreign Commerce Committee in opposition to any form of embargo on the export of petroleum and petroleum products. He said:

The reason I have taken here the attitude that I have is that I am still fearful that the action contemplated is that proposed legislation will lead to more trouble than a solution of the problem.

Yet on Friday afternoon the Department of Commerce announced the revision, which I have analyzed, and you will note several startling facts. First, the export program to Japan and the Ryukyu Islands was cut back from 2,470,000 barrels to 100,000 barrels; second, as to kerosene, exports to China are cut back 25,000 barrels, or 22 percent; to Portugal, 10,000 barrels, or 25 percent; to the United Kingdom, 50,000 barrels, or 38 percent; and to Denmark and Eire, 5,000 barrels, respectively, or 100 percent. Third, as to gas oil and distillate fuel oil, exports to Mexico are cut back 25,000 barrels, or 25 percent; to the Philippines, 25,000 barrels, or 15 percent; to the United Kingdom, 200,000 barrels, or 16 percent; and to Panama and Iceland, 10,000 and 40,000 barrels, respectively, or 100 percent. Fourth, as to residual fuel oil, exports to Australia are cut back 25,000 barrels, or 50 percent; to Belgium, 30,000 barrels, or 30 percent; to Denmark, 10,000 barrels, or 14 percent; Mexico, 150,000 barrels, or 37 percent; Sweden, 40,000 barrels, or 40 percent; and New Zealand and the United Kingdom, 70,000 and 300,000 barrels, respectively, or 100 percent.

What possible result can be drawn from those conclusions but that the argument that we must not restrict these exports in any way is absurd? Surely the allocations which have not been touched should be reviewed immediately. Personally I am forced to the conclusion that the record as to the use of these control powers since the first of the year demonstrates beyond any reasonable doubt that Congress has the grave responsibility of legislating at once in this field. I am convinced that it can and will give proper weight to all the evidence as to possible effects elsewhere against known effects in this country. Someone must act—and before it is too late. I urge that we accept that responsibility now.

**PROGRAM FOR NEXT WEEK**

Mr. ARENDS. 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 Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I have taken this time to announce the program for next week.

Next Monday is District of Columbia Day. Following the disposition of District of Columbia business, the bill (H. R. 2161) to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190), the so-called Case oil bill, will be considered.

Consent has already been granted for the House to adjourn from Monday to Thursday of next week. On Monday further information will be divulged as to the program for Thursday and Friday of next week.

**ADJOURNMENT**

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

The motion was agreed to; accordingly (at 12 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until Monday, February 9, 1948, at 12 o'clock noon.

**EXECUTIVE COMMUNICATIONS, ETC.**

1290. Under clause 2 of rule XXIV, a letter from the Under Secretary of the Interior, transmitting the Sixth Annual Financial Statement and Report of Operations, was taken from the Speaker's table and referred to the Committee on Public Lands.

**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 458. Resolution providing for consideration of House Joint Resolution 296, a joint resolution to maintain the status quo in respect of certain employment taxes and social-security benefits pending action by Congress on extended social-security coverage; without amendment (Rept. No. 1343). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules, House Resolution 459. Resolution providing for consideration of House Joint Resolution 275, a joint resolution to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers, and for other purposes; without amendment (Rept. No. 1344). Referred to the House Calendar.

Mr. SHAFER: Committee on Armed Services. S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes; without amendment (Rept. No. 1345). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 1275. A bill to authorize the payment of certain claims for medical treatment of persons in the naval service; to repeal section 1586 of the Revised Statutes; and for other purposes; with an amendment (Rept. No. 1347). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3344. A bill to amend the fourth paragraph of section 4, chapter 1, title 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 322; 48 U. S. C., sec. 101), as amended; without amendment (Rept. No. 1348). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4272. A bill to provide for the procurement and supply of Government headstones or markers for unmarked graves of members of the armed forces dying in the service or after honorable discharge therefrom, and other persons, and for other purposes; with an amendment (Rept. No. 1349). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 4549. A bill to authorize the enactment by the Legislature of the Territory of Alaska of a code of laws for Alaska; with an amendment (Rept. No. 1350). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 5035. A bill to authorize the attendance of the United States Marine Band at the eighty-second national encampment of the Grand Army of the Republic to be held in Grand Rapids, Mich., September 28-30, 1948; without amendment (Rept. No. 1351). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. H. R. 2803. A bill for the relief of Miriam Barkle; without amendment (Rept. No. 1342). Referred to the Committee of the Whole House.

Mr. ARENDS: Committee on Armed Services. S. 1673. An act 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; without amendment (Rept. No. 1346). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 3 of rule XXII, the Committee on the Judiciary was discharged from the consideration of the bill (H. R. 2948) to regulate and control the operation of foreign agencies acting within the United States or its Territories and dependencies, and the same was referred to the Committee on Un-American Activities.

#### PUBLIC BILLS AND RESOLUTIONS

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

By Mr. CORBETT:

H. R. 5292. A bill to amend the Internal Revenue Code so as to reduce the taxes on yellow oleomargarine made from domestic fats and oils and on dealers in such oleomargarine; to the Committee on Agriculture.

By Mr. BRADLEY:

H. R. 5293. A bill to change the method of computing Federal grants-in-aid to States for aid to dependent children, to authorize such grants-in-aid for aid to needy relatives who provide homes for such children, and for other purposes; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 5294. A bill to provide free postage for hospitalized members and veterans of the armed forces and to make available for such purpose to certain Government hospitals machines for the impressing and cancellation of postage stamps; to the Committee on Post Office and Civil Service.

H. R. 5295. A bill to provide free postage for veterans and members of the armed forces of the United States receiving care or treatment in certain hospitals; to the Committee on Post Office and Civil Service.

By Mr. GOSSETT:

H. R. 5296. A bill to repeal section 325 of the Nationality Act of 1940, as amended; to the Committee on the Judiciary.

H. R. 5297. A bill to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and

control of said lands and resources; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H. R. 5298. A bill to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes; to the Committee on Armed Services.

By Mr. MACKINNON:

H. R. 5299. A bill to extend the benefits of title II of the Social Security Act to certain employees of hospitals, and for other purposes; to the Committee on Ways and Means.

By Mr. MURRAY of Wisconsin:

H. R. 5300. A bill to provide for the conservation and preservation of fish, wildlife, and game on the Menominee Reservation, Wis., including the enforcement and prosecution of violators, and for other purposes; to the Committee on Public Lands.

By Mr. RAMEY:

H. R. 5301. A bill to extend the educational and training benefits of the Servicemen's Readjustment Act of 1944, as amended, to certain widows and children of deceased veterans; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H. Res. 460. Resolution to erect a monument to the memory of Mohandas K. Gandhi; to the Committee on House Administration.

By Mr. RIZLEY:

H. Res. 461. Resolution creating a special committee to investigate the election of Members of the House of Representatives; to the Committee on Rules.

#### MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact a sound and effective European recovery program; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. JOHNSON of California:

H. R. 5302. A bill for the relief of the estate of R. C. Randolph, deceased; to the Committee on the Judiciary.

By Mr. KEEFE:

H. R. 5303. A bill for the relief of Goettmann Printing Co.; to the Committee on the Judiciary.

By Mr. WHITEN:

H. R. 5304. A bill for the relief of C. Y. Andrews; 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:

1311. By Mr. FORAND: Resolution of the General Assembly of the State of Rhode Island and Providence Plantations, memorializing Congress to have included in the forthcoming rivers and harbors bill the project of dredging Bullock's Cove in the town of East Providence; to the Committee on Public Works.

1312. By Mr. BUCK: Petition of United States Marine Hospital Post, No. 1364, American Legion, containing the signatures of 48 residents of Staten Island, N. Y., urging the enactment of legislation establishing a system of universal military training; to the Committee on Armed Services.

## SENATE

MONDAY, FEBRUARY 9, 1948

(Legislative day of Monday, February 2, 1948)

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

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

Most merciful Father, strengthen our faith, we pray, and save us from discouragement. Let not our hearts fail us when, after a war to set peoples free, there is less freedom in the world than there was before. Setting up standards of right and justice, we have seen them betrayed for money and mocked by selfishness. We have tried to forgive our enemies, we have humbled ourselves before haughty and cruel men, but we have not changed their hearts. Only Thou canst do that. But it takes faith to wait.

So we are tempted to despair of our world. Remind us, O Lord, that Thou hast been facing the same thing in all the world since time began.

But let not our hearts become hard or our spirits bitter. Keep our souls in faith and in hope. Through Jesus Christ our Lord. Amen.

#### THE JOURNAL

On request of Mr. IVES, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 5, 1948, 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 the President had approved and signed the following acts:

On February 5, 1948:

S. 99. An act for the relief of John T. Hollandsworth, Jr.

On February 6, 1948:

S. 1005. An act to amend the act of June 28, 1935, entitled "An act to authorize participation by the United States in the Interparliamentary Union."

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 139. Concurrent resolution providing for a joint session of the two Houses on Monday, April 19, 1948, in commemoration of the fiftieth anniversary of the liberation of Cuba; and

H. Con. Res. 140. Concurrent resolution extending the life of the Joint Committee on the Observance and Celebration of the Victory Over Spain.

#### LEAVES OF ABSENCE

Mr. IVES asked and obtained consent that Mr. DONNELL be excused from