# SENATE

FRIDAY, MARCH 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:

Grant, O Lord, that this assembly of freemen, chosen to lead a nation that loves and lives its freedom, may give hope and help to all those who, loving liberty, long to live in it.

May no cowardice or callous selfishness make us reluctant to assume the responsibilities of leadership in a world hungry for hope.

This we ask in the name of Jesus Christ, who is the hope of our salvation. Amen.

## THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 4, 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 on March 3, 1948, the President had approved and signed the following acts:

S. 316. An act for the relief of Mary Sungduk Charr;

S. 402. An act to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land;

S. 500. An act authorizing the issuance of a patent in fee to Tom Eagleman; and

S. 521. An act for the relief of Sang Hun Shim.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5448. An act to amend sections 212 (b) and 231 (d) of the Internal Revenue Code.

## ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents, and it was signed by the President pro tempore.

## DISPOSITION OF SURPLUS WAR PROPERTY—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 558)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Expenditures in the Executive Departments.

(For President's message, see today's proceedings of the House of Representatives on p. 2264.)

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

## EXECUTIVE COMMUNICATIONS, ETC.

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

### TORT CLAIMS PAID BY TREASURY DEPARTMENT

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report of tort claims paid by the Treasury Department for the fiscal year ended June 30, 1947 (with accompanying papers); to the Committee on the Judiciary.

### CONVEYANCE OF CERTAIN VETERANS' ADMINISTRATION LANDS TO CITY OF CHEYENNE, WYO.

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to authorize the Administrator of Veterans' Affairs to convey to the city of Cheyenne, Wyo., for public park and golf-course purposes, certain land situated within the boundaries of the Veterans' Administration center at Cheyenne, Wyo. (with an accompanying paper); to the Committee on Finance.

### REPORT OF OFFICE OF EDUCATION

A letter from the Administrator, Federal Security Agency, transmitting, pursuant to law, the annual report of the United States Office of Education for the fiscal year 1947 (with an accompanying report); to the Committee on Labor and Public Welfare.

## PETITIONS

Petitions, etc., were presented and referred as indicated:

By Mr. MAYBANK:

A concurrent resolution of the Legislature of the State of South Carolina; to the Committee on Public Works:

"Concurrent resolution requesting the South Carolina congressional delegation to investigate beach erosion in South Carolina

"Whereas, by reason of high waters, unfavorable winds, and erosion, the beaches along the South Carolina coast are being severely damaged; and

"Whereas it appears that a thorough and prompt study of appropriate preventive measures is essential in the interest of the State: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*, That the South Carolina delegation in the Congress do take the necessary steps to have this situation investigated by the Army engineers or other appropriate Federal agencies to the end that measures be taken to remedy this erosion.

"Further, that a copy of this resolution be sent to each member of the South Carolina delegation in Congress."

A resolution of the House of Representatives of the State of South Carolina; to the Committee on Finance:

"Resolution memorializing Congress to repeal the 10 cents per pound Federal tax on oleomargarine and to enact a tax of one-quarter of 1 cent per pound on oleomargarine

"Whereas the sale of oleomargarine is now taxed by Federal statutes at the rate of one-quarter of a cent per pound for white or colorless margarine and at the rate of 10 cents per pound for colored margarine, which legislation was enacted and is maintained by dairy pressure groups from the North and Midwest sections of the United States; and

"Whereas there is now pending before the House of Representatives of the Congress of the United States a bill proposing to repeal the present law and to enact a flat tax of one-quarter of 1 cent per pound on all oleomargarine; and

"Whereas some 5,000,000 pounds of oleomargarine per year are consumed and used yearly in this State, purchased primarily by low-salaried groups and individuals unable to pay high prices for butter; and

"Whereas the adoption by Congress of the above-cited legislation would result in a saving to South Carolina taxpayers of taxes conservatively estimated at in excess of $200,000 per year: Now, therefore, be it

"*Resolved by the house of representatives*, That the South Carolina delegation in Congress be urged to lend their influence and efforts toward the enactment by Congress of the above legislation known as H. R. 5292; be it further

"*Resolved*, That a copy of this resolution be sent to each member of the South Carolina delegation in the United States House of Representatives and Senate."

## UNIVERSAL MILITARY TRAINING AND LIQUOR ADVERTISING—LETTER FROM MRS. M. W. WILLIAMS

Mr. CAPPER. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD the attached able letter from Mrs. M. W. Williams, of Kiowa, Kans., in which she sets forth her opposition to universal military training and to liquor advertising.

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

KIOWA, KANS., *February 25, 1948.*

SENATOR CAPPER:

I wish to express to you again thanks for the stand you are taking on UMT, as well as the firm stand against liquor advertising. You are surely the friend of the Christian forces of America and also the friend of the mothers and of all who wish to keep America free.

We do think that we need preparedness for our country, but we do not believe that UMT would be the solution for our defense. We would finally come (as Germany did) to a decay inwardly and a loss of our freedom. No people is prepared if the young men or boys of high-school age are forced to be schooled in vice, as our camps are noted for. It is a loss of faith in their fellow man, loss of faith in their mothers and sisters, by prostitutes and a breaking down of morals, through the persistent temptation of drink and gambling and what not.

A boy just out of high school is at the age where he hates to be known as or called a sissy and it is sometimes easy for him to do a flipflop and think his parents are old fogies and all is manly and O. K. in vice centers. May God be with us yet. You have many people behind you out here in good old Kansas.

MRS. M. W. WILLIAMS,
*A Mother.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 1090. A bill to safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes; with an amendment (Rept. No. 968).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:



AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

S. 1871. A bill to restore certain lands to the town site of Wadsworth, Nev.; without amendment (Rept. No. 969).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 5, 1948, he presented to the President of the United States the enrolled bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. SALTONSTALL (for himself and Mr. GURNEY):

S. 2271. A bill to amend the act entitled "An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," approved April 4, 1944; to the Committee on Armed Services.

By Mr. BUTLER (by request):

S. 2272. A bill to amend the act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609), as amended; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY:

S. 2273. A bill for the relief of Persephone Poulios; to the Committee on the Judiciary.

(Mr. MORSE introduced Senate bill 2274, to provide for an investigation by the Commissioner of Public Roads with respect to the damage done to certain roads in Polk County, Oreg., as a result of operations of the Army during World War II, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. TAYLOR:

S. J. Res. 194. Joint resolution to implement the UN Palestine partition decision to lift the arms embargo against Palestine and to build world peace; to the Committee on Foreign Relations.

ROADS IN POLK COUNTY, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill prepared at the request of the county court of Polk County, Oreg.

It refers to the situation in which that county finds itself as a result of the taking over of the highways in the Camp Adair Army Reservation during the war, which highways have now been returned to the county.

When the Government took over some 45,000 acres in Oregon for Camp Adair they included in this all the county roads with one exception, although no agreement was made with the Polk County officers.

Polk County has received no tax money from that area since 1942. Evidently the roads were left in bad shape by the Army, and lack of maintenance has caused further deterioration. People are now moving back into the area and Polk County has no money with which to rebuild and maintain the roads.

The county estimates that it will require about $2,500 per mile to rebuild the roads.

I am attaching to this statement a letter which I have received from the county court, setting forth the position of the county court in this matter. I ask unanimous consent to have the letter printed in the RECORD at this point as a part of my remarks.

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

COUNTY COURT OF POLK COUNTY,
*Dallas, Oreg., January 30, 1948.*

Hon. WAYNE MORSE,
*United States Senator From Oregon,*
*Senate Office Building,*
*Washington, D. C.*

DEAR SIR: The shooting war is over, no more troops are being trained in Camp Adair, but the war of nerves still continues in Polk County concerning the condition of the roads in the camp area.

The county judge and the road commissioners of Polk County respectfully call to your attention the following facts and ask your consideration of our problem.

In Polk County the camp area consists of approximately 45,000 acres including all county roads and State highways. When the United States Government, for the War Department, took over the land from private owners they also took over all county roads, except one, without an agreement with the officers of Polk County. The single exception being that part of market road No. 7 from highway No. 99 at Suver Junction thence westerly through the town of Airlie and northerly to old State secondary highway at Maple Grove corner, a distance of approximately 8 miles.

When the area was taken over by the Federal Government and the landowners moved out, Polk County refunded to the dispossessed owners the amount of $19,279.88. Since August 1942 Polk County has not received any tax money from the area. The county road crews have done some work and have furnished some material for road maintenance. The roads were left in bad shape by the Army, and, with no maintenance, have broken through in many places.

Many people have moved back into the area and are now asking that the roads be improved. Many of the descriptions of the tracts of land sold shows the boundary lines in the middle of the old roads. These deeds make no exceptions for existing roads or highways. The new owners are claiming that they own the area of the road right-of-way and that the county has no right. These roads were established by agreement with the former owners, some without deeds, some by resolutions, some by actual purchase by the county, and others established by the Territorial Government. These roads are roads of record and belong to the public for general use.

The right-of-way of some of these roads is too narrow, some have poor location both for alignment and grade. They should be relocated for safety and convenience.

Our problem is this: The area is being resettled, the roads through the area are becoming badly rutted and broken, bridges and culverts have been neglected and are worn out, and Polk County has no money with which to rebuild or maintain even those roads which are on reasonable location and grade. There are in this area about 60 miles of county roads including several steel and timber bridges and many culverts. We estimate that, on the average, it will require $2,500 per mile to rebuild these roads to proper standards.

We ask you to make an investigation, either personally or through the Bureau of Public Roads, and then introduce legislation to provide funds to correct the condition left by the Army.

We will be pleased to cooperate and furnish any other information as needed.

Yours respectfully,

POLK COUNTY COURT,
HERMAN VAN WELL,
*County Judge.*
H. H. BRANT,
*Commissioner.*
W. E. KNOWN,
*Commissioner.*

Mr. MORSE. Also I should like to have printed in the body of the RECORD at this point as a part of my remarks the bill which I am introducing with regard to this situation, which in effect calls upon the Commissioner of Public Roads in the Federal Government to make an investigation of the situation to the end of taking the necessary steps to rebuild these roads at the expense of the Federal Government, and not at the expense of the county.

There being no objection, the bill (S. 2274) to provide for an investigation by the Commissioner of Public Roads with respect to the damage done to certain roads in Polk County, Oreg., as a result of operations of the Army during World War II, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.*, That the Commissioner of Public Roads is authorized and directed (1) to make a full and complete investigation with respect to the extent to which the county roads and State highways within the camp area of Camp Adair, Polk County, Oreg., have been damaged as a result of their use during the period when such camp area was under the jurisdiction of the United States Army, and (2) to report to the Congress, on or before January 1, 1949, the results of such investigation together with an estimate of the cost of restoring such roads and highways to a condition equal to their condition at the time the camp area was taken over by the Army.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. MORSE. Mr. President, I ask unanimous consent to submit an amendment intended to be proposed by me to the bill H. R. 4790, to reduce individual income-tax payments, and for other purposes. The amendment seeks to reduce individual income-tax payments in the case of women who have children and who find it necessary to maintain a home and at the same time work. Today they find themselves confronted with the situation that in some instances they must pay between a half and three-quarters of their salaries in order to obtain the necessary domestic help and nurses to take care of their children. The result is another example of unfair discrimination against women in industry. I think it is only fair and proper that the tax laws be amended in such manner as I have proposed in the amendment which I am submitting.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. GEORGE submitted amendments intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which were ordered to lie on the table and to be printed.

Mr. BREWSTER submitted an amendment intended to be proposed by him to Senate bill 2202, supra, which was ordered to lie on the table and to be printed.

REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

PRINTING OF REVIEW OF REPORT ON OHIO RIVER AND ITS TRIBUTARIES (S. DOC. NO. 125)

Mr. REVERCOMB. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated January 12, 1948, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of report on the Ohio River and its tributaries at, and in the vicinity of, Rosiclare, Ill., and I ask unanimous consent that it may be referred to the Committee on Public Works and printed as a Senate document, with illustrations.

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

PRINTING OF REPORT OF APPROPRIATIONS COMMITTEE RELATING TO ACCUMULATION OF SICK AND ANNUAL LEAVE (S. DOC. NO. 126)

Mr. BALL. Mr. President, on behalf of the chairman of the Committee on Appropriations [Mr. BRIDGES], I ask unanimous consent that the report of the Committee on Appropriations relating to accumulation of sick and annual leave in the executive branch may be printed as a Senate document.

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

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Finance:

H. R. 5052. An act to exclude certain vendors of newspapers or magazines from certain provisions of the Social Security Act and Internal Revenue Code; and

H. R. 5448. An act to amend sections 212 (b) and 231 (d) of the Internal Revenue Code.

RENT CONTROL—ADDRESS BY SENATOR CAIN

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a radio address on the subject of rent control delivered by Senator CAIN, which appears in the Appendix.]

FEDERAL HOUSING—DISCUSSION BY SENATOR SPARKMAN AND COMMISSIONER WAGNER

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a transcript of a discussion on the subject of Federal housing between Senator SPARKMAN and New York City Housing Commissioner Robert F. Wagner, Jr., broadcast on March 1, 1948, which appears in the Appendix.]

POSITION OF SENATOR BROOKS ON THE MARSHALL PLAN—RADIO BROADCAST BY CEDRICK FOSTER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD the remarks of Mr. Cedrick Foster, radio commentator, over the Mutual Broadcasting System, March 3, 1948, which appear in the Appendix.]

SLUM-CLEARANCE ACTIVITIES OF SENATOR WAGNER—ARTICLE BY LOWELL MELLETT

[Mr. TOBEY asked and obtained leave to have printed in the RECORD an article entitled "Senator WAGNER Undertakes One More Service for Slum Dwellers," by Lowell Mellett, published in the Washington Evening Star for March 2, 1948, which appears in the Appendix.]

PROTECTION OF CIVIL RIGHTS

[Mr. JENNER (by request) asked and obtained leave to have printed in the RECORD a letter addressed to the President of the United States, endorsing his civil-rights program, written by Clarence C. Smith, of Indianapolis, Ind., which appears in the Appendix.]

GOOD WAYS TO RUIN—ARTICLE FROM THE PATHFINDER

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article by Wheeler McMillen, entitled "Good Ways to Ruin," published in the Pathfinder of February 25, 1948, which appears in the Appendix.]

LEAVE OF ABSENCE

Mr. YOUNG asked and obtained consent to be absent from the Senate until Friday of next week.

EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment presented by the Senator from Arkansas [Mr. FULBRIGHT]. Under the order of the Senate the Senator from Nevada [Mr. MALONE] has the floor.

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

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

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

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

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from South Dakota [Mr. BUSHFIELD] are necessarily absent.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate.

The Senator from Minnesota [Mr. THYE] is unavoidably absent.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. HATCH], the Senator from Washington [Mr. MAGNUSON], the Senator from Tennessee [Mr. STEWART], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Florida [Mr. PEPPER] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

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

The Senator from Nevada [Mr. MALONE] has the floor.

Mr. BROOKS. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. BROOKS. Mr. President, on behalf of myself, the junior Senator from Nebraska [Mr. WHERRY], the Senator from Kansas [Mr. REED], the Senator from Maine [Mr. BREWSTER], the Senator from Washington [Mr. CAIN], the Senator from Wyoming [Mr. ROBERTSON], the Senator from Idaho [Mr. DWORSHAK], the Senator from New Jersey [Mr. HAWKES], the senior Senator from Nebraska [Mr. BUTLER], the Senator from Nevada [Mr. MALONE], the Senator from Montana [Mr. ECTON], and the Senator from Utah [Mr. WATKINS], I submit an amendment intended to be proposed by us to the pending bill (S. 2202).

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. BROOKS. Mr. President, I should like to speak briefly on the amendment, and I thank the Senator from Nevada for giving me the opportunity.

Mr. President, this proposed act is called an Economic Cooperation Act. Whatever is finally passed will become a burden upon all of our people, whether

they favor the act or not. One of the main requirements of recovery is food. One of the benefits from recovery is friendship on the part of those who receive the food for those who provide it.

During my recent trip and study in western Europe, I was convinced that few people over there knew that we were furnishing them with food free, because we furnished it to their government and their government sold the food to the people. The result was that they did not know we furnished it free; they thought we charged them too much for it, and thus we failed completely to gain any real personal friendship for our generosity and concern.

On the other hand, no less an authority than Gen. Lucius Clay, American commander in chief in Europe, himself stated that by far the greatest possible good, so far as gaining friendship and encouraging respect for our way of life and a willingness to oppose the miseries of communism are concerned, came from the individual packages sent from individuals in America to distressed individuals in western Europe.

Upon investigation, I am informed that more than 90,000,000 individual packages have been sent by American citizens to individuals in western Europe since the close of the war. In fact, there are today more than 26 different accredited agencies which are urging and helping individual Americans to ship relief food packages to western Europe. These agencies represent a complete cross-section of American religious, political, and economic life.

One of the great handicaps of this admittedly excellent form of cooperation voluntarily made by American citizens is the exorbitant cost of postage and transportation.

Therefore, this amendment provides for not to exceed 3 percent—$159,000,000—of $5,300,000,000, or whatever may be appropriated, in order to help carry this individual burden and encourage this truly traditionally American method of generous cooperation.

It will mean merely this: The individual American citizen will pay for the contents and postage of packages to a port designated by the Administrator, who will then provide free transportation from our shores to a port in the participating country. The Administrator will also negotiate an agreement that the postage in that country shall be paid from funds in that country which are derived from the sale of gift supplies which are sold for local currency and placed in the blocked account as provided by this proposed act.

By this method we shall not disrupt the postal systems of either our own or the participating country.

We shall merely encourage individual cooperation, which will mean that while all Americans must help pay for the cost of this entire program, the program will help finance the transportation cost of any additional individual contribution they wish to make from their own funds and effort.

This will get the individual packages to individuals in Europe who will receive them without cost, because of the generosity of some individual in the United States, plus the cooperation of all the people in the United States who, in the future, will share in providing approximately two-thirds of the cost of transportation of the package.

General Clay also told us that when he desired to obtain an increased production of coal in the Ruhr, he, with public funds, purchased 350,000 CARE packages and used them as incentives to induce the miners to produce more coal. Knowing that they would receive individually a package containing food which they could take home and share with their families, the miners immediately produced sufficient additional coal to meet the objective.

If individual packages have proved to be the most effective incentive for additional production of coal, they also will provide the additional incentive for appreciation of America's generosity, and a bulwark against the threatening miseries of communism.

Our Government is based upon the theory of individual dignity and human rights; and any program that does not promote the realization of individual appreciation, as against massed regimentation, falls short of the ideal and mark supposedly intended for this entire program.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. WHERRY. I have a unanimous-consent request to propound. I ask unanimous consent that the subcommittee of the Judiciary Committee considering the antimonopoly bill be permitted to sit during the session of the Senate today.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. LUCAS. I object.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. Under the circumstances, inasmuch as objection has been made, is the only alternative, in order to permit the subcommittee to meet during the present session of the Senate, to move to displace the European recovery-program bill as the unfinished business now before the Senate?

The PRESIDENT pro tempore. That is the only alternative, as the Chair understands the situation.

Mr. WHERRY. I think the subcommittee of the Committee on the Judiciary would not want that done, and therefore I shall not take advantage of the opportunity to make such a motion.

Mr. MALONE. Mr. President, resuming where I left off last evening, I wish to remind the Senate that I said in the beginning that the peace and safety of this Nation are seriously threatened at this moment through the complete absence of a definite foreign policy warning our own people and the other nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

MILITARY POLICY

Mr. President, I call the attention of the Senate to the fact that our leading military authorities, including Generals MacArthur and Wedemeyer, agree that military aid must follow the dollars. General Wedemeyer, in testifying before the House Foreign Affairs Committee yesterday, agreed with General MacArthur, who had previously cabled the committee on Wednesday that China's problem is primarily a military one and bluntly told the committee that there is no use appropriating money for economic relief of China unless it is accompanied by substantial military aid.

General Wedemeyer, after saying that America "will pay in blood" unless it gives military as well as economic aid to nations threatened by communism, went on to agree in detail with General MacArthur when he said:

> I don't believe dollars alone will stop the spread of communism anywhere in the world.
>
> I predict that if we don't take appropriate steps to stop this communistic conflagration, we are going to pay in blood.

As reported in the Times-Herald, the New York Times, and the Washington Post this morning, and quoting from the Times-Herald:

> Secretary of State Marshall, who is still suppressing the 6-month-old Wedemeyer report on China, has asked Congress for a purely economic program totaling $570,000,000.

Wedemeyer goes on to say in his testimony:

> I believe we should give military aid to all countries and peoples whose politics and economic structures are compatible with our own and who are striving against totalitarian doctrines.

In other words, when we start slapping a big man around we had better get ready to fight or run. And these men are not the kind who run. We murdered a lot of our boys in the first two world wars because of unpreparedness. This time if, with all of the knowledge and experience gained through those two world wars and in observing the actions of the nations of the world, we are not ready, we will deserve what we get, but the boys and girls of military age, when the third world war comes, will not deserve what they get.

Give $17,000,000,000, earmarked in this bill for gifts to Europe, to the Air Corps for a 5-year program as recommended by the Congressional Air Board and the President's Air Board, and tell our own people and the world what we intend to do with it, and we will not need to give the $17,000,000,000 to the European countries under the Marshall or any other plan.

The House committee cabled General MacArthur for his opinion and heard General Wedemeyer. They are following the right course. It is time that we called on leaders with the knowledge and the sense to make up their minds, and the guts to tell the American people the truth, and warn any potential enemies of what we intend to do, thereby giving them a chance to stay out and our people a chance to get ready.

Mr. President, before proceeding further I want to quote a London dispatch to the Chicago Tribune dated March 4, to show that all is not so rosy in London and that all of the English people are not begging for more money. The dispatch reads as follows:

BRITAIN AWAITS NEW UNITED STATES ALMS, PAPER DECLARES

(By Kermit Holt)

LONDON, March 4.—Now that the last cent of the $3,750,000,000 American gift loan to Britain has been spent, the Evening Standard, owned by Max Aitken (Lord Beaverbrook), said in an editorial today that the nation's Socialist government is sitting back to await another American hand-out and thus save its nationalization schemes.

"The government is waiting for another dollop (lump) of charity from the American people," the newspaper said. "It is hoping that Congress will pass the Marshall aid program and thus save Britain from facing the harsh realities of her economic plight. Without another draft of dollars their nationalization policies would founder."

STEER OWN COURSE, IT SAYS

The Evening Standard said the British people should cast off the tow rope and think up ways of getting up their own steam and navigating their own course.

"Under American economic guidance they would forfeit their right to steer their own course in the stormy waters of the postwar world," the Standard continued. "That is not the way of self-reliance and independence."

Under the European recovery program, the Standard said, Britain would receive an enormous quantity of American tobacco and dried eggs. "But when this fresh gift of dollars is exhausted, Britain will still want tobacco and dried eggs. What will happen then?" the Standard asked.

CALLS NEW LOAN "FOLLY"

"Britain must learn to do without imports from hard-currency countries, which she cannot afford. Alternative sources of supply must be developed and the flow of trade diverted to bring Britain's dollar account into equilibrium.

"To accept more dollars when the experience of the first dollar loan proved so disastrous would be blind folly.

"The British people have a hard, long struggle ahead. If they can win through without American assistance, they will have achieved a victory as glorious as any in the history of this island race."

STRATEGIC AND CRITICAL MINERALS AND MATERIALS

I desire to discuss further the hope expressed yesterday that the United States would gain something in return for the money which it is to extend to Europe through the Marshall plan legislation.

The statement made here during this debate yesterday that it is contemplated by the Foreign Relations Committee that we should get strategic and critical minerals and materials in return for that part of our money listed as loans—in other words be repaid through minerals and materials from the 16 Marshall plan countries, which includes the Empire of Great Britain, France, the Netherlands, and Belgium—could leave a terrific impact on the raw materials and processed products produced in this country.

I point out to the Senate of the United States that the $17,000,000,000 we are now loaning and giving the 16 Marshall plan countries under the bill which is now under discussion could shut down every mining and textile enterprise in the United States for a period of more than 4 years, if the 16 nations banded together and furnished us such minerals and textile raw materials free of any charge whatever, since the total strategic and critical mineral production and such textile raw materials in this country totals approximately 4.3 billions annually.

Obviously they are not going to give us such minerals and materials without charge since they must pay their labor, pay their own taxes, and pay for the raw materials, except such part as we might furnish them free of charge. So the best they could possibly do, looking at it realistically, would be to give us the profit on their production of such raw materials and manufactured goods in their own countries and assuming a net profit of 5 percent for all such were paid, which is reasonable, I point out that 5 percent of the total amount would be $215,000,000 annually, and that this amount divided into $17,000,000,000 would require 80 years to repay. This could close the strategic mineral production and the textile raw-material production for a period of more than 80 years on the present rate of production.

Mr. President, none of these things are likely or even possible since anyone in business must keep a part of the profit in whatever country he resides. It is simply a delusion presented to the American people without thinking the problem through, leaving not only our people confused but, I fear, some of our own officials.

I point out that we here on the Senate floor could be, according to this line of reasoning, inaugurating a policy of appropriating Government money to buy foreign raw materials and manufactured goods to replace our own production. Where do we think we are heading in adopting such a policy? The first thing we know, there would be no taxable property left in the United States or incomes from which to collect taxes to furnish such appropriations. It is the road to bankruptcy, and not a very long road at that.

Mr. President, to continue from where I halted last evening when the Senate recessed, let me say that, in my opinion, it is impossible to consider the feeding of hungry people, the stopping of communism, and the rehabilitation of industry all in one breath or in one paragraph. We only confuse ourselves. The result is that we mix our emotions with the facts, and become unwilling victims of the greatest propaganda machine ever established in Washington. In any intelligent discussion of the subject we must take them one at a time:

First. Feeding the hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations. The Congress of the United States has appropriated nearly $1,500,000,000 during the past 12 months for that purpose alone, and has appropriated nearly $24,000,000,000 and handed it to the nations of the world without hope of repayment since the close of World War II in 1945.

The last appropriation of $597,000,000 is expected to carry on until March of this year.

Second. Stopping communism and protecting the integrity of the nations throughout the European and Asiatic areas that we decide, after full discussion and study, we must currently protect for our own ultimate safety, is a matter of our own integrity and frankness with our own citizens and with the people of the world.

In President Monroe's pronouncement on December 1, 1823, he left the door open to extend the doctrine when and if conditions changed, when he said:

> To this we have adhered and shall continue to adhere, provided no change shall occur, which in the judgment of the competent authorities of this Government, shall make a corresponding change, on the part of the United States, indispensible to their security.

The entire matter could now be reviewed in the light of experience gained through two world wars in our generation, and what additional areas and nations of the world we must now currently protect for our own ultimate safety, considering the improvements in the methods of waging defensive and offensive war.

If it should be decided that a threat to the integrity of any member nation of the United Nations by any other nation would constitute a threat to our ultimate safety, then President Monroe's exact words could be utilized in announcing the extension of the Monroe Doctrine, leaving out any reference to this hemisphere, to say in effect to the world and to the American people: "We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system, as dangerous to our peace and safety."

We should then build at once a military force spearheaded by an air corps that would bear silent evidence to all concerned that we were ready and able to enforce the extended doctrine, just as we have enforced the original Monroe Doctrine for 125 years. It is my opinion that we would, through this procedure, usher in another era of peace comparable to that following the original announcement of the Monroe Doctrine in 1823.

The Joint Congressional Air Policy Board has recommended a long-range military plane purchase program, which would provide a 35,000-plane striking force costing $16,800,000,000 over a 5-year program. The President's Air Policy Board's recent report closely parallels this document.

If we give $17,000,000,000 to Europe under the Marshall or any other plan, we still must expend approximately another $17,000,000,000 in setting up an effective air corps, while if we were to set up the Air Corps according to the specifications of the Board and extend the Monroe Doctrine then the $17,000,000,000 now headed for Europe could be diverted to the cost of the Air Corps.

Third. With respect to the rehabilitation of foreign industries, assume we have now protected their integrity through an extension of the long-established Monroe Doctrine, and fed them. This should be undertaken on a sound-business basis.

After the hungry people are fed and the integrity of the nations protected—no European industrialist, coal-mine owner, or veteran should be loaned money on easier terms than an American can borrow funds for the same purpose from the Reconstruction Finance Corporation.

A reasonable amount of money could be appropriated and made available to the RFC or to the World Bank, simply providing that the RFC rules and regulations covering loans to domestic industry be applied to any foreign loans. Their rules provide for an investigation of the feasibility of the industry.

For example, if we are to rehabilitate a steel plant, such as I examined in the Ruhr district in Germany, or in Birmingham, England, the first thing is to ascertain the feasibility of the industry in that particular location. Perhaps it should not be rehabilitated. The Congress will never know as to that, since they have no way of investigating it. Send an engineer or an economist or a steel man there to get the facts, just as the Reconstruction Finance Corporation proceeds in such matters. Then, when it is determined that the loan should be made, a mortgage is taken on the new equipment to be purchased by the loan, the stock or shares of the old organization is hypothecated for additional security and provision made for repayment. In the first place, the steel man or the engineer or the economist does not read the menu backwards and say, "We need $10,000,000 to rehabilitate a steel plant in the area," before he has made his examination. He ascertains what machinery and equipment are necessary and what the cost of each piece will be installed. Then he adds up and arrives at the total. He does not reach an answer first and then undertake to examine the plant.

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

Mr. MALONE. I yield to my friend from Montana.

Mr. ECTON. Does the Senator feel that such a program could be established and the desired results accomplished without creating additional Government agencies to look into the situation? In other words, could it be handled under our present private enterprise system?

Mr. MALONE. I would say to my distinguished colleague from Montana that we now have more such machinery than we need. We have a world bank, at the head of which is an experienced man, a former Assistant Secretary of War. We could move the RFC rules of procedure or such parts of them as would be applicable, to the World Bank. I think the Senator would be surprised at the small amount of money which would be required by the 16 Marshall plan countries under those conditions.

Mr. ECTON. I thank the Senator.

Mr. MALONE. As I have said, the rules of the RFC provide for an investigation of the feasibility of the industry, a mortgage on the new equipment to be purchased by the loan, hypothecating the stock or shares of the old company for additional security, and for the individual to sign a note for the full amount borrowed.

The amazing thing with respect to the Marshall plan is that our Government is asked to give the foreign governments the money, in effect, to nationalize the industries of their respective countries, which is something we will not do in our own country, which subject was covered by the dispatch from London dated yesterday.

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

Mr. MALONE. I yield to my friend from Missouri.

Mr. KEM. I should like to ask the Senator if he considers it a sound policy to undertake to stop the spread of socialism by aiding the socialist government in England?

Mr. MALONE. In answer to my distinguished colleague from Missouri I would simply say that apparently there is a great difference of opinion in England on that subject. I found that to be the case on my visit there in November. It is further justified by the dispatches coming from London.

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

Mr. MALONE. I yield to my friend from Massachusetts.

Mr. LODGE. I should like to ask the Senator from Missouri, if he is not willing to aid the Socialist government in England, what government in England is he willing to aid?

Mr. KEM. I have in mind that if our descendants read in history that we undertook to stop the spread of socialism by upholding the socialist government in England, it would be very difficult for them to understand the intellectual or mental processes under which we proceeded.

Mr. LODGE. Does not the Senator think that our descendants will find it even more difficult to understand if we allow communism to spread all over Europe all the way out to the Atlantic coast?

Mr. KEM. I do not know that they will be able to find any way to stop it. The program is not presented to us as a method of stopping the spread of communism to the Atlantic coast. The question is, Will it work? As I understand, it is presented as a calculated risk, and we are asked to weigh the risk. Is that correct?

Mr. LODGE. I think it is not presented as a foolproof automatic panacea for anything. It is presented as a calculated risk. I think it is the belief of the proponents that the chances are that if we do not do what is proposed, then we and the world will be much worse off than if we do it. Of course, we never can be sure about anything in this life. I think it is important to realize, when we come to the word "socialism"—which I dislike as much as does the Senator from Missouri—that in the Old World the people have never known free enterprise in the way we know it. When a European speaks of "free enterprise" he does not mean the same thing we mean by it at all, and in a great many countries they have never had it. Yet they dislike communism as much as we do.

On the continent of Europe, for instance, the railroads, the telephone, the telegraph, and other services which do not occur to me now, have always been operated by the Government, which of course, is a form of socialism, and generations of Europeans have been born and have died and it has never occurred to them that these matters could be handled in any other way. In this country we think such activities are conducted much better by private initiative. But the fact that a European and an American do not agree on the question whether the government should or should not operate the telephone industry does not at all mean that they cannot agree in opposing communism, and it does not mean at all that they cannot agree in believing fervently in the dignity, the integrity, and the worth of man.

Mr. KEM. Before the Senator from Massachusetts spoke I should have supposed that the doctrines of Adam Smith were pretty well understood in England all during the nineteenth century, and fully accepted.

Mr. LODGE. I am not an expert on what has been happening in England. I merely read the newspapers, but I should say that a tremendous transformation has taken place in England since the days of Adam Smith. It is not necessary for me to go into all that has happened, but they have had frightful wars, for one thing; they have had the rise of other industrial powers which competed with them, for another; and they have had a very large growth in population, together with a political movement which has resulted in the population demanding a great many more things from the Government than were ever demanded before. All those things have resulted, I believe, in a change of attitude from that which marked the old British Liberal Party of the nineteenth century.

Mr. KEM. Until the Socialist Government of J. Ramsay MacDonald, England was a free enterprise country, was it not?

Mr. LODGE. Only in a very relative sense.

Mr. BUTLER. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to my distinguished colleague from Nebraska.

Mr. BUTLER. I think perhaps my inquiry should be directed to the Senator from Massachusetts in line with the debate which has been proceeding between him and the Senator from Missouri.

A year or two ago we made available to England approximately $4,000,000,000, and apparently a considerable portion of it was used for doing certain things along the line of the socialization of industry, coal mines, banks, and even farm ownership. I wonder if the Senator feels that the American taxpayers should make money available to put into effect a program, even in a friendly country like England, which we cannot possibly support for our own economy here at home.

Mr. LODGE. If the Senator from Nevada will permit——

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. I do not think the American dollar should be used to promote all sorts of political schemes in any foreign country, and certainly not political schemes which we would not promote at home. I think the American dollar should be used to promote enterprises which will result in increased production of goods, and that it should be restricted to that. I was not a Member of the Senate when the British loan was voted, and consequently I am not familiar with the situation which the distinguished Senator from Nebraska describes, in which the money was used to socialize British industry. But certainly it would be my hope that, under the plan we are now considering, that type of expenditure would not occur. I should like to see these funds used to promote the production of wealth, the production of goods, the raising of the standards of living of the people in these countries, and not to advance any fads of the type the Senator describes.

Mr. BUTLER. The answer to the question, then, is that the Senator would favor the use of American taxpayers' money for the development abroad of a program for which we would not stand here?

Mr. LODGE. No. I will not say the Senator misunderstood me; I will say I did not make myself clear to him. I think these funds should be used to promote the production of wealth, of goods, and that they should not be used to promote some political scheme to which some politician abroad may be attracted.

Mr. BUTLER. To be more concrete, does the Senator believe the proposed socialization of land ownership will increase production in England?

Mr. LODGE. I certainly do not think our money should be used for that purpose. I do not think so at all.

Mr. BUTLER. Does the Senator think the nationalization of the coal mines increased production in the coal mines of England?

Mr. LODGE. I do not think it did so initially. I understand there has been an increase in the production of coal in British coal mines in the last few months. Of course, anything which could result in an increase in the production of British coal would be a good thing not only for Great Britain, but it would be a wonderful thing for Europe, because large areas of Europe have always depended on British coal. Coal is about the only surplus raw material Great Britain has.

Mr. BUTLER. But they were not producing it.

Mr. LODGE. They have not been producing it, but Ambassador Douglas testified—the testimony is in the record—that in the last 2 or 3 months production figures have begun to rise. I am sure the Senator will agree with me that that is the most important single thing that could happen over there.

Mr. ECTON. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield to the Senator from Montana.

Mr. ECTON. I thank the Senator from Nevada. I should like to address a question, with his permission, to the distinguished Senator from Massachusetts.

When we speak of political schemes, socialistic schemes, and communistic schemes, and think of them in terms of political parties, should we not also connect them up and think of them as ideologies? Do we not necessarily have to?

Mr. LODGE. Yes; of course they are ideologies. What the Senator is driving at, if I understand him correctly, is that if a nation embraces socialism, then it is eventually sure to embrace communism. Is that what the Senator has in mind?

Mr. ECTON. That is the ultimate outcome, so far as my opinion is concerned; but in view of the fact that we must recognize that they are ideologies, the question naturally follows, how can we stop those ideologies by dollars or by building up industries in any of those countries?

Mr. LODGE. That is a very interesting question, and I am glad the Senator raised it, for I think in some of these countries the people do not go for socialism because it is an ideology or because they like it. They embrace forms of governmental control because they are so impoverished that they feel they have to—which is a very different thing. Now if we were all living on an island, and there was just so much food to go around, if we were to run the thing right, we would not let the two or three strongest men grab that food and go off and eat it themselves and let all the women and children starve. Therefore we would set up a system of rationing. That would be socialism, I suppose, or statism, or collectivism. Individuals do not do it because they like it, they do it because they are so poor that they are obliged to do it.

There are a number of countries in Europe in which the people have adopted statism or collectivism or socialism, or government regulation, not because it is an ideology which they like particularly, but because they are so hard up that they have to do it in order to secure an orderly, a fair, and a just distribution of what little there is.

Mr. President, I think we must draw a very sharp line of distinction between the person who has to do that, and the person who favors socialism as a matter of ideology and as a matter of theory and because he wants to lead into communism from there. I venture the guess—without, as I say again, being an expert on any of these subjects—that if the Conservative government had been continued in power in England they would have retained the rationing of food, the rationing of clothes, and the rationing of everything else they felt necessary, not because they liked it, but because they had to, in order that there could be a fair, an orderly, and a just distribution of what there was to be distributed.

What the Senator from Montana has in the back of his mind is, I think, that in Germany before the war Hitler established what he called national socialism, and, of course, that did lead to the abolition of democratic government. It did lead to dictatorship. It led to the abolition of individual rights. The Senator has the fear in the back of his mind that all the countries in Europe that have adopted socialism, often without any enthusiasm, will, inescapably, be led into dictatorship for that reason. That is an open question. We cannot tell. But I have a feeling that in western Europe the nations which have adopted socialistic measures, have done so because they felt they had to, and that their love for democracy is not any the weaker for it.

Mr. ECTON. The distinguished Senator has made a very logical explanation so far as some of the European countries are concerned, but now I should like to ask him what explanation he can give respecting people in our own country, who have not suffered the conditions he has enumerated, who have everything they need, and yet have embraced the ideologies both of socialism and communism.

Mr. LODGE. Oh, well, I think they are in a very different category, and I should have to search a long time to find words which would be adequate to express the feelings which I entertain for a man in this country who embraces communism. Offhand I cannot find words which are sufficiently strong to express the distaste which I have for a man who does that. Of course I should say of the man over here who embraces socialism that, in the words of the old song—

He is more to be pitied than censured;
He is more to be helped than despised.

Mr. ECTON. The point I want to make is that while we are dealing with political schemes we must recognize the ideology which goes with them, which amounts almost to a religion and a passion with some people, and which cannot be stopped by raising their living conditions, by giving them money or anything else. It is kind of like a fever; it has got to run its course.

Mr. LODGE. I will admit for the sake of argument that in western Europe—and when I say "western Europe" I include England—there are undoubtedly some people, particularly politicians, who like this socialistic business because it magnifies them in importance. If the Marshall plan, plus the effort of the people of these countries, should succeed in raising the standard of living, in reestablishing the free-enterprise system, in making jobs available for the people, in creating new occupations, and so forth, so that socialistic measures would become unnecessary, I am quite sure the Senator is correct in thinking that there would be some politicians over there who would want to hang onto the socialistic system, because the change would mean the loss of their jobs and loss of their personal importance. But I believe that the rank and file of people in England and in France and other countries—if it were not necessary to have these controls—would rise up in their wrath and throw such persons out of office the very minute they thought they could.

Mr. MALONE. Mr. President, so long as the question has been raised I should like to comment on it briefly. In the first place, I will say that I had quite a lengthy conference, and a very interesting one, with Sir Stafford Cripps, who seems to be the dominating influence in the economy of England. From my conference with him, and with Mr. Monnet in France, and with others, I have no

reason to suppose that there is any difference between the ideologies embraced by them.

Let us consider the production of coal. The Senator from Massachusetts says that the production of coal in England has increased. The United States at this time, Mr. President, is shipping coal to Newcastle, at least such shipments were being made until very recently. In the fourth reader we read, as an example of something impossible to happen, the carrying of coals to Newcastle. It has happened. We are doing just that. We are giving the coal to England. No one, I believe, is naive enough to believe that we will be paid for it. We are paying from $20 to $22 a ton for the coal we shipped to Newcastle, when coal can be produced in England for eight or nine dollars a ton; what is really needed is some West Virginia miners. We could double their wages and make money on the deal.

Before the war England exported more than 40,000,000 tons of coal annually. Beginning with the war and until 1948 England did not export a ton of coal, and if she is exporting coal at this moment it is a very small amount. England, along with Germany, furnished to the rest of Europe largely the coal needed there. When I was in England I went down into some of the coal mines with Mr. Collins, who was at that time in charge of the English coal mines. When I went to France someone there said facetiously—but I did not consider the remarks very facetious—that the English people did not produce enough coal to keep themselves warm, so they were placed in charge of the Ruhr coal mines. I found that to be literally true.

Sir Stafford Cripps was very frank with me, and said directly, with a slightly hostile note, probably thinking I would not entirely agree with him, that the steel industry was next on the program of nationalism, and he had told me not 5 minutes before that Britain had to have the Marshall plan money.

Mr. REVERCOMB. Mr. President, will the Senator yield to me at that point?

Mr. MALONE. I yield to the Senator from West Virginia.

Mr. REVERCOMB. The Senator from Nevada has brought up a very interesting question respecting coal. It was my privilege to be in England last fall, and the subject of coal production was discussed while I was there. Naturally I was interested in the subject of coal, for that is the fuel which is the very backbone of British industry. I was advised by men who should know—by men who I believe do know—that prior to the war England did ship coal abroad, and that product was one of her great exports. The present government of England took over, I believe, in July of 1945. Naturally during the war there was no shipment abroad of coal from England.

When I was in England, more than 2 years had passed under the present British Government, and Britain was not then mining sufficient coal to meet her own needs. I was advised that she bought 600,000 tons of coal from the United States in 1947. I have heard reports that today Britain is exporting coal. I have not been able to understand that, because as late as October, yes, as late as November of 1947, Britain was not meeting her own coal requirements, so I was advised while there. I was also advised that coal had been nationalized in July 1947. It is certainly an experiment for the advocates of nationalization of industry here to watch with care. This was an industry which, prior to the war, had produced sufficient coal to constitute a great product of shipment out of the country, an item of trade which brought dollars into England. But after the present government, the Socialist Government of England, took over, the British were unable to mine sufficient coal to meet their needs.

I have also heard it said by high authority that the steel industry would be taken over. Why I do not know, because it seems that the steel industry in England has done well, and has produced perhaps better than any other industry.

Why should this country, which stood so firmly against the nationalization of industries, now pour out money for the aid of a government which has declared itself bent upon going further into the nationalization of industries? The Government of England is a socialistic government. It is certainly not a communistic government. I have no fear of England falling to communism. I think she is entirely free from that danger. I believe that when we talk about putting money into England as a block to communism such talk does not ring true, because in that country there is no threat of communism. But there is socialism. The program of the present Government of England is a program of nationalization of industries. It seems to me a strange position for us to take to sustain that idea of government, which we would be doing by putting money into Great Britain.

Mr. LODGE. Mr. President, will the Senator permit me to say a word in response?

Mr. MALONE. I yield.

Mr. LODGE. In order to keep the record straight, I wish to say that since the question of British coal production has arisen I have made some inquiries. I am told that at the present time Great Britain is importing no coal from the United States. She is actually exporting some coal. I am told that the rate of British production increased in January and February, and that even greater production is expected in March, with an even larger amount of exports.

Mr. REVERCOMB. When did the production reach the point of meeting the British needs?

Mr. LODGE. The last shipment they got from us was last summer, and that was a small shipment of a certain special type of coal which they themselves did not produce. At a rough guess, imports from this country stopped last fall, and the exports began soon after that.

Mr. REVERCOMB. I must say to the Senator that I have been advised by men high in the Government of Great Britain that the British had bought as much as 600,000 tons of coal from this country.

Mr. LODGE. During what period?

Mr. REVERCOMB. That was in 1947. The months were not stated. We know that for more than 2 years they had not met the production of prewar days.

Mr. LODGE. I agree with the Senator that no coal should be sent under this plan where it is not imperatively needed. We should not send anything to any country which that country can produce for itself. The bill specifically provides that that shall not be done. We have the assurance of every official witness who appeared before us that coal would not be so sent.

Mr. REVERCOMB. It is not a question of sending coal. If the British need coal and want to buy American coal, well and good. I am taking a position in opposition to sending money or commodities which are not needed, or sending money to sustain a government which has not carried on with the efficiency of the government which was in office prior to the war. I do not think we should sustain that kind of a government.

Mr. LODGE. It is implicit in the bill that every recipient Nation will make the maximum effort to make the most of its own resources.

If the Senator from Nevada will permit me one further observation, the Senator from West Virginia has stated that, inasmuch as Great Britain was not threatened with communism, therefore there was no point in sending aid to Great Britain. I agree that Great Britain is not threatened with communism. However, the economics of the nations of western Europe are so interlocked that if there are countries in Europe which might be threatened with communism, and which are dependent upon exports from Great Britain, and dependent upon their economic relationships with Great Britain, the most effective thing to do to ward off communism is to see to it that Great Britain is in a position to discharge her normal economic function with respect to those people.

Mr. REVERCOMB. It seems to me that if we are to advance money to countries which are not threatened with communism, we should do so with the frank statement that we are doing it for the purpose of increasing our own trade. I want the products of this country to be sent to other countries, so long as we do not create shortages here. I believe that shipments abroad must be tied in very definitely with the needs of this country, so that we shall not have the shortages and high prices from which we have suffered for some time.

That is not the point I am making. If we are to advance money to the United Kingdom, let it be done upon a business-like basis, and upon the basis of shipping our products over there, within reasonable amounts, and not on the basis of stopping communism or rehabilitating the government. Let it be frankly stated that it is a trade proposition; and being a trade proposition and a business affair, let it be based upon business-like methods, and let the recipients pay in some manner for the products sent.

Mr. LODGE. Let me say as forcibly as I can that to my way of thinking this is not a trade proposition. The propaganda which comes out of Moscow is constantly saying that it is a trade proposition, and that we are doing it because America needs foreign trade and

cannot get along without foreign trade, and that therefore we are doing this to support our own economy. I do not think that is true. The purpose goes much deeper than that.

We have an interest in this program, but not because of trade. I believe that our interest is the interest that a country as large and great as ours has in having a peaceful world. That aim does not embrace merely trade. It embraces living human beings. For us to say that we are doing this simply as a matter of trade, simply as a matter of balance-sheet economics, and simply to get back to the level of 1938—as so many advocates of this plan have said—is to me not enough. If all we were doing were reviving American trade; if all we were doing were providing soup kitchens for Europe, I should not be in favor of the plan. I should say that it involved the expenditure of much, too much, money for such purposes. Unless this program would bring about a condition of peace in the world, unless it would lead to the creation of a joint organization in Europe, and lead to something new, rather than simply rebuilding the same old row of tenement houses which have caught fire and started international conflagrations twice in the lifetime of the Senator and myself—and the Senator fought in both wars—this program would have no interest for me.

Mr. REVERCOMB. I am interested in tying the program in with high purposes. However, I believe the Senator himself stated that trade was necessary to bring about peace in the world. Trade must be sustained on the basis of products which are needed over there.

If it be a question of trade—and I care not whether the charge may come from Moscow or somewhere else—let us get down to the facts. If it be a question of trade, let us call it that, and let us put it on a sound business basis. Let us say to those who come here for money, "You are not coming here for alms. You are coming here to deal with us as one nation with another. You are coming here to trade, and we are ready to trade, but let it be based upon business principles."

Speaking of Moscow, we are advised that England has made an agreement to send materials to Russia. I hope to have a summary of the agreement before this debate is concluded.

Mr. MALONE. I may say to my friend the Senator from West Virginia that I have a break-down of the trade treaty.

Mr. REVERCOMB. I shall be glad to have the Senator present it.

So, Mr. President, there is no reason for Senators to say on behalf of the United States, "Oh, no; this is not going to be on a trade basis; we are putting it on a higher plane than that," and then know that one of the countries to whom we are giving this aid—the United Kingdom, for example—is entering into a trade agreement with Soviet Russia. Certainly it is wrong, so far as our country is concerned, to put this proposed aid on the basis of one plane, namely, that we are giving the aid to these nations, including, for instance, the United Kingdom, and then have the United Kingdom return to the usual basis of trade with Russia. Why not let it be upon a sane, usual, solid basis between ourselves and Great Britain or any other country that deals with us?

Mr. LODGE. Mr. President, will the Senator from Nevada yield to me further, because I should like to comment at this point in view of the fact that the Senator from West Virginia is developing a very interesting line of thought.

Mr. MALONE. I yield.

Mr. LODGE. Of course, the Senator from West Virginia is quite correct when he says that the desirable thing would be for us to be able to trade with these countries in the normal way in which we always have. That would be the case today, if it had not been for the recent war. But the war has upset all economic relationships and had created tremendous dollar shortages, so that none of the currencies of those nations are convertible, which is a tragic situation in the case of European countries which are not self-sufficient and have to get goods from outside. Those are considerations we cannot overlook when we talk about the revival of trade. That is exactly the gap this bill is trying to fill, and that is the approach of those who favor enactment of the bill, believing, as either the Senator or I said yesterday—I forget which one of us it was—that the way to lead men away from communism is to give them hope. If men have no hope, they tend to go toward communism, because they try to think of the most awful thing they can do, and that is the most awful thing.

But if we wish to lead a man away from communism, we must give him hope. Of course, to all of us in this Chamber the thing that gives us hope is to be able to look into the future and see some decent living conditions for ourselves and our wives and our children. Of course that means jobs and economic revival, and that is what this bill is aimed at.

But the reason why the proposed aid is necessary is, not because these countries are finished, but because of the terrific dislocations and the terrific destruction which was visited on them during the war.

Mr. REVERCOMB. Mr. President, will the Senator from Nevada yield to me at this point?

Mr. MALONE. I yield.

Mr. REVERCOMB. I should like to make a brief reply about the hope that is held out by this bill. We sent millions of dollars into Yugoslavia. UNRRA put millions of dollars there, and that held out the hope to which the Senator from Massachusetts has referred, but it did not prevent Yugoslavia from going to communism.

Similarly, we helped Czechoslovakia, but only recently we have learned that the iron curtain has been rung down on Czechoslovakia.

That is why I am very much disturbed over the thought that perhaps under the provisions of this bill the United States will do something at great cost, but will find that the desired result is not achieved.

I say that the proper way for us to proceed is, not by way of gifts, but by way of helping these countries maintain themselves and have self-respect, without looking to us as a supporter and a giver, as proposed by this measure.

In this bill there is no provision requiring the return of 1 cent. The Administrator is to be given the power to make certain deals, but there is no requirement as to that. Vast powers are given to the Administrator, by the bill, either to give away the aid or to make terms on a businesslike basis. It seems to me that if we are really and genuinely going to help European countries and at the same time look after the welfare of our own country, we had better put this proposed aid on some kind of basis of businesslike dealing whereby the law, as enacted, will expressly provide that the Administrator must do these things in a businesslike way, with the expectancy of a return from the recipients of this help.

Mr. LODGE. Mr. President, will the Senator from Nevada further yield to me?

Mr. MALONE. I yield.

Mr. LODGE. The Senator from West Virginia is a very skillful debater, and he has shown that to be the fact by his reference to the gifts which went to Yugoslavia. I was not a Member of the Senate at that time, of course. I think what was done in that respect was a colossal mistake and a ghastly error. I think the way we have allowed ourselves to be slapped around and slapped in the face in that connection, and the way the Yugoslavian people have been treated, including the way Archbishop Stepinac has been treated, are terrible blots both on ourselves and on history.

I think we have made many mistakes, but I think we have learned something as a result. I think the program which now is before us embodies the lessons gained by experience; and I think that running all through the bill and the report and the hearings we find the belief which the Senator from West Virginia has voiced, namely, that this program must be carried out in a businesslike manner. Mr. President, I hope that the man who is appointed as Administrator under this bill will be the kind of man who could run General Motors or some other large enterprise, because this program must be handled in as businesslike a way as possible.

I agree with the Senator that as much of the $5,300,000,000 as possible should be in the form of real loans which will be repaid. On the other hand, in that connection there is an element which cannot be treated as banker's loans, because of the destruction caused by the war. The war was not a constructive industrial enterprise, and consequently the results which have flowed from the war are not constructive from an industrial or economic standpoint, either.

Mr. REVERCOMB. Mr. President, will the Senator from Nevada further yield to me?

Mr. MALONE. I yield.

Mr. REVERCOMB. I am glad to have the Senator from Massachusetts agree with me that any money which goes to these countries under this program should go to them on a business-like basis. The Senator speaks of obtaining an administrator of great ability. That is well and good; of course we can hope for that; but that is only another hope that is in this entire proposal.

There is one thing we can do, and that is to write into this bill, which the Senator now supports, an exacting requirement as to how this shall be done. We are the representatives of the people of the United States, and we are here in Congress to look after the interests of our country and its well-being. I know that the Senator from Massachusetts feels he is doing that in any action he takes. But I say, Mr. President, that if we are really going to do what is right, we should write into this bill definite provisions as to what shall be done and the methods that shall be used, and we should not leave it to the wide discretion of an administrator.

Mr. MALONE. Mr. President, inasmuch as the steel situation has been mentioned——

Mr. MORSE. Mr. President, will the Senator yield to me for a moment?

Mr. MALONE. I yield.

Mr. MORSE. I ask unanimous consent that the subcommittee of the Armed Services Committee may meet at 2 o'clock today.

The PRESIDENT pro tempore. Is there objection?

Mr. McFARLAND. Mr. President, if the Senator from Illinois [Mr. LUCAS] were now present, he would object. So I ask the Senator from Oregon to withhold his request until the Senator from Illinois returns.

Mr. MORSE. I shall be happy to do so.

Mr. McFARLAND. Otherwise, I should have to suggest the absence of a quorum.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. WHERRY. I should like to address a question to the Senator. From the observations the junior Senator from Massachusetts [Mr. LODGE] made on the floor of the Senate yesterday afternoon, I take it that the purpose of this measure is to permit the countries of western Europe not only to trade among themselves, but to trade with any other nation in the world. I think that was the conclusion which was reached here yesterday afternoon.

Mr. LODGE. If it is in the interests of the purposes of this act and the welfare of the United States to have them do so.

Mr. WHERRY. I thank the Senator for his contribution. I should have been glad to add that, but I did not wish in any way to state a premise to which the Senator might except.

I take it that it is also the purpose of this proposed act to provide that the trade-relations agreements are to be entered into by the Secretary of State, after consulting with the Administrator under this program. The provision to that effect is to be found in section 15 (a), on page 27 of the bill, reading as follows:

SEC. 15. (a) The Secretary of State, after consultation with the Administrator, is authorized to conclude, with individual participating countries or any number of such countries or with an organization representing any such countries, agreements in furtherance of the purposes of this act.

The purposes of the act are set forth in section 2, on page 2, beginning in line 17, as follows:

The development of economic cooperation including all possible steps to establish and maintain equitable rates of exchange—

This is the point to which I want to draw the Senator's attention—

and to bring about the progressive elimination of trade barriers.

That is pointed in that particular section, and it is also written into section 2 (b) on page 4.

Mr. LODGE. It is in Europe that the trade barriers are to be eliminated.

Mr. WHERRY. Just a moment. I refer to page 4, paragraph 3, section 2 (b), which reads:

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.

There are at least two provisions I desire to bring to the attention of the Senator and I should like to ask a question in order to clarify the RECORD, for the reason that I am one who is very much interested in the schedules contained in our trade agreements. The Senator knows that the Reciprocal Trade Agreements Act expires this year. There is a question whether or not it will be extended. It has operated during the war when prices were high. In my opinion there has not been an opportunity to test the schedules now in operation. But the question I should like to propound is: If the pending measure is passed, does the Congress commit itself at least for the life of ERP to an extension of the present laws respecting trade agreements or similar provisions that might be determined by the Secretary of State in relation not only to the 16 countries, but to other countries? Does the Senator see what I mean?

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

Mr. MALONE. I yield.

Mr. LODGE. I see what the Senator means, and I think it is a very legitimate question. I shall try to answer it in the order in which he presented it for consideration.

Mr. WHERRY. I realize it is a long question, but I wanted to make a premise, because I am vitally interested in the matter.

Mr. LODGE. I see what the Senator means, and I also am vitally interested. I have seen the Waltham Watch Co. go to the wall. That is not only a loss to the people of Massachusetts but a very serious loss to the people of the United States, because it is the watch companies upon which we must depend to make instruments in case of war. Because of unfair foreign competition, I do not want to see the abolition of our tariff barriers, although I recognize also that in certain cases reductions can be made, which can increase American exports.

With respect to page 27, the first point made by the Senator was that the Secretary of State would make the agreements. Let me say to the Senator that under our constitutional practice the Secretary of State must technically make the agreements, but it is a ministerial function in this case and the agreement would be in practice written and thought out by the Administrator. The other language to which the Senator referred——

Mr. WHERRY. Just a moment, please.

Mr. LODGE. Yes.

Mr. WHERRY. What I am asking relative to trade agreements is whether the Administrator is given blanket authority to negotiate those treaties between the countries, and to make agreements containing such schedules, without bringing them back to the Congress. Are we abdicating our power?

Mr. LODGE. No; I do not think we are. The language of section 15 applies to bilateral and multilateral agreements under the Marshall plan.

Mr. WHERRY. Certainly.

Mr. LODGE. And of course I do not think the Senator would want to have them come back here for ratification. Would he?

Mr. WHERRY. The trade agreements, however, that the Administrator is to execute after being given this blanket authority might involve the very thing I am talking about. That is my question.

Mr. LODGE. The Senator has asked me a question, and if he will be patient a minute I shall try to answer it. The language on page 2, lines 18, 19, and 20, to which he refers, relative to the progressive elimination of trade barriers, and the language on page 4, lines 5, 6, 7, and 8, about the growth of international trade of participating countries, including reduction of barriers which may hamper such trade, applies to the participating countries and does not apply to this country at all. It is my view, and I think I can speak with a good deal of confidence on the subject when I say that it is also the view of others besides myself, that that language applies to the participating nations and does not in any way involve a commitment on the part of the United States with regard to the trade-agreements program. Certainly I think it would not be right to introduce the trade-agreements program into the bill. I do not think it is anywhere in the bill at all, and I do not think it should be.

Mr. WHERRY. Mr. President, that is the sole reason for my asking the question. It seems to me as I study the language, knowing that the Trade Agreements Act will terminate this year if it is not extended, that section 15 gives the Secretary authority to carry out the purposes of the act. When I read sections 2 (a) and 2 (b), I think the reference is to trade barriers.

Mr. LODGE. If the Senator will wait a minute, and if I may say so, Mr. President, I think he is getting away off the track. Section 15 authorizes the Secretary of State simply and solely to carry out the bilateral and multilateral agreements. That is all that is set forth on pages 27 to 32, and that is all he is authorized to do. He is not authorized to monkey around with trade agreements.

Mr. WHERRY. What particular trade barrier would come under the unilateral, bilateral, or multilateral agreements that might be made between or among par-

ticipating countries? It says, "with other countries."

Mr. LODGE. I think the Senator is whipping the devil around the stump—something that he does quite well as a matter of fact.

Mr. WHERRY. Oh, no, no.

Mr. LODGE. In my view the language applies solely to bilateral and multilateral undertakings. There might be an agreement between two foreign countries which was disadvantageous to the welfare of the United States, and the Administrator might say to those countries, "Before I sign a bilateral agreement with you, I want you to eliminate that agreement." That would be a part of his bargaining power; in fact, that is what he ought to do. But there is nothing in section 15 (a) which gives the Secretary of State and the Administrator any power to do anything except to conclude bilateral and multilateral undertakings. It has nothing to do with the trade-agreements program at all.

Mr. WHERRY. Mr. President, I thank the distinguished Senator, and I also thank the Senator from Nevada for yielding the time. I would interpret the act as the Senator from Massachusetts does, provided it stopped on page 27; but when in that provision it is stated, "according to the purposes of the act," I respectfully say to the Senator that in sections 2 (a) and (b) certainly there is mention of trade barriers. They are to be reduced to a minimum. The trade barriers are to be reduced so that there can be an exchange of goods among the participating countries, and in other countries with which the Secretary of State might negotiate agreements which he thinks appropriate. All I am saying is this: If the Senator can give me assurance that the provision does not in any way have any effect upon any reciprocal-trade agreement, or any other agreement between this country and foreign countries, that the schedules are not to be considered by the Secretary, that the provisions of the reciprocal-trade agreements or similar provisions if the Trade Agreements Act is not extended, I would deeply appreciate it. I think it can be interpreted to mean exactly the construction that I place upon it.

Mr. LODGE. I am glad to assure the Senator that there is nothing which in any way affects any trade agreement which the United States may conclude between itself and any other country.

Mr. WHERRY. Did the Senator say "with other countries"?

Mr. LODGE. With other countries. But the bill emphatically expresses the hope that there will be a European customs union—a hope in which I trust the Senator shares.

Mr. WHERRY. Oh, certainly.

Mr. LODGE. Because the organization of a customs union is a cheap way to remove the barriers to trade which exist over there.

Mr. WHERRY. I was on the floor when the late David Walsh, the senior Senator from Massachusetts at that time, developed an argument with reference to the importation of Swiss watches.

Mr. LODGE. I made an argument on that subject last June.

Mr. WHERRY. The Senator was in the service at the time I am speaking of, as I recall. Does the Senator think there is anything in the language of the bill which has anything to do with the schedules or provisions of any trade agreements which now exist, or if the Trade Agreements Act should not be extended would the Secretary have any authority under any provision of this bill to have anything to do with trade relations between Switzerland and the United States relative to the importation of watches?

Mr. LODGE. No; I do not think so. There are times when I should like to think so, because there are times when I would be tempted to say to the Administrator, "I wish you would insist that they stop flooding America with some of these products." But I do not think I would be in order in making such a representation to the Administrator, because the provisions of the bill do not touch trade between America and those countries. Its purpose is to create an integrated Europe and to lead to the elimination of trade barriers between European countries.

Mr. WHERRY. Does the Senator think it has nothing to do with trade relations between those countries and the United States?

Mr. LODGE. That is my opinion. There is a matter of stock piling involved, but that is another subject. The matter of stock piling involves the receipt of strategic materials. That subject is in a different category.

Mr. WHERRY. I should like to have the Senator know that I have been deeply interested in the Reciprocal Trade Agreements Act since its beginning.

Mr. LODGE. I know the Senator has been very active in that connection.

Mr. WHERRY. I wish the Members of the Senate could have an opportunity to discuss the question and have something to say about the schedules and provisions involved.

Mr. LODGE. I agree with the Senator that it would be utterly reprehensible and inconceivable for us to enact tariff legislation as a rider to the pending bill.

Mr. WHERRY. I did not say tariff legislation; I said reciprocal trade agreements.

Mr. LODGE. Or reciprocal trade agreements. I do not think they are at all involved here.

Mr. WHERRY. I understand that the senior Senator from Michigan is in agreement with the Senator.

Mr. LODGE. I have not talked with the senior Senator from Michigan, but I see he is nodding his head, and I am pleased to see that gesture of approval.

Mr. MALONE. Mr. President, I must agree with my distinguished colleague from Nebraska that this loosely drawn bill may involve every industry in the United States. I want to say, since reciprocal-trade agreements have been mentioned, that the reciprocal-trade plan is a selective free-trade act. As a result of the operation of the selective free-trade acts—selective by the State Department, which is supposed to handle foreign affairs and not domestic affairs—just as one example—and it can happen with respect to any industry—90 percent of the mines in the United States have been shut down; 2,400 mines in California have been cut down to 350. In Nevada the proportion is about the same, and perhaps throughout the country. Based upon the record, I am convinced that that is what would happen. If the textile industry were treated as the mineral industry has been treated—and it could be done at any time—the Senator from Massachusetts [Mr. LODGE] might be very much interested. If he were here, I would make a further remark with regard to that, but I see he has left the floor.

Further to consider the matters which have been raised and in order to clear them up, I note that in the European recovery program prepared by the State Department the United Kingdom intends to import iron and steel, finished, crude, or semifinished, pig iron, scrap, and iron ore through 1948 and 1949. The finished product amounts to 1,204,000 tons; the crude and semifinished to 944,000 tons. I could continue to read from the report, but that report is evidence in itself.

I point out to the Senate that we are now, and for some time have been, exporting from 6,000,000 to 8,000,000 tons of steel annually. I shall cover that a little further along in my address and point out how we might stop some of that importation by a simple change in Executive orders, allowing that amount to be added to the German production.

An agreement was signed between the United Kingdom and the Union of Soviet Socialist Republics in Moscow, December 27, 1947, and I wish to give a short summary of that trade and payment agreement.

From the U. S. S. R. to the United Kingdom, out of the 1947 harvest, for delivery during a period of 8 months from February 1, 1948, to September 30, 1948, inclusive, 450,000 metric tons of barley, 200,000 metric tons of maize, and 100,000 metric tons of oats.

For the benefit of my colleague from Nebraska [Mr. WHERRY], maize is a sort of Kaffir corn, as it is called in Nebraska.

I point out further that Russia got paid for the amount of grain referred to perhaps from some of the money furnished under the Marshall plan.

From the United Kingdom to Russia there were shipped:

Light rails with fishplates, bolts, and nuts for narrow-gage railways, 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from United Kingdom military surpluses)—

It may be that United States surpluses have something to do with this also—

and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

I say to my distinguished colleagues that possibly much of this surplus belonged to Uncle Sam; but we gave it to them.

Schedules I and II give the details.

I read further from the summary:

In addition, negotiations will immediately be commenced with the object of supplying to the U. S. S. R. wool, rubber, aluminum, cocoa beans, coffee, and other goods to be agreed. * * *

Both governments in the near future will enter into additional negotiations concerning the question of obtaining supplies of

tin from the Union of Soviet Socialist Republics.

In the event that by May 31, 1948, the total value of Soviet orders placed for equipment provided for in the above-mentioned schedules I and II does not reach half of the whole value of this equipment, then the Government of the Union of Soviet Socialist Republics has the right to reconsider its undertaking relating to the making available to the United Kingdom of the last 200,000 tons out of the 750,000 tons of grain mentioned.

With reference to long-term arrangements, I read further:

The aim of the two governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics. * * *

The two governments will appoint representatives who will meet not later than May 1948 to draw up a balanced program of shipments between the two countries consisting of:

(a) Further supplies as itemized above.

(b) Supplies of the following goods:

(1) From the U. S. S. R. to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods.

(2) From the United Kingdom to the U. S. S. R.: Oil-well tubes, tinplate.

(c) Such further goods as may be agreed.

Provision is also made for further meetings, not less than once a year, to "make recommendations to the two governments designed to improve, develop, and widen the basis of trade between the two countries."

Schedule I: Equipment for delivery from the United Kingdom to the U. S. S. R.

I wish to point out that the steel goods I have mentioned and shall mention, and the various fabricated goods, can well be fabricated from the steel we are furnishing, it can well be that engines and other equipment going to the United Kingdom are merely relayed in trucks of various kinds to the U. S. S. R.

1. Narrow-gage 750-mm. locomotives. Quantity, 1,100.

Prospective period of delivery: Seventy-five in first 2 years from placing of order. Three hundred fifty per annum thereafter. Complete in 2¾ years from commencement of delivery.

2. Flat trucks.

I shall not read the details.

3. Winches (2 and 3 drums).
4. Excavators.
5. Caterpillar loading cranes.
6. Auto timber carriers.
7. Tugs.
8. Dredgers.
9. Locomobiles.
10. Fifty-kilowatt mobile Diesel electric generators.
11. Steam power turbine stations.

All of which we have been shipping to Europe in great quantities—equipment hard to get in this country.

12. Plywood equipment.
13. Timber mill equipment.

And so it goes.

I submit this list for the RECORD, Mr. President.

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

SUMMARY OF THE TRADE AND PAYMENTS AGREEMENTS BETWEEN THE UNITED KINGDOM AND THE U. S. S. R. (SIGNED IN MOSCOW, DECEMBER 27, 1947)

SHORT-TERM ARRANGEMENTS

From the U. S. S. R. to the United Kingdom—Grain: Out of the 1947 harvest (for delivery during a period of 8 months from February 1, 1948, to September 30, 1948, inclusive): 450,000 metric tons barley, 200,000 metric tons maize, 100,000 metric tons oats.

From the United Kingdom to the U. S. S. R.: Light rails with fish plates, bolts, and nuts for narrow-gage railway, 25,000 English long tons (including not less than 10,000 English long tons from new production and the balance from United Kingdom military surpluses), and in addition 10,000 English long tons from any further United Kingdom military surpluses which may become available during the year 1948 in the United Kingdom and overseas.

See also schedules I and II, attached.

In addition, negotiations will immediately be commenced with the object of supplying to the U. S. S. R. wool, rubber, aluminum, cocoa beans, coffee, and other goods to be agreed.

Both Governments in the near future will enter into additional negotiations concerning the question of obtaining supplies of tin to the Union of Soviet Socialist Republics.

In the event that by May 31, 1948, the total value of Soviet orders placed for equipment provided for in the above-mentioned Schedules I and II does not reach half of the whole value of this equipment, then the Government of the Union of Soviet Socialist Republics will have the right to reconsider its undertaking relating to the making available to the United Kingdom of the last 200,000 tons out of the 750,000 tons of grain mentioned.

LONG-TERM ARRANGEMENTS

The aim of the two Governments is to secure as soon as possible a balanced trade on an expanding basis between the United Kingdom and the Union of Soviet Socialist Republics.

The two governments will appoint representatives who will meet not later than May 1948 * * * to draw up a balanced program of shipments between the two countries consisting of:

(a) Further supplies as itemized above.

(b) Supplies of the following goods:

(1) From the Union of Soviet Socialist Republics to the United Kingdom: Wheat, pulses, pit props, cellulose, canned goods.

(2) From the United Kingdom to the Union of Soviet Socialist Republics: Oil-well tubes, tinplate.

(c) Such further goods as may be agreed.

Provision is also made for further meetings, not less than once a year, to make recommendations to the two governments designed to improve, develop, and widen the basis of trade between the two countries.

SCHEDULE I.—*Equipment for delivery from the United Kingdom to the U. S. S. R.*

| Item No. | Description of equipment | Quantity or amount | Prospective period of delivery |
|---|---|---|---|
| 1 | Narrow-gage 750-millimeter locomotives | 1,100 | 75 in first 2 years from placing of order; 350 per annum thereafter. Complete in 2¾ years from commencement of delivery. |
| 2 | Flat trucks, 750-millimeter | 2,400 | Commence 18 months after placing of order at 25 a month. This rate will increase to 100 a month and the delivery period will cover approximately 2¼ years. |
| 3 | Winches (2 and 3 drums) | 2,400 | Commence 12 months after placing of order. Delivery at rate of 1,000 units in 1949 and 1,400 units in 1950. One-half will be fitted with electric motors. |
| 4 | Excavators | 210 | In 1948, 30 units; 1949, 60 units; 1950, 120 units. |
| 5 | Caterpillar loading cranes (Diesel types in substitution for equivalent number of excavators). | 54 | In 1948, 4 units; 1949, 20 units; 1950, 30 units. |
| 6 | Auto timber carriers | 250 | 2 a week commencing 18 months after placing of order. |
| 7 | Tugs | 14 | In 1948, 4 from surplus, 10 from new building starting 18 months after placing of order. Delivery 1 per month. |
| 8 | Dredgers | 4 | First, 24 months after placing of order; remainder at rate of 1 every 3 months. |
| 9 | Locomobiles | 200 units | Commence delivery in 21 months from placing of order and complete in further 18 months. |
| 10 | 50-kilowatt mobile Diesel electric generators | 150 | Fifteen 4 months from placing of order; 135 in further 12 months. |
| 11 | Steam power turbine stations, 500-kilowatt | 24 | First set would be delivered in 2½ years from placing of order and thereafter 1 set per month. |
| 12 | Plywood equipment | £1,050,000 value | 1949, £100,000 per annum; 1950, £200,000 per annum; 1951, £200,000 per annum; and after at the rate of £200,000 per annum. |
| 13 | Timber-mill equipment | £400,000 value | 1949, £50,000; 1950, £100,000; 1951, £100,000; and after at the rate of £100,000 per annum. |

SCHEDULE II.—*Equipment for delivery from the United Kingdom to the U. S. S. R.*

| Item No. | Description of equipment | Quantity or amount | Prospective period of delivery |
|---|---|---|---|
| 1 | Scientific and laboratory apparatus | £150,000 value | In 1948-49. |
| 2 | Pile drivers mounted on pontoons | 4 | Deliver first-one in 2 years after placing of order and then one every 5 months. |
| 3 | Winding gear | 4 sets | Start in 2 years after placing of order and complete in further 6 months. |
| 4 | Electro dredger | 1 | Delivery 2½ years after placing of order. |
| 5 | Ball mills for copper ore grinding | 18 | Start 2¼ years after placing of order. Deliver 4 mills a month. |
| 6 | Ball mills for grinding apatite | 8 | Start 2¼ years after placing of order. Deliver 4 mills a month. |
| 7 | Rod mills for grinding ores | 3 | Deliver in 2¼ years after placing of order. |
| 8 | Spiral type classifiers | 8 | Deliver in 2½ years after placing of order. |
| 9 | Gyratory crushers | 2 | Deliver in 2 years after placing of order. |
| 10 | Railway steam cranes | 3 | Delivery 2 years after placing of order. |
| 11 | 154-kilovolt voltage transformers | 48 | Delivery to commence 2½ years after placing of order, and complete in further 12 months. |
| 12 | Complete distributing sets (13.8 kilovolts) | 6 | Delivery to commence 2½ years after placing of order, and complete in further 6 months. |
| 13 | Isolating switches (154 kilovolts) | 45 | Delivery to commence 2¾ years after placing of order and complete in further 6 months. |
| 14 | Oil-purifying apparatus | 10 | Delivery to commence 2 years after placing of order and complete in further 6 months. |
| 15 | 100-kilowatt electric motors | 300 | Delivery to commence 2 years after placing of order at rate of 150 a year. |

Mr. MALONE. Mr. President, I further point out for the RECORD—I think all Senators know it—that many speeches have been made as to the many restrictions put on in negotiations with Russia. We are at this moment engaged, possibly, in preparing for war with Russia, while our esteemed ally, the United Kingdom, is preparing a long-range trading program. The same is true of France and other nations. However, I do not have exact copies of their trade agreements.

It was made very clear by Mr. Bevin and Mr. Wilson that they wanted to trade with Russia, and they wanted to remain neutral, they wanted to be the "bridgehead," that was the exact word they used, between the Soviet Communist government and the capitalist government of America. I think perhaps they are in a fair way of doing just that. Their interests are with Russia, since they are primarily processors and manufacturers of goods, as we are in this Nation, while Russia can furnish mainly the necessary raw materials.

The question of the nationalization of industry in Great Britain was brought up a few moments ago and left open-ended—in a way, left up in the air. I have in my hand outlines of the nationalization schemes, and the progress made, of Great Britain, France, Belgium, and the Netherlands. I shall not go into detail, but reading from the description of Great Britain's plan—

The Labor Government was elected on a program calling for the nationalization within 5 years of the Bank of England and of key industries, including coal, power, and iron and steel. It also announced that it favored land nationalization. It also favored an expanded national insurance system and a broadened national health service, as well as a vast housing and rebuilding program.

Nationalization already accomplished:

The Bank of England came under public control in February 1946.

The coal industry passed to the National Coal Board on January 1947.

Telecommunications passed into Government hands, November 1946.

Inland transportation was taken over under the provisions of the inland transport bill, passed in late summer, 1947.

Civil aviation was nationalized on August 1, 1946.

Electric power industry (bill passed within last few weeks).

The histories of the French, the Belgian, and the Netherlands plans are much the same. I wish to submit the outlines relating to these four countries, that is, their programs for the socialization and nationalization of the property of their respective nations, and the status of the program, for the RECORD.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Is there objection?

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

NATIONALIZATION OF INDUSTRY IN GREAT BRITAIN

The Labor government was elected on a program calling for the nationalization within 5 years of the Bank of England and of key industries, including coal, power, and iron and steel. It also announced that it favored land nationalization. It also favored an expanded national insurance system and a broadened national health service, as well as a vast housing and rebuilding program.

NATIONALIZATION ALREADY ACCOMPLISHED

The Bank of England came under public control in February 1946.

The coal industry passed to the National Coal Board on January 1947.

Telecommunications passed into government hands November 1946.

Inland transportation was taken over under the provisions of the inland transport bill, passed in late summer 1947.

Civil aviation was nationalized on August 1, 1946.

Electric power industry (bill passed within last few weeks).

INCOMPLETED PLANS FOR NATIONALIZATION

Originally the Government planned to take over the iron and steel industry, but so much protest was aroused over this that it has been given up, at least temporarily.

Also, the Government stated in its original program that it intended eventually to nationalize all of the land. However, it has contented itself for the time being with working out extensive town and country planning.

It is estimated that approximately 20 percent of the British industry is now under direct Government control.

Sources: State Department, Background Information on European Countries, pages 14–15; State Department, European Recovery Program, Country Studies, United Kingdom, page 14.

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NATIONALIZATION OF FRENCH INDUSTRY

All the major political parties in France have supported nationalization of many of the industries in France. They differ largely in the question of how rapidly this nationalization should be brought about. The Socialists and Communists have urged immediate nationalization of large banks, key industries, transportation and insurance companies. The MRP (Mouvement Republicain Populaire) has been willing to have this nationalization take place more slowly.

HISTORY OF FRENCH GOVERNMENT'S INTERVENTION IN INDUSTRY BEFORE WORLD WAR II

Before World War II, there were a number of nationalized enterprises, including the railroads, potash mines in Alsace, telephones, telegraph and postal services, radio broadcasting, virtual control of the moving-picture industry, gunpowder industry, match industry, tobacco industry, individual manufactories of porcelain, tapestry, and several thermal establishments.

RECENT STEPS IN NATIONALIZATION

Since the end of the war, nationalization has taken place in the coal-mining industry, gas, electricity, and aircraft industries. A large segment of the banking system has been nationalized, as well as 34 insurance companies. The Renault automobile works have also been nationalized, because of the collaborationist activities of the former owners.

SUPPLEMENTARY FORMS OF GOVERNMENT CONTROL

In addition, the Government has secured extensive controls over French industry through such media as subsidies, licensing and quota systems, and credit organizations.

Through subsidies, the Government has an important voice in controlling shipping, demanding a voice in their affairs in return for extensive subsidization. Similarly with the silk, hemp, and flax industries.

Through credit organizations, set up by the Government, the Government assists—and hence helps control—export trade, colonial enterprises, and the many manufacturers and merchants to which it extends loans.

Through licensing and quota systems, imports and exports are controlled.

The regulation of foreign exchange and manipulation of the value of the currency help to control the whole workings of the French industrial economy.

Sources: State Department, European Recovery Program, Country Studies: France, pages 19–20. Study by Mr. Billings, Legislative Reference Service.

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NATIONALIZATION OF INDUSTRY IN BELGIUM

There has been comparatively little nationalization of industry in Belgium. Nationalization includes: National Bank of Belgium, postal and telegraph systems, railroads (most, not all), public utilities, Government commission for mines.

Belgium, like the Netherlands, has many powerful corporations, with subsidiaries in their dependencies, which are in monopolistic position. They also have important cartel tie-ups, such as Unilever, which are virtually supernational.

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NATIONALIZATION OF INDUSTRY IN THE NETHERLANDS

Very little nationalization has been effected in the Netherlands. Where state controls exist, these go back for many years, most of them to the period before World War I, and follow the pattern of most stable European countries.

Nationalization includes: Railroad transportation (since before World War I); 75 percent of the coal mines; public utilities, either owned by Government or by the municipalities; Government control of iron and steel industry; and Netherlands Bank.

However, the largest industries in the Netherlands (Phillips, Unilever, Standard Oil, etc.) are privately owned. The Government's chief concern is over the monopolistic developments in such business growth, and it is encouraging small rival industries to be developed, to offer competition to the too-powerful companies.

Mr. MALONE. Mr. President, I wish now to complete my remarks about the way the rehabilitation of the foreign industries could be undertaken on a sound basis by merely transferring the RFC rules to the World Bank without providing new Government machinery of any kind. As a matter of fact, one thing the matter with the Government now is that it has too much machinery. Far from setting up more machinery, we could abolish a lot of it. The loans can be put on a sound basis, following the feeding of the hungry people, as we have been doing since the close of World War II.

The foreign governments to whom we have loaned money, in my judgment, on this basis should also be required in the event of nationalization of a particular industry to make repayment in kind. In other words, when and if they nationalize their industries, to which we have previously loaned money, then they should pay us back in our kind of money, and they should also undertake to maintain a free flow of currency without value manipulation.

It is well known and established that a large number of the governments of Europe included in the Marshall plan are grossly overvaluing and manipulating their currencies. France, for example, had an official exchange set by their Government of 117 francs to the dollar, when you could go out on the street and get 350 to 400 francs to the dollar. They are now in the process

of reducing the value of the franc to 214 francs to the dollar, which is still about twice its real value.

It is well established that, while England officially valued the pound at $4.03, on the exchanges in New York City or any street in London you can buy the pound for $2.25. Most of the other countries included in the Marshall plan are doing likewise. It is probably not well known that England has just completed a trade treaty with Russia which includes fabricated steel products—and that the Marshall plan includes raw steel for England.

When I was in Rome the lira was valued at approximately 500 to the dollar, while on the street the price was 650. It was the nearest to actual value of any of the principal countries. Since that time Italy has started to devalue the lira to actual value.

They announced just a few weeks ago that each month the lira will be revalued, not at what they think it should be worth, but what the exchanges of Italy are offering for it, which means a free exchange between the lira and the dollar for the first time since the war. They have made a start, and we hope that other European countries will follow their example.

What does all this mean, Mr. President? It merely means that whether we are spending dollars in France or buying products of France, we will be paying about three and a half times the actual value of the products. Now, with their devaluation, it will be about twice the value of the products. It means that if we pay in products, we are paying nearly twice what the products are worth.

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

Mr. MALONE. I yield.

Mr. DWORSHAK. The Senator from Nevada has called attention to the vital need of stabilizing the currencies of some of the nations which will come under the proposed Marshall plan. As I recall, the Senator was in Greece last fall at about the time the Senate Committee on Appropriations was visiting in Athens.

Mr. MALONE. That is true.

Mr. DWORSHAK. The Senator made no reference to the currency situation in Greece. I might recall, to refresh his memory, that in June 1945, the drachma was officially quoted at 500 to the American dollar. Then Great Britain and the United States poured millions on millions of dollars into the Greek economy, and last October when a number of United States Senators visited Athens the official rate for drachma exchange was about 8,000 to 10,000 to the American dollar. So, in that particular case—and it is comparable to the situation in many other countries of Europe which are to be beneficiaries under the plan—the more money the United States has poured into Greece to build up and stabilize her economy, the more her currency has been weakened, until today there is a situation in Greece which is very crucial, because there has been little if any effort made to stabilize her currency. Will the Senator comment on that?

Mr. MALONE. I should be glad to do so for the benefit of the record and of the Senator from Idaho. We are pouring money into Greece. Through UNRRA we gave food and goods of various kinds to Greece, and the food and goods which we gave Greece under UNRRA were sold there and the money thus received was used to keep their own particular government in power.

The goods thus sold piled up in the warehouses of the wholesalers and the stores of the retailers, and anyone who had the money to purchase could buy them. As a matter of fact, I brought back a bill of canned goods to show what could be purchased—if one had the money. As the distinguished Senator from Massachusetts said, California olives were plentiful, and almost ran the Greek olives off the market, olives being the chief Greek crop.

The distinguished Senator from Idaho is entirely correct when he says that the valuation of the drachma was about 8,500 to 10,000 drachmas to the dollar. In that connection, I will say that the wages paid in a large factory in Greece which I visited were about 8,000 to 10,000 or 11,000 drachmas a day, or from 80 cents to a dollar a day. Those people, working for the currently low wages, could not possibly buy the canned goods on the market. Many persons were hungry, but those who had money could buy anything they needed, just as one may in the markets in Washington, D. C., or in San Francisco, Calif.

Mr. President, the attitude of the governments of Europe is entirely different toward their people than that of our own Government. They care nothing about hungry people or what they call the common people. If 10 percent of the population can get what they need, and can retain governmental power by means of the money we furnish, and the remaining 90 percent starve or go hungry, they care little about that. It has not changed very much over the ages.

When we examined the factory to which I just referred, we went with one of the workers to the home in which he lived. It was a large bare room. It contained a small stove on which was a pot of beans. The beans were about the size of the end of one's little finger. I do not remember the name of the beans. I asked, "Is this all you have to eat? Where is the rest of your food?" I was shown a couple of loaves of black bread. I asked, "Do you have anything else to go with the beans and the bread?" I was told no, unless someone in the family should make some more money during the rest of the week. They eat this same fare day in and day out—with few additions and those are infrequent. The wage earner, the only one of the family employed, was making 8,500 drachmas a day, about 85 cents.

Mr. President, it is well established that all we are doing by the money we are expending is keeping the various governments in power. While I am on the subject of the Greek Government—and I did not intend to discuss it at this time, and shall not discuss its merits or shortcomings—I will say that there were brought back to the throne a king of Danish blood and a queen of German blood. There is not a drop of Greek blood in the whole royal family. The 86-year-old Premier, Saphoulis, is the "grand old man" of Greece, like Premier Clemenceau was of France. He has no power in Greece and is very unhappy. The Vice Premier has the power under a parliament established there by the British, with a Danish king and a German queen as rulers. That is the kind of Government to which we are sending food and other products, which are bought by the wholesalers and the retailers from the Government and the money thus received by the Greek Government is placed in what is called a special fund. I leave it to the Senate to say how long the money will stay in any special fund. The people of Greece labor under the misapprehension that we are the ones selling them the food which we are actually giving them and which they are buying at high prices.

So far as I am concerned, I should like very much to have the Armed Services Committee get busy on an air corps program which would make this entire plan unnecesary. If that committee is meeting to consider a national defense program which will include such an air corps, I shall be very happy to meet with it.

Mr. President, there has just been presented to me a trade agreement negotiated between Russia and Belgium. I shall give a very brief outline of the agreement for the RECORD.

The agreement shows, among other things, that Belgium, which is to secure aid in buying steel and other raw materials from this and other countries, has agreed to export to Russia 50,000 tons of steel, an unspecified amount of copper, an unspecified amount of dump cars, and many other materials, including 300 tons of semi-manufactured copper products and alloys of copper, 25 tons of tin oxide, 10,000,000 Belgian francs worth of miscellaneous machinery and machines, 400 tons of zinc powder, and 60,000 tons of phosphate fertilizer. While we are shipping fertilizer from this country to Europe, fertilizer from that very area is going to Russia.

I ask unanimous consent to have this table printed in the RECORD at this point as a part of my remarks, in connection with the tables already presented on the empire-minded nations, outlining their trade treaties.

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

TRADE AGREEMENT NEGOTIATED FALL OF 1947 BETWEEN RUSSIA AND BELGIUM

Belgium will export to Russia the following: 50,000 tons steel, unspecified amount of copper, unspecified amount of dump cars, 3,000 to 5,000 tons of tin, no fabricated machinery.

Belgium will export to the Soviet military government in Germany, by a treaty signed November 10, 1947, of 1-year's duration: 300 tons semimanufactured and alloys of copper, 25 tons tin oxide, 10,000,000 Belgian francs' worth miscellaneous machinery and machines, 400 tons zinc powder, 60,000 tons phosphate fertilizer, 40,000 tons superphosphate, 500 tons rubber.

Belgium to Finland, May 28, 1947, and supplement November 5, 1947: Phosphate fertilizer, 5,600 $BTO^5$ units; machinery and equipment valued at 95,000,000 francs.

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

Mr. MALONE. I yield.

Mr. BALL. Did I correctly understand the Senator to say that the agreement between Belgium and Russia has been concluded and is in effect?

Mr. MALONE. It has been concluded, and is now in effect.

Mr. BALL. And that under it Belgium will ship 50,000 tons of steel to Russia?

Mr. MALONE. Yes; that is what the trade treaty provides.

Mr. BALL. Mr. President, will the Senator yield for an observation?

Mr. MALONE. I am happy to yield to my friend, the Senator from Minnesota.

Mr. BALL. I have before me a table from the State Department, which I think was compiled about January 21, showing a break-down, by countries, of the anticipated exports from the United States under the European recovery program. The table shows that Belgium and Luxemburg will get $19,300,000 worth of finished steel and $9,400,000 worth of crude and semifinished steel under the European recovery program. I do not know what that would amount to if it were translated into tons, but I suspect that it would represent a substantial tonnage.

If I correctly understand the theory of the bill as advanced by the Senator from Massachusetts [Mr. LODGE] in the colloquy yesterday, that is entirely inconsistent with the aims of the measure as interpreted by the Committee on Foreign Relations. I wish some member of that committee were present to tell us what the committee thinks is the situation of this plan in respect to such a trade agreement with Russia.

Mr. MALONE. For the benefit of the RECORD and my colleague from Minnesota, I will state that the report of the State Department on the European recovery program with respect to Belgium and Luxemburg shows: Finished iron and steel, 140,000 tons, for the year 1948–49; crude and semifinished, 119,000 tons; and, of course, much fabricated equipment, most of which could be adapted from these shipments to Russia's needs.

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

Mr. MALONE. I am glad to yield.

Mr. BALL. If the figure of 50,000 tons to Russia is correct, I would gather that at least one-fifth of the steel which, according to the tentative allocation, Belgium will get under the European recovery program from the United States, will go right on to Russia.

Mr. MALONE. One hundred and nineteen thousand tons of crude and semifinished steel.

Mr. BALL. There will be a total of approximately 259,000 tons, and 50,000 of that will go right on to Russia; is that correct?

Mr. MALONE. Yes; that is true.

Mr. BALL. Mr. President, if the Senator will further yield, let me say I think that is a most peculiar method of stopping Russian Communist aggression.

Mr. LODGE. Mr. President, let me ask where these figures can be found.

Mr. BALL. We got the information from the State Department. By the trade agreement negotiated in the fall of 1947 between Russia and Belgium, Belgium will export to Russia the following——

Mr. LODGE. I have just reentered the Chamber. Does the Senator contend that under the Marshall plan, the aid extended will be funneled through Belgium to Russia?

Mr. BALL. It could very easily go to Russia.

Mr. LODGE. I should like to say for the RECORD—of course I am only one Member of the Senate—but I think that is a totally impossible situation. I do not think we can consider for a moment that the Administrator would make an agreement with any country unless he had had prior assurance from that country that any assistance which it might be extending to a government which was hostile to the purposes of this act would cease.

Mr. MALONE. Mr. President, it is inconceivable to me that the Senate of the United States would agree to allow any administrator the latitude to do that, but this legislation does provide such latitude.

Mr. BALL. Mr. President, if the Senator will further yield to me, to permit me to ask a question of the Senator from Massachusetts——

Mr. MALONE. I yield.

Mr. BALL. I heard the Senator from Massachusetts make that statement in the colloquy yesterday, namely, that the administrator would shut off aid under this program to any country which, in turn, was sending materials which would be vital to building a war machine, let us say, to Russia, through whatever kind of trade arrangement it might be done. Did I correctly understand the Senator from Massachusetts to make that statement? If so, I should like to have him, if he can, point out the language in the bill under which he thinks the administrator is so directed. I must confess I have not been able to find it.

Mr. LODGE. First of all, there is the termination clause on page 33, which gives the Administrator the right to terminate the agreements under the following conditions:

> The administrator shall terminate the provision of assistance under this act to any participating country whenever he determines that (1) such country is not adhering to its agreement concluded under section 15, or is diverting from the purposes of this act assistance provided hereunder—

And so forth. The purposes are set forth in section 15, and they are very specific indeed. The purposes of this act are so clear and are so briefly stated that I shall mention them here. I read now from section 2, on page 3:

> Accordingly, it is declared to be the policy of the people of the United States to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation—

And so forth. And in lines 7 and 8, on page 2, we find the following:

> The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independence of extraordinary outside assistance.

Of course, all through this bill we find set forth resistance to communism. I think everyone in the world understands that. Certainly, I think the Communists do and the Russians do, and certainly it is clear to me from that language that any recipient country which undertakes to send arms or munitions or implements of war or anything of value to a government which is hostile to the purposes of this act would not receive assistance from any conscientious or devoted administrator.

Mr. BALL. Mr. President, will the Senator yield at this point?

Mr. MALONE. I am glad to yield.

Mr. BALL. I can see how the Senator from Massachusetts would interpret in that fashion the language he has read, but I am somewhat doubtful whether anyone appointed by the President to administer the program would so interpret it, because, as a matter of fact, the United States is still shipping heavy machinery and electric generators to Russia, and the Department of Commerce is granting export licenses for that purpose. I read in the newspapers that the British Government recently concluded a barter deal with Russia, whereby in return for wheat and, I believe, some meat, the British are going to ship heavy machinery and locomotives to Russia.

Under the Senator's theory of the purposes of the bill and the directions to the Administrator, I would assume that in view of the existence of that agreement and in view of Britain's determination to carry it out, the Administrator could not give any assistance to Britain under this act, although, according to the break-down, she is slated to receive about one-third of the total.

Mr. LODGE. It is my belief that the Administrator would require that an agreement of that type, under which munitions of war would be sent, should be abrogated as a condition precedent to Britain's receiving any of this aid.

Mr. MALONE. Mr. President, I say to the distinguished Senator from Massachusetts that we now have the evidence that Britain has made a treaty positively guaranteeing that she will do just that.

Mr. LODGE. In that case Britain would not receive aid under the bill, in my opinion.

Mr. MALONE. Then why pass the bill?

Mr. LODGE. Because Britain is but one of the countries involved.

Mr. MALONE. But the four principal countries will receive approximately 80 percent of the entire amount.

Mr. LODGE. But there are 16 countries in all.

Mr. President, if the Senator will permit me——

Mr. MALONE. I am glad to permit the Senator from Massachusetts.

Mr. LODGE. I thank the Senator. It is very nice of him to do it, and I appreciate his courtesy.

Mr. MALONE. I am happy to do so.

Mr. LODGE. Let me say that it would be a great mistake for us to legislate in this bill in such a way as to require the

recipient nations to trade with eastern Europe. It would also be a great mistake to legislate in this bill in such a way as to prohibit those nations from trading with eastern Europe. As to the question of trade with eastern Europe, each case must be judged on its own merits, it seems to me. If we or the recipient nations are sending to Russia something we or they do not need, but which others think we or they need, even though that is not the case, and and are receiving from Russia something useful to us, of course, that kind of trade is in the national interest. I understand that at the present time we are getting manganese and chrome from Russia. I am not defending what the Senator from Minnesota spoke about, because I do not know the details. But all these shipments to Russia must be judged in the light of what we are getting back as a result.

As I said yesterday, if the British send Russia forks and spoons which are made out of American steel, and get back in return, things that we may not be producing in surplus quantity, things which, if sent to Britain from the United States at this time, might result in raising the cost of living in the United States, such an arrangement might be a good deal.

All these things have to be judged as they come along. The Senator knows very well, having been elected to the Senate and being a skillful man in politics, that many times in a political campaign the mere fact that his opponent says a certain thing does not mean that the Senator must necessarily get up and disagree with him. The opponent is not always right, and many times he wants you to do a certain thing, and the smart thing is to go ahead and do it. To me, to place in the bill a prohibition against trade with eastern Europe would be just as short-sighted as putting a directive in the bill that the countries must trade with eastern Europe.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield in order that I may propound a question to the Senator from Massachusetts?

Mr. MALONE. I yield.

Mr. WHERRY. Is there any difference, in the Senator's opinion, between the business that might be done with a satellite country of Russia and business that might be done with the guerilla forces in Greece? I refer to the principle of it, assuming it were followed to the end.

Mr. LODGE. I do not understand the Senator's question.

Mr. WHERRY. I shall repeat it. If the philosophy is correct that satellite countries should be encouraged to do business with Russia, there is no limitation on it, in fact. Is that correct?

Mr. LODGE. The satellite country? That is not the point that has been made here. The point that has been made is respecting recipient countries.

Mr. WHERRY. I am asking about a recipient country.

Mr. LODGE. The satellite countries are not going to be recipient countries.

Mr. WHERRY. Very well. Let us take the next step. Should we furnish money to a recipient country that is doing business with a satellite country, or one that does business directly with Russia? According to the Senator's interpretation, and if what I understand him to say is correct, we want to encourage that, we want to promote trade between the countries of western Europe and the countries of eastern Europe, even though the latter be satellites of Russia, or even though the country be Russia itself.

Mr. LODGE. Unless the particular trade is directly in the interest of the United States. Of course, the whole yardstick in all these things is the interest of the United States. Where it might be to the interest of the United States to get more out of them than we give them, then I think we ought to do it.

Mr. WHERRY. Then let me ask this question——

Mr. LODGE. Let me say that if the bill were to succeed 100 percent, and if it were to live up to the fondest hopes of all its proponents, what would be the result? There would be a flourishing trade all over Europe between east and west and everywhere. That would mean what? It would mean that the iron curtain had broken down; and that would be the greatest accomplishment that could possibly be hoped for from the program. It would be the reestablishment of communication and commerce and freedom to go and come, between all parts of the world.

Mr. WHERRY. On that philosophy and that answer, I ask this question: If we could get more out of the insurgents in Greece than we might give them, should we do business with the government of Greece or with governments that feed the insurgents? Through some satellite country?

Mr. LODGE. I think the insurgents of Greece are in an entirely different category.

Mr. WHERRY. The principle is the same, is it not?

Mr. LODGE. No, no; because we are making a special effort in Greece. Obviously any administrator who would approve a bilateral agreement which helped the insurgents in Greece ought to have his head examined.

Mr. WHERRY. It would be the same with respect to Russia, would it not?

Mr. LODGE. Yes, in its present condition. I do not think any administrator would approve any agreement which directly or indirectly helped Russia, so long as the present arbitrary, dictatorial, imperialistic crowd is in control of Russia.

Mr. WHERRY. If we take the interpretation given by several of the Senators in observations made yesterday, my understanding is that they want to encourage trade with Russia if it would in any way be of commercial advantage to the satellite countries and, therefore, to the United States, by removing the burdens from our shoulders. Is that correct?

Mr. LODGE. I think trade with eastern Europe is a constructive thing to bring about, provided it does not in any way assist any country which is hostile to the interests of the United States. If there can be developed a trade which will gradually wear down the barriers, which will establish freedom of communication in Europe, that is one of the ways by which to win a subversive war. We are not confronting the classic type of international conflict in which everybody is in uniform and where the lines are drawn on the map. We are in a subversive war, and this is one of the ways, and one of the most effective ways by which a subversive war can be won. If there could be established free speech, freedom of movement by tourists and students, and the movement of trade to and fro, of course, we should then have won the subversive war, and the present crowd of highbinders who are in power in Moscow would be out of jobs—which is precisely why they do not want us to take this action.

Mr. WHERRY. At the present time, could trade between this country and any satellite country be in the interest of the United States?

Mr. LODGE. I do not know of any case at the present moment.

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

Mr. LODGE. It might open up a little here and there, and if the people were fast on their feet and alert and smart, they would want to take advantage of those opportunities.

Mr. WHERRY. It might open up how? Finland and Czechoslovakia have been lost. I understood from observations made on the floor yesterday that, if we were to move troops out of Austria and if we were to move out of Greece, Russia would take over those countries immediately. Is that correct?

Mr. LODGE. If the Senator from Nevada will allow me——

Mr. MALONE. I am very happy to yield further to the Senator from Massachusetts.

Mr. LODGE. I should like to furnish the Senator from Nebraska an illustration of how it might open up. It is a well-known fact, of course, that the standard of living in Russia is appallingly low and that wherever the Russians take over the standard of living at once becomes a great deal lower. Let us assume that it were possible for us to send into one of the countries behind the iron curtain, in exchange for their wheat, some of our manufactured goods. Let us assume we sent in some typewriters or some costume jewelry for women, or cigarette lighters, things that people like, things that they are most eager to have because the life is so drab in those countries. Immediately that would give rise to a feeling, "Well, things are not so good; this crowd that is running things is not so smart." That is an illustration of what I mean. What would we have lost by that? We would have lost a little costume jewelry, a few typewriters, a few cigarette lighters, something that certainly would have no military value. But those things might have some political value, because there are people in eastern Europe today who would commit murder for a package of Lucky Strikes or a bar of chocolate.

Mr. WHERRY. Let us consider Finland. Has not Finland been encouraged by the United States down through the years to resist with as much determination as any other country in Europe?

Mr. LODGE. Yes.

Mr. WHERRY. What good would it have done, had Finland been under the economic recovery program? What would we have done when we were told that they had negotiated a trade treaty and a defense treaty with Russia? What could they have done? What can be put into this program that will accomplish what is sought to be accomplished, when it is stated that we will not engage in trade with the satellite countries, and when at this time the Senator's own answer is that it cannot be done?

Mr. LODGE. All these countries are in slightly different situations. I agree that insofar as Finland is concerned she is so hard for us to reach, it is so hard for us to support her, that at the present moment a program like this would not help Finland. I have said from the very beginning of the discussion that there are countries in Europe that would not be helped by this program, but there are other countries that would be, and those countries are worth helping in our own national interest. I thank the Senator from Nevada, and I apologize for taking so much of his time.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. MALONE. I am happy to yield to my friend from West Virginia.

Mr. REVERCOMB. If I correctly understand the Senator from Massachusetts—and I want, of course, to understand him correctly—he said it would not be wise to deal with any country or to give aid under this plan to any country that might itself deal for the benefit of Russia. Am I correct in that understanding?

Mr. LODGE. In the present condition of things.

Mr. REVERCOMB. Then, may I point out to the able Senator that under the rule to which he subscribes it seems we are not going to be able to carry out the plan with respect to the United Kingdom. Under the plan as outlined in the report, the United Kingdom is to receive approximately $1,300,000,000 of the $5,300,000,000 to be appropriated this year, in the event the bill is passed, I am advised—and I want to call the attention of the Senator from Nevada to this point—that the United Kingdom has already entered into an agreement with Russia to furnish Russia with steel and similar supplies. Is not that correct?

Mr. MALONE. It is entirely correct. That is one of the principal reasons why I am opposed to it.

Mr. REVERCOMB. If the Senator follows out the idea of not giving help, under this plan, to anyone who would deal with Russia, under its present regime, we cannot give any aid to Great Britain. If we could not give any aid to Great Britain or the United Kingdom which, under the plan, would require one-fourth of all the money to be authorized, why consider this bill?

Mr. LODGE. My quick answer to the Senator—and it will have to be a quick one, because I have not had time to consider the background—would be that I do not believe the British will be overly anxious to build up Russia in her present mood when she is grabbing one country after another. I do not think there will be any difficulty about that, because I believe the responsible leadership in Great Britain will agree with our Administrator that military help to an overweening, aggressive, imperialistic power such as Russia should not be afforded under this bill, and he would simply have to say that unless that concept were agreed to there would be no bilateral agreement. Of course the figures which the Senator cites as being allocated to England are merely a guess. There is no obligation under the terms of the bill to give a certain amount to any particular country. That is left entirely to the Administrator. But I think we can assume that the purpose is to promote the interests of the United States; it is to promote our security. Consequently, any recipient country which wants to accept the money authorized under the bill in order to defeat our security is obviously not entitled to receive it.

Mr. REVERCOMB. I think the Senator has made the point quite strongly and in a correct way that no nation which receives a dollar under the terms of this bill should deal with Russia under her present regime.

The Senator says there is no obligation to give the United Kingdom any sum whatsoever. I call his attention to the report which contains a figure of approximately $5,000,000,000 which we are asked to authorize. That figure was arrived at by allocating the possible needs of the United Kingdom at approximately $1,300,000,000. That figure was not simply plucked out of the air. It is in the report and is the basis of fixing the amounts to be authorized.

I understand the United Kingdom has already entered into an agreement with Russia to furnish steel. If that be correct—and I hope to be enlightened upon that point during the course of the debate—and if we follow the viewpoint of the Senator from Massachusetts, which I think is the correct one, we would not need this authorization, because we would not be paying money to the United Kingdom, for example, if that nation had made an agreement to furnish steel to Russia.

If that be the set of facts, then this authorization is not required. I await with interest a discussion of the agreement made between the United Kingdom and Russia.

Mr. LODGE. Mr. President, will the Senator from Nevada yield further?

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. I cannot discuss the agreement between the United Kingdom and Russia, because I have not seen it, but I do want to say to the Senator from West Virginia, who is a very able lawyer, which I am not, that under this bill, no nation has a right to any amount. It is true that Great Britain's dollar deficit and the dollar deficit of all the other western European countries were used as a means of determining what the amount should be; but they have no right to the money. No foreign country has a right to the money or has any business to claim that it is entitled to this or that. That is not at all the basis on which the program is to be carried out. The bill establishes a way by which nations can receive aid from us if, in our judgment, they adhere to a set of specific conditions which are outlined in the bill. It is entirely up to the Administrator to make the decision. He alone can make it. There is no foreign voice which has any part in it at all. So I do not think we need to worry about our being committed to make a certain sum of money available to any particular country, because we are not.

Mr. REVERCOMB. Mr. President, will the Senator from Nevada yield further at that point?

Mr. MALONE. I am glad to yield further to the Senator from West Virginia.

Mr. REVERCOMB. There is no promise made to give any particular country any particular amount, and there cannot be until after the bill is enacted into law. Then the amount will be fixed by the Administrator. That is a great power to be placed in the hands of one man. But in arriving at the amount which we shall authorize I want to point out to the Senator—and I take figures from the CONGRESSIONAL RECORD, where they were placed by the Senator from Nevada at my request—that the allocation under the Marshall plan for a 12-month period for the United Kingdom, is $1,378,000,000. That is the way it is broken down in order to arrive at the total figure of authorization.

The Senator will find on page 47 of the report filed by the Committee on Foreign Relations, of which the Senator from Massachusetts is a member, that the relief-type commodities and services to the United Kingdom and dependencies total $1,490,900,000.

There had to be some figure upon which to base the sum of $5,000,000,000 requested to be authorized. In reaching that figure that amount was set aside as the sum which would probably be needed for the United Kingdom.

What we say about our friends in the United Kingdom applies to any other country, but certain it is that before the committee arrived at a figure and reported the bill to the floor of the Senate and recommended that it be passed, the committee considered item by item and country by country the amounts to be allotted. The Foreign Relations Committee must have believed that $1,300,000,000 would go eventually to the United Kingdom. Now we are advised that the United Kingdom is making or has made an agreement with Russia to furnish steel. If I correctly understand the statement of the Senator from Massachusetts, he would not send 1 cent to a country which would ship strategic materials, such as steel, to Russia. If that be so, why authorize this money?

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

Mr. MALONE. I am glad to yield to my friend from Massachusetts.

Mr. LODGE. The Senator cited certain tables, but he failed to point out that the tables are entitled table 1 and table 2, being a "Recapitulation of Illustrative Distribution," and so forth. The word "illustrative" is used. It is simply to illustrate and to give the reader an idea of how the distribution might possibly eventuate, all things being equal. Of course it is specifically set forth that it must not be used to defeat the welfare

and the security of the United States. It would be almost an act of treason—yes, I think it would actually be an act of treason—on the part of the Administrator if he should allow the act to be used in such a way as to build up in a military way any country which had hostile intentions against this Nation. I do not think for 1 minute that he would do it. I do not think it is necessary to write into the bill that the Administrator shall not permit treason, because I do not think he is going to do that.

Mr. REVERCOMB. Will the Senator from Nevada yield for just one more interruption?

Mr. MALONE. I yield.

Mr. REVERCOMB. Then, if the facts are as established in this discussion, if the United Kingdom has made an agreement to send steel, or some equally strategic product, to Russia, and the Administrator, under those circumstances, would, as the Senator says, be guilty of treason if he supplied money to the United Kingdom; and if, in arriving at the figure of $5,000,000,000 which we are asked to appropriate, the amount of $1,378,000,000 was set aside for Great Britain—if that state of facts exists, we are ready to strike out the figure $1,378,000,000, because that is one of the figures upon which the sum total is calculated.

Mr. LODGE. Not at all, Mr. President. The Senator from West Virginia is a very skillful debater, and goes galloping across country very fast, and he jumps over quite a few rather essential considerations in his progress.

Mr. REVERCOMB. It is time to gallop.

Mr. LODGE. What has been said does not in the least furnish any argument for cutting down the amount, because I do not think for a moment that any of the western European countries would desire that the Administrator give them any funds if they were engaged in helping a country that was hostile to us.

Of course, in considering this equation, we always have to consider what we are getting back. That is also something to be looked into. I do not think what the Senator cites affords any justification for reducing the amount whatever, because I do not see that countries like France, Great Britain, and the "Benelux" countries are going in for that kind of practice.

Mr. REVERCOMB. Mr. President, the Senator from Nevada has indicated that he will bring to the attention of the Senate the agreement between Great Britain and Russia.

Mr. MALONE. I have already submitted for the record the itemization of the amounts of certain kinds of steel and equipment going from Great Britain to Russia, and the raw materials from Russia to Great Britain.

Mr. REVERCOMB. Am I correct in understanding that there is such a trade going on at the present time between Great Britain and Russia?

Mr. MALONE. Yes; the agreement has been consummated.

Mr. REVERCOMB. There is an agreement?

Mr. MALONE. There is an agreement.

Mr. REVERCOMB. Does it affect steel?

Mr. MALONE. It affects steel.

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

Mr. MALONE. I yield to the Senator from Nebraska.

Mr. WHERRY. I address this question to the Senator from Massachusetts. In connection with the colloquy between the Senator from Massachusetts and the Senator from West Virginia, the sum of $5,300,000,000 was mentioned. I should like to ask the Senator from Massachusetts, who is a member of the Committee on Foreign Relations, whether any countries will be able to take advantage of the offer of assistance which have not been accepted as participants, but which might be accepted?

Mr. LODGE. In addition to the 16 nations in western Europe?

Mr. WHERRY. Yes.

Mr. LODGE. The countries which are eligible for the aid are set forth in section 3, page 4, from which I read:

> SEC. 3. As used in this act, the term "participating country" means—
>
> (a) any country, together with dependent areas under its administration, which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947.

That includes the 16 countries.

> (b) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration.

That holds open the door to other countries. When Secretary Marshall made his proposal at Harvard last June, he held the door open, and, as the Senator may remember, Czechoslovakia wanted to join, and then was strong-armed out of it at the last minute. As I understand, the door is open.

Mr. WHERRY. What provision is made for additional financing in the event a dependency, or a colony, for example, the Indonesian Republic, should come forward and ask for aid? Is there any provision under which they would qualify, under the figures in the bill, so that their needs could be taken care of?

Mr. LODGE. It is rather difficult to answer that question, because it all depends on the countries. I can conceive of a situation in which some countries might come into it, under which the unit cost would be decreased, because there would be an increased convertibility of money and there would be a wider trading area. That would be one of the things which would have to be taken care of when it arose.

Mr. WHERRY. Is it the Senator's interpretation that the language "together with dependent areas" could possibly mean colonies of the countries which have already agreed, so that any colonies could ask for the same privilege that was accorded the mother countries?

Mr. LODGE. I hope it includes colonies, because in the colonies are found most of the things which we in this country need and have not got.

Mr. WHERRY. For example, rubber.

Mr. LODGE. And many other things. I have the whole list here. It is found on page 162 of the hearings.

Mr. WHERRY. Suppose a dependency should forward in and ask for the aid, and should get the benefit, are any mechanics provided so that the benefit could be taken out of the $5,300,000,000 or would we have to make an additional appropriaation?

Mr. LODGE. The Dutch East Indies would be included under subparagraph (a).

Mr. WHERRY. It would be necessary to prorate the money, would it not?

Mr. LODGE. It says:

> Any country, together with dependent areas under its administration.

Mr. WHERRY. Are eligible for the aid?

Mr. LODGE. That is correct.

Mr. WHERRY. What aid—the aid the mother country gets, or the aid they themselves want? It seems to me the mechanics should be provided so as to cover other countries which have not accepted, whether they are colonies or not, if they qualify. We would have to provide an appropriation for it.

Mr. LODGE. No. Suppose one of the countries of Europe breaks away from behind the iron curtain, throws the Communists out, and says, "We want to join up with you." I think in that case there might be a need to readjust the figure. But if it is a question of the Dutch East Indies, or dependencies of any of the original 16 countries, that has already been taken care of in the estimate.

Mr. WHERRY. Does the Senator say it is taken care of in this very paragraph?

Mr. LODGE. Yes; it has been taken care of in the estimate. I am talking about section 3 (a).

Mr. WHERRY. It certainly does not say that.

Mr. LODGE. It says "together with dependent areas under its administration."

Mr. WHERRY. Certainly the Dutch East Indies could come under the provisions of the act and get a loan, in addition to what the mother country got.

Mr. LODGE. No; not in addition. It would be under the $5,300,000,000 estimate.

Mr. WHERRY. It does not say that.

Mr. LODGE. It says so in section 3 (a).

Mr. WHERRY. There is no allocation. The $5,300,000,000 is not based on any allocation.

Mr. LODGE. There is no allocation anywhere. All the figures about which the Senator is talking are merely illustrations. There is no allocation. No country can come before the Administrator and claim a single nickel as a matter of right, or say we have committed ourselves to a single definite amount.

Mr. WHERRY. They have established their needs on the basis of the allocations they expect to receive. For example, Great Britain is getting $1,750,000,000.

Mr. LODGE. There is not a scintilla or speck of a promise to that effect.

Mr. WHERRY. What would the Senator call it, a moral commitment?

Mr. LODGE. Not at all.

Mr. WHERRY. Then on what basis are we making the appropriation?

Mr. LODGE. There is no moral commitment or immoral commitment, or commitment of any kind.

Mr. WHERRY. It might be an immoral commitment.

Mr. LODGE. But it so happens it is not.

Mr. WHERRY. If the countries which establish their need are permitted to take what is provided in what I call the allocation—the Senator may call it whatever he cares to——

Mr. LODGE. Why does not the Senator call it what it is, "illustrative distribution"?

Mr. WHERRY. Will the Senator yield so that I may finish?

Mr. LODGE. I am not yielding; I do not have the floor. When I hear the Senator committing an error, I have a desire to dissuade him from straying further into error. I was pointing out that this is not a commitment, but an illustrative distribution, which is a very different thing.

Mr. WHERRY. After the authorization is made, there will be a request for an appropriation of $5,300,000,000, and the justification will be based upon the needs indicated in the break-down into what I call allocations going to these different countries. The Senator can call them anything he desires. In the Committee on Appropriations that is what I am going to call them; and I have had a little experience on that committee.

Now I want to ask a question of the distinguished Senator from Massachusetts, in whom I have the utmost confidence in the world. If the countries covered by the bill should use up all the money provided in the bill for their particular needs, whether it should be described as an allocation or a commitment, and the Dutch East Indies, for example, were to come forward and ask to be included under the provisions of the measure, although their needs have not been set forth under the plan, as have the needs of the 16 countries included within it—I am asking the question of the Senator from Massachusetts, not of the Senator's clerk.

Mr. LODGE. Mr. President, I will say to the Senator from Nebraska that I was asking the clerk of the Foreign Relations Committee to look up the Dutch figures so I can answer the Senator's question more intelligently.

Mr. WHERRY. In such a case would it be necessary to increase the appropriations to cover the needs of the Dutch East Indies, or would such a commitment or allocation come out of the $5,300,000,000?

Mr. LODGE. I shall be glad to try to answer the Senator's question. I myself have served on the Appropriations Committee, and I know how carefully they work such things over. I will say that if the worst should happen, and the Communists should gobble up these countries one by one, the figure of cost to the United States would drop each time a country ceased to be eligible.

Mr. WHERRY. Yes; I understand.

Mr. LODGE. In other words, we are not committed to spending this money regardless of what happens in each country. This thing is not a commitment; it is not an allocation. It is a method of distribution, and the money is only to be given to a country if that country conforms to certain precepts we have set forth in the law, and if the country does not conform we will say "Sorry."

Mr. WHERRY. Will the Senator from Massachusetts now answer my question?

Mr. LODGE. I am coming to the Senator's question. I must reserve the right to answer the Senator's question in my own way. I cannot answer any other way.

Now we come to the Dutch East Indies. The Netherlands' figure is set forth in the committee report, and the Netherlands' figure already includes the Dutch East Indies.

Mr. WHERRY. That is the point I wanted to make.

Mr. LODGE. That is what I am trying to answer.

Mr. WHERRY. Are there any colonies or dependent areas that might come into the plan which are not included in the mother countries among the 16 nations?

Mr. LODGE. I think all the colonies and dependencies of the 16 nations are already included in the present estimates.

Mr. WHERRY. Then, is it the Senator's opinion that no additional request would come in from any dependent area that is provided for in section 3? All I am trying to find out is this: Mechanically, is there need of additional appropriation in the event dependent areas take advantage of the bill, or are they provided for in the total sum of $5,300,000,000?

Mr. LODGE. I think they are all provided for in the total sum of $5,300,000,000. But if a country breaks loose from behind the iron curtain and wants to join, then I think we might have to reconsider the figure. But the Belgian colonies, the Dutch colonies, the French colonies, the British colonies, are all included in these computations.

Mr. WHERRY. Would Korea be entitled to a loan?

Mr. LODGE. No; Korea would not be entitled to a loan, in my opinion.

Mr. WHERRY. The danger with respect to Korea is as great or greater than that facing the Dutch East Indies, and if help is extended to the Dutch East Indies, how would the Senator justify failure to extend help to Korea?

Mr. LODGE. We simply have to draw the line somewhere. There is a good reason for that. We cannot gobble up all out of doors all at once. If we waited until we had everything in the bill so much time would have gone by that the situation would have deteriorated.

Mr. WHERRY. Then, under the provisions of the bill, Korea would not be entitled to relief, even though it exists in the same general geographical area as the Dutch East Indies, and though it would need help for the same reason that the Dutch East Indies would?

Mr. LODGE. I will say to the Senator from Nebraska that Korea is being taken care of now in the occupied-area program.

Mr. WHERRY. Yes; I simply gave Korea as an illustration.

Mr. LODGE. Yes; but we are not forgetting Korea.

Mr. WHERRY. But Korea does not come under the provisions of the Marshall plan?

Mr. LODGE. No; neither does China, neither do many other countries.

Mr. WHERRY. That is what I thought. Would those countries be entitled to participate even though they are not European countries? I understand the Senator to say no.

Mr. LODGE. That is correct.

Mr. WHERRY. It seems to me difficult to justify not including Korea, which is in the same general geographical location as the Dutch East Indies. If the Dutch East Indies are entitled to come under the provisions of the act, why should not Korea be entitled to come under them? Why should we turn down the one and provide for the other?

Mr. LODGE. Let me say to my friend from Nebraska that there is quite a difference, because the Dutch East Indies have been developed and worked over by the Dutch for a long, long time. The economy of Holland and the economy of Belgium and of England, for that matter, are very dependent on their colonies. There are all kinds of trade relationships and personal relationships, going back and forth for many years, between the colonies and the European mother nations, which do not exist in the case of Korea. So Korea and the Dutch East Indies do not rest on quite the same footing.

Mr. WATKINS. Mr. President, will the Senator from Nevada yield to me for a question to the junior Senator from Massachusetts?

Mr. MALONE. I yield.

Mr. WATKINS. I understood the Senator from Massachusetts to say that the Administrator would be guilty of an act of treason if he permitted the money under this bill to go to a country that was actually shipping strategic materials to Russia under the present circumstances.

Mr. LODGE. No; I did not say that. I said he would be committing an act of treason if he would allow the bill to be used to give aid and comfort to a nation which was acting against the interests of the United States. But I could well have answered that the sending of a few strategic materials into one country, and receiving in return a lot of things which we needed, would not be too bad, in my opinion.

Mr. WATKINS. I should like to call the Senator's attention to a report made

to the Senate through the Senator from California [Mr. KNOWLAND], from the Department of Commerce, in which the Department points out that during the year 1947 the United States sent to Russia $2,451,000 worth of iron and steel bars and rods and other materials made of iron and steel; we sent aircraft parts and components valued at nearly a half a million dollars and we sent automobile trucks. Any number of articles made of steel were sent directly to Russia that could be used in the bolstering up of her war machine. Has the Foreign Relations Committee considered a report of that kind or investigated it in connection with the over-all picture, in reporting the pending bill?

Mr. LODGE. Will the Senator from Nevada permit me to yield to reply to the distinguished Senator from Utah?

Mr. MALONE. I yield.

Mr. LODGE. In the first place, as I said yesterday, I am not going to be put in the position of trying to defend what the present administration has been doing in any field whatever.

Mr. WATKINS. But the Senator is recommending what the administration wants.

Mr. LODGE. No; I am not. I am recommending the pending bill, which came unanimously from the Foreign Relations Committee, and that is all I am recommending; and I am not going to be particeps criminis in anything else—I think that is a lawyer's phrase.

Mr. WATKINS. I should like to know how the Senator would characterize this kind of conduct on the part of the United States when it is asking the Congress for an appropriation of more than $5,000,000,000 to stop communism, and when we are sending these strategic materials to Russia.

Mr. LODGE. Does that statement show what we are getting back in exchange?

Mr. WATKINS. We are getting some furs.

Mr. LODGE. Is that all?

Mr. WATKINS. Some manganese, and other minerals. The total comes to about $16,000,000. We are sending them $149,000,000.

Mr. LODGE. I understood that we were getting manganese and chrome.

Mr. WATKINS. We are getting some.

Mr. LODGE. If as a result of that trade they are getting more out of us than we are getting out of them, I think it is an illustration of the most crass incompetence, and the official responsible for it ought to be dismissed.

Mr. WATKINS. I heartily agree with the Senator.

Mr. MALONE. Mr. President, there has been considerable discussion as to how these figures showing the trade balance deficit were arrived at in the first instance together with the amount asked for under the Marshall plan. I wish to submit for the RECORD, in view of its importance, table 1, on page 116, part I of the hearings, before the Committee on Foreign Relations on this bill.

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

TABLE 1.—*Recapitulation of tables showing illustrative composition of imports of commodities and services from Western Hemisphere and possible sources and distribution of financing, Apr. 1, 1948, to June 30, 1949*

[At July 1, 1947, prices]

| | Total imports [1] | Possible sources of financing | | |
|---|---|---|---|---|
| | | Dollar earnings [2] | Sources other than new United States funds | New United States funds [3] |
| | *Mils. of dols.* | *Mils. of dols.* | | *Mils. of dols.* |
| Austria | 233 | 39 | 12 | 182 |
| Belgium-Luxemburg | 853 | 334 | 196 | 323 |
| Denmark | 237 | 45 | 28 | 164 |
| France | 1,931 | 369 | 128 | 1,434 |
| Greece | 262 | 67 | 9 | 186 |
| Iceland | 23 | 10 | | 13 |
| Ireland | 192 | 40 | | 152 |
| Italy | 1,160 | 183 | 108 | 869 |
| Netherlands | 1,136 | 271 | 160 | 705 |
| Norway | 253 | 163 | 56 | 34 |
| Portugal | 144 | 144 | | |
| Sweden | 499 | 423 | 43 | 33 |
| Switzerland | 535 | 535 | | |
| Turkey | 69 | 69 | | |
| United Kingdom | 4,311 | 2,133 | 418 | 1,760 |
| Germany: | | | | |
| Bizone | 1,014 | 100 | | 914 |
| French zone | 93 | 13 | | 80 |
| Saar | 14 | 3 | | 11 |
| Total | 12,959 | 4,941 | 1,158 | [3] 6,860 |

[1] Including net dollar payments for freight and other invisibles.

[2] Including drawings of $72,000,000 by Portugal on its gold and foreign exchange resources.

[3] This column includes funds being requested by the Department of the Army for prevention of disease and unrest in Germany. A reconciliation with the $6,800,000,000 being requested for the European recovery program is to be found on p. 5.

Column 1 indicates that the required imports of the participating countries of goods and services from the Western Hemisphere during the 15 months, April 1, 1948, through June 30, 1949, are expected to amount to $12,959,000,000 (in terms of July 1, 1947, prices). This total, after deducting $1,146,000,000 of payments for net freight and net other invisibles, equals the total commodity imports of $11,813,000,000 shown in the summary balance-of-payments table on page 97 of the committee print of the outline of a European-recovery program.

Of this total, it is estimated that the participating countries will finance $4,941,000,000 from their dollar earnings from exports to the Western Hemisphere and other dollar receipts (and, in the case of Portugal, by drawing down gold and foreign-exchange holdings).

Sources other than new United States funds are expected to finance (in terms of July 1, 1947, prices) $1,158,000,000 of the total. It is proposed that the balance of $6,860,000,000 be financed by new United States funds appropriated for European recovery and to the Department of the Army for prevention of disease and unrest in Germany (GARIOA). The following table presents a reconciliation of this balance with the authorization of $6,800,000,000 requested for European recovery.

Mr. MALONE. I also wish to submit for the RECORD that part of the tabulations appearing on page 117 of the hearings, showing the requirements for the first 15 months. The first table shows the trade-balance deficit, upon which the Senator from Massachusetts has said the figures are primarily based, while this second table shows the amount asked for under the Marshall plan, and it will be noted that they are too close to be a mere coincidence.

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

| | *Millions of dollars* |
|---|---|
| Goods to be purchased in Western Hemisphere with new United States funds (at July 1, 1947, prices) (column 4 of recapitulation) | 6,860 |
| Adjustments: | |
| Add: Adjustment for price increases [1] | 482 |
| Deduct: Savings on shipping [2] | 100 |
| | 382 |
| Adjusted cost of commodities and shipping services to be purchased in Western Hemisphere with new United States funds [3] | 7,242 |
| Authority to obligate funds for procurement of items to be delivered in subsequent years | 200 |
| Uncovered deficit of bizonal Germany with nonparticipating countries outside the Western Hemisphere [4] | 200 |
| Total being requested for European recovery program and by Department of Army for Germany (GARIOA) | 7,642 |
| Deduct: Appropriations being requested by Department of the Army for prevention of disease and unrest in Germany (GARIOA) | 822 |
| Total requirement for first 15 months, European recovery program | 6,820 |
| Authorization requested for European recovery program (preceding line in rounded amount) | 6,800 |

[1] This figure is equivalent to the adjustment for higher prices of $565,000,000 shown in the summary balance-of-payment table, p. 97 of the Outline, after eliminating that portion of the increase attributable to sources other than new United States funds, such as the International Bank, and to Portuguese cash purchase.

[2] See p. 92 of the Outline. These are savings possible if additional temporary transfers of bulk-cargo carriers are made.

[3] This entry and the following entries in the reconciliation are shown in the tables on pp. 108 and 109 of the Outline and explained in the accompanying text, pp. 107–109.

[4] See footnote b, table 17.

Mr. MALONE. I wish to make one comment on that type of decision by any committee. The statement and admission in this debate that the money under the Marshall plan is really a loan or gift to make up the trade deficit of the 16 European countries is an open invitation for those nations to run wild in foreign purchases, relying on our policy to make up the deficits annually; and such gifts can only tend to level our standard of living down to their own.

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

Mr. MALONE. I yield

Mr. LODGE. That statement was not made by me. I certainly never said that we were undertaking to level off their trade balances every year, and I certainly would not be in favor of that. I

think their lack of dollars is one index to be taken into consideration in computing the amount of money that is needed; but there is no commitment in this bill to make up dollar deficits every year. I agree with the Senator that it would be a most pernicious thing to do. It would be an encouragement to all the forces of irresponsibility and idleness in those countries. I would be very much against it.

Mr. MALONE. That is exactly what I think we are doing. I read from the Senator's own language of yesterday in this debate:

Mr. LODGE. And the fact that the total amount requested for the Marshall plan is $6,800,000,000 is not a coincidence. It is deliberately arrived at. What we are trying to do is to bridge that gap in foreign exchange which has been caused in large part by the war. There is not any mystery about it. We have not uncovered a corpse here. It is exactly what we are trying to do. The Senator is quite right that if we were to insist on getting these strategic raw materials without paying for them in the first year, it would further upset the unfavorable trade balances of those countries, which is exactly why we are not going to do it.

Mr. LODGE. I do not think there is anything very dreadful about that. It stands to reason that the purpose of the bill is to restore the damage that was done by the war. If there had not been a war those nations would have continued to trade in a normal way, as they have always done. They are all nations which, unlike the United States, cannot live on themselves. They have to get things from outside. Because of the war their currencies are no longer convertible. They must have international currency, and dollars are the only international currency left. They cannot get dollars. Therefore they cannot get from outside the things that they need in order to live. This bill is designed to bridge the gap. That is a very different thing from saying that we are going to guarantee their unfavorable trade balances every year.

Mr. MALONE. That is exactly what we are doing at the present time.

Further, I remind the Senator that if he will study the situation, he will find that there is no trouble in getting dollars for pounds if the pounds are properly valued. No one wants a pound at $4.03. Anyone will take a pound at $2.25. It is the artificial value that stops any stabilization or any convertibility cold.

Mr. LODGE. What the Senator is driving at, I think, is this: This program could be administered in such a way as to discourage industry, ambition, and production on the part of the recipient countries. There are those in the recipient nations who believe that as a result of this bill there will be people abroad who will say, "Old Uncle Sam is going to take care of us. We do not need to do anything further." If that is what the Senator is driving at, I agree with him that that is one of the dangers in this program. To me that is the greatest danger in the program—that those countries would lie back and say, "Uncle Sam is taking care of us; we do not need to try any further." I think that is one of the greatest challenges which the administrator confronts. But, as the senior Senator from Michigan [Mr. VANDENBERG] stated far more eloquently than I could state, there is nothing in life that is a cinch, or a sure-fire panacea. The Senator is putting his finger on one of the dangers; but I believe that an intelligent, experienced, competent administrator can allocate this aid in such a way that it will become available only in proportion as the recipient nation takes steps to help itself. There is a sentence at the beginning of the bill which reflects our conviction. Let me read it:

It is further declared to be the policy of the United States that continuity of assistance provided by the United States should, at all times, be dependent upon continuity of cooperation among countries participating in the program.

That includes self-help. If at the end of the first year of the act we find—and we shall find it if such a situation exists, because it cannot be concealed—that any nation has been malingering, that it is not trying, and is merely living on a dole from America, this language puts such nation on notice that Congress will take cognizance of that fact so far as appropriations are concerned.

The Senator is correct in pointing out that this is a danger, but I do not think he is correct in asserting that inevitably the worst will always happen, because I think a good Administrator can avoid it.

Mr. MALONE. Mr. President, I wish to take time to point out that the Senator from Massachusetts no doubt had the same confidence in the UNRRA program——

Mr. LODGE. No; I did not.

Mr. MALONE. I know from his speeches that he had the same confidence in the Greek program.

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

Mr. MALONE. I am glad to yield.

Mr. LODGE. I was not in this body when the UNRRA program started. I was still in the Army in Germany. I saw the beginnings of it then. I never had any confidence in it then, or at any other time.

I think the Greek program is in an entirely different category. I do not believe that Governor Griswold has wasted public funds in Greece, and I do not believe that the Senator thinks so, either.

Mr. MALONE. No such accusation has been made, but the same confidence has been shown by the sponsors every time one of these huge appropriations reaches the Senate floor set up to meet some great emergency and we seem to get very consistent results each time—all bad—even Secretary Marshall says that the Greek situation is worse than when we made the appropriation.

If the Senator from Massachusetts will permit me to go further, I wish to point out that on April 21, 1947, I addressed the Senate and, among other things, said:

We find that we shipped $233,000,000 worth of equipment to the U. S. S. R. following VJ-day, which included power transmission and conversion and generating equipment, pumps, mine and quarry machinery, cranes, machine tools, locomotives, and many things that we were unable to purchase in this country.

I invite special attention to the fact that this was on Monday, April 21, 1947, less than a year ago.

We also find that $16,696,000 worth of such equipment, including oil-refinery equipment suitable for manufacturing high-octane gas, is on the schedule, and is yet to the shipped to the U. S. S. R. All of this is being done while the President is making a plea to this body for money and material to train an army to stop Russia.

In view of the importance of this matter, Mr. President, I shall read this table into the RECORD:

The articles shipped to Soviet Russia after VJ-day and up to Dec. 31, 1946, were as follows:

| | |
|---|---|
| Machine tools | $40,850,000 |
| Steam locomotives (Russian gage) | 30,634,000 |
| Generator sets | 22,800,000 |
| Cranes, derricks, hoists, etc | 8,129,000 |
| Electric rotating equipment | 8,633,000 |
| Marine engines | 6,824,000 |
| Pumps | 4,620,000 |
| Crushing equipment | 4,135,000 |
| Valves and fittings | 5,114,000 |
| Gas-producing equipment | 4,177,000 |
| Secondary metal-forming machinery | 4,956,000 |
| Diesel electric locomotives (Russian gage) | 3,001,000 |
| Industrial trucks and tractors | 3,768,000 |
| Fan and blower equipment | 3,182,000 |
| Power-transmission equipment | 3,162,000 |
| Power-conversion equipment | 3,117,000 |
| Rolling mills and equipment | 3,372,000 |
| Mine and quarry machinery | 3,690,000 |
| Insulated wire and cable | 3,765,000 |
| Bearings | 2,893,000 |
| Metal melting and heating furnaces | 2,079,000 |
| Welding machinery | 2,965,000 |
| Metal-cutting tools | 2,289,000 |
| Mine-type locomotives | 2,085,000 |
| Leather | 2,117,000 |
| Various industrial equipment and materials | 46,589,000 |
| Total | 228,946,000 |

The equipment remaining to be transferred to the Soviet Government under the agreement is made up as follows:

| | |
|---|---|
| Oil-refinery equipment to expand refineries shipped to the U. S. S. R. before the cessation of hostilities Sept. 2, 1945 | $6,972,000 |
| Mine hoists | 3,058,000 |
| Locomotive storage batteries | 1,777,000 |
| Power equipment | 1,272,000 |
| Electrical equipment | 945,000 |
| Mining equipment | 674,000 |
| Electric motors and controllers | 350,000 |
| Miscellaneous machinery and equipment | 1,648,000 |
| Total | 16,696,000 |

Payment for articles covered by the "pipe line" agreement as set forth above is to be made over a period of 30 years ending in 1975, with interest at 2⅜ percent per annum. The first payment of interest will be due July 1, 1947. The first payment of principal will be due July 1, 1954.

Mr. President, all that material was shipped to Russia at a time when it could not be purchased in the United States, and I invite the Senators' attention to the fact that all of this happened subsequent to the ending of World War II, and the last listed shipments following the passage of the act, which appropriation in the President's own words was to stop communism at the Greek border.

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

Mr. MALONE. I am happy to yield to my friend the distinguished Senator from Massachusetts.

Mr. LODGE. I agree heartily with the Senator that the list he has just read is utterly shocking, and I agree heartily that conduct of that kind on the part of our Government is most reprehensible. Not only do I offer no apology for it, but I condemn it as vigorously as he does.

Mr. MALONE. Mr. President, I believe it was my distinguished colleague the Senator from West Virginia [Mr. REVERCOMB], who stated that today the United States is still shipping material to Russia.

In this connection I point out that last year, when the Senate was considering making a gift of $400,000,000 to Greece, I voted against the $400,000,000 gift. I wish that statement to be a matter of record again. I have visited Greece twice since that time and find that even the Greeks like the speech I made, that is to say, the ones who support the Premier of Greece, those who really know the Greeks—not the Danish king or the German queen set up by British intervention. The administration policy was consistent. We were on both sides; we were furnishing war material to both Greece and Russia.

I should like to point out further that over the years I have had considerable information in regard to the purchase and production of strategic and critical minerals and materials. It so happens that the production of such materials are in line with my business. Mr. President, we can get plenty of manganese and plenty of chromite and other strategic and critical minerals and materials, including manganese, tungsten, mercury, and chromite from countries other than Russia, countries which in most cases are much closer to us than is Russia—for instance, from the Philippines, South America, Cuba, Africa, and many other sources.

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

Mr. MALONE. I am happy to yield.

Mr. ECTON. I am well aware that the distinguished Senator from Nevada has made an extensive study of strategic minerals and materials, and I should like to call his attention to the fact that if we are lacking in strategic materials in the form of chromite, it is perfectly possible to get that mineral in my own State of Montana.

Mr. MALONE. I thank the distinguished Senator from Montana for his contribution.

Mr. President, it is well known—or perhaps not so well known—that we spent millions of dollars in constructing a plant in Montana to reduce the raw ore so that it could be used in stainless steel-manufacture. In stainless-steel manufacture we have a process whereby lower-grade chromite can be utilized. It is not necessary to make ferrochrome—the raw chrome ore goes directly into the furnaces, such as the process used at Baltimore by the Rustless Iron & Steel Corp., the largest stainless-steel manufacturing company in the United States, which is confined solely to such product. The Montana plant has been wrecked and sold for scrap right at a time when our country is buying chromite from Russia. Even if our officials did not wish to buy it in Montana at this time—and if we are to believe our Secretary of the Interior, that is the case, because he calls us a "have not" nation—there seems to be a deep-rooted objection to producing these materials in the United States, so we must wreck our domestic plants and obtain them abroad on the theory that we are saving our own for an emergency.

I observe that under present procedure it is the intention to secure such minerals and materials abroad in insufficient quantities, while the plants which could produce them in the United States would always be completed too late to enable us to use them in time of war—which is what has happened heretofore.

Mr. President, this is a reprehensible thing. No country ever should permit its materials to be sent to another country with which it is preparing to go to war. Statements are being made every othe. day on the floor of this Senate indicating just that. A few days ago the Senator from Michigan [Mr. VANDENBERG] pointed that out, when he said, "This is the thing we must pass. This is a great emergency." But today we could not back up our talk, Mr. President. Today we could not fight our way out of a paper bag, and we are not making the proper preparations. I have heard little emphasis on the necessary preparations.

Mr. President, the proposed extension of the Reciprocal Trade Agreements Act has been freely discussed today, and I am glad it has, because this country has no semblance of a national policy as well as no international policy. We have only a conglomeration of Executive orders under several laws including the Reciprocal Trade Agreements Act. We find that our Government purchases abroad large quantities of manganese, tungsten, lead, zinc, and other materials while it is being made practically impossible, through the administration of such laws and acts for American concerns producing such materials to stay in business. As the Senator from California [Mr. KNOWLAND] has pointed out, and as I have said, out of 2,400 mines in the State of California, only approximately 350 are left. That is the record which was placed in the National Resources Economic Committee hearings only a couple of weeks ago at Denver, Colo. Production in practically every other part of the United States has likewise been injured through the actions of the State Department in administering the Reciprocal Trade Act. But while we are closing our own mines, we are buying such minerals from a nation which we believe hostile to us, and while we are sending it material with which to build up its armaments. As has been stated by the Senator from Utah [Mr. WATKINS] and the Senator from West Virginia [Mr. REVERCOMB], at the same time we are doing that, we are talking about appropriating more money—$17,000,000,000 to send materials to the Marshall plan European countries—a large part of which will find its way to Russia and her satellite nations under the presently existing trade agreements between Russia and such European nations.

Mr. LODGE. Mr. President, I hope the Senator from Nevada will add my name to those of the Senator from Utah and the Senator from West Virginia, as being one of the Senators who violently disapprove of our sending munitions of war and essential pieces of machinery to a country that is as hostile to us as Russia evidently is, because I feel just as strongly about it as they do. In fact, it is because I do feel so strongly that we should resist communism that I favor the enactment of this bill, when properly safeguarded.

Mr. MALONE. I am sorry if I have misunderstood the Senator from Massachusetts; but I understood him to say that in his opinion when we are able to get back from Russia manganese and chromite and other critical materials, we may be justified in trading with the Russians. However, I point out that that is not necessary, because we can get these materials elsewhere, from friendly nations and in our own country if we will take into account the differential in the cost of production due to the difference in the cost of the standards of living.

Mr. LODGE. Mr. President, I shall not argue with the Senators who have spoken about manganese and chrome, because they know more about those materials in a minute than I would in a lifetime. But I say that the only kind of trade with Russia at the present time of which I would approve is a trade in which we get more than we give. That is all I say. I am sure the Senator from Nevada will agree as to that proposition.

Mr. MALONE. Mr. President, there is nothing in this bill that requires us to get anything back from this mammoth expenditure—and certainly nothing in our record to indicate that we might outtrade anybody.

Mr. LODGE. In the bill we have an entire provision as to strategic materials, which indicates that we shall get back a great deal of a tangible nature, entirely aside from the intangibles, which I think are very important.

Mr. MALONE. We can always get them by paying for them, and we are not likely to accept them in any other way. As I have suggested to the Senator from Massachusetts, if we were to accept textile materials as repayment for machinery and equipment sent to Russia, the result would be that the textile mills in the Senator's State of Massachusetts would have to shut down.

Mr. LODGE. But that could not be done. Nothing to that effect is set forth in the bill.

Mr. MALONE. Does the Senator from Massachusetts mean to say, and to leave the statement in the RECORD, that in this connection nothing can be done unless it is definitely set forth in this bill? There is certainly nothing in the bill to prevent it.

Mr. LODGE. I mean that the intent in regard to strategic materials and critical materials—is that we shall get bauxite, chromite, cadmium, asbestos, cobalt, copper, industrial diamonds, graphite,

lead, manganese, mica, nickel, tin, tungsten, vanadium and zinc, and all the other minerals we do not have.

Mr. MALONE. And, as a result, we would close the mines in the United States.

Mr. LODGE. Oh, no.

Mr. MALONE. That already has been done. Is it a matter of record and most of it accomplished by our own State Department through the selective free trade vehicle—the Reciprocal Trade Act.

Mr. LODGE. I do not think there is any intention to do that. I am talking about getting the things that we need and do not have. Of course, if we have them, we do not want to import them, but there are certain things we do not have in this country which we need, and certainly the Senator from Nevada is not opposed to our getting the things which we need but do not have. Will the Senator answer that question?

Mr. MALONE. Certainly we should secure the materials which we cannot produce in this country, but that is a much shorter list than that mentioned by the Senator from Massachusetts. Who made up the list? I suggest that the Senator get someone to make up the list who understands what we have in this country.

Mr. LODGE. This is a list that was made up by the National Security Resources Board. I do not have the name of the individual who made it up.

Mr. MALONE. Was it Mr. Hill?

Mr. LODGE. It is the official agency of the Government created to see that we have enough natural resources to enable us to fight a war successfully.

Mr. MALONE. Was it made up by Mr. Hill?

Mr. LODGE. I will tell the Senator exactly what happened, because there is no mystery connected with it. I took the list, and I asked Secretary Marshall, "Will you tell me precisely what we expect to get out of this bill in terms of these items that the head of the National Security Resources Board thinks are essential for war?" Let me make it clear, I am not an expert in this field. So I have to go to the best experts I can find, the officials who are charged by law with responsibility for such matters. That is how the list of strategic materials was obtained.

Mr. MALONE. I am very happy the Senator from Massachusetts has made that clear and definite statement. I want to point out to him that the chairman of the committee of the National Security Resources Board from whom he received the list has never been connected with the mining industry in his life.

Mr. LODGE. To whom does the Senator think I ought to go? I am only a humble worker in the vineyard here, and if I want to find out what we need in the way of natural resources it seems to me I ought to go to the man who is responsible by law for our natural resources. To whom else can I go?

Mr. MALONE. Does the Senator really want a suggestion?

Mr. LODGE. Yes, I should like a suggestion.

Mr. MALONE. I can suggest several names. I suggest that the Senator go to Mr. Bradley, of California, for one source of information. He is in the tungsten business, and the industrial field is alive with men who are specialists in the business. For another, I suggest that the Senator go to Mr. Ed Snyder, of Salt Lake City, Utah, for information on zinc and lead, which is in very short supply indeed, due to the policies inaugurated by the State and Interior Departments. The list is long and readily available.

Mr. LODGE. I do not know Mr. Bradley. I am sure if the Senator from Nevada recommends him, he is a very fine citizen.

Mr. MALONE. He is, and knows the mining business.

Mr. LODGE. But if Mr. Bradley is in the tungsten business, it is conceivable he might have a slightly personal interest in what happens in the tungsten business.

Mr. MALONE. That is absolutely true, and he might—that it is just possible that he might—know something about the business. But that would not be compatible with any Government procedure with which I have become familiar since entering this august body in matters pertaining to domestic production.

Mr. LODGE. I agree it would not hurt any if he knew something about it; that would be true.

Mr. MALONE. It seems to be a disqualification so far as the committees and Government bureaus are concerned. I want to wind up this particular discussion. I am very happy to have had the interruptions which have brought out the many points debated yesterday and this afternoon, but I may say that there is nothing in the bill that I can find on the subject that would prevent giving all of the appropriations away, and certainly nothing that would prevent a misguided department from using the Reciprocal Trade Act and this appropriation of $17,000,000,000 to break any business in this Nation including the mining and textile businesses. I should be very happy if the distinguished Senator from Massachusetts would point out to me any provision that would prevent the Administrator from doing exactly the same thing as has been done in the Greek situation, namely, under this bill to continue exports to Britain, the Netherlands, Belgium, and France, and other countries which have definite agreements to send the same minerals and materials, after further processing and fabricating to Russia or to some other of the Russian satellite countries. If he has any such information I should be glad to have it appear in the RECORD.

Mr. LODGE. I made the statement yesterday, and I have made it twice today. I do not want to take too much of the Senator's time to make it all over again, except, since that he has asked me to do so, I may say——

Mr. MALONE. It is not necessary to make it over again, because the Senator has never at any time pointed out that it is prohibited.

Mr. LODGE. I said that the purpose of the bill was——

Mr. MALONE. We understand the purpose. We also understood the purpose of UNRRA. We understood the purpose of the Greek loan. We understand the purpose of the spending of $24,000,000,000 since World War II.

Mr. LODGE. The Senator from Nevada knows very well that UNRRA was set up on a moment's notice. It was a shoestring operation that was not well thought out; it was half baked. This bill sets forth very definitely that its policy is to restore or maintain in European countries the principles of individual liberty, free institutions, and genuine independence, which rest largely upon sound economic conditions and stable international economic relationships. It speaks of this several times. That is the purpose of the bill. Consequently it is utterly inconceivable that the Administrator would authorize any activities under the bill which would be contrary to that purpose. He would be in violation of his oath of office.

Insofar as the danger is concerned of articles being shipped into the United States which would injure American business, to which the Senator referred, let me point out a provision on page 21. I will find the exact reference in a minute, but broadly speaking it says the Administrator shall administer the act in such a way as not to seriously impair the economic stability of the United States. Here is a portion of the language:

> Avoid impairing the fulfilling of vital needs of the people of the United States.

In other words, there is a direct mandate to the Administrator not to operate this plan in such a way as to injure the American economy.

Mr. MALONE. I suggest to the distinguished Senator from Massachusetts—and I admire him for standing up for such a weak instrument—that there is also such a provision in the Reciprocal Trade Act, but that did not and does not prevent the State Department from trading any industry down the river which they may themselves select.

Mr. LODGE. I think it is a strong instrument.

Mr. MALONE. I have suggested that the same provision in general language is found in the Reciprocal Trade Agreements Act. And many think that it is a strong instrument. I also want to point out, though I shall not take the time to thoroughly explain the methods used today, that most of the mining industry in this country has been shut down and that other industries are in a fair way to go the same way through action of the State Department.

While on the subject of reciprocal trade and flexible tariffs, I ask unanimous consent to place in the RECORD an explanation of the workings of the two provisions.

The PRESIDING OFFICER. Is there objection?

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

NATIONAL POLICY

On national policy, the American public must make up its mind whether they want free trade through the so-called reciprocal trade program or whether they want to maintain a flexible import fee that would equalize

the differential of cost of production between the wage living standards in this country and in the country where our chief competition is situated on each specific product including the efficiency in methods of production.

Such a flexible import fee could be adopted and administered by the staff commission so that when any nation raised its wage living standards and production costs, then the flexible import fee on specific products would immediately be lowered in accordance with such raise, and when that nation reached approximately our own wage living standards and costs, then free and unrestricted trade would be the immediate and automatic result. They would be the sole judge of their own living standards.

Imports are not prevented by such an import fee, but such fees bring the goods in on the basis of an equal wage standard of living level and would protect our economic structure while we are assisting the lower wage living standard countries.

The workers in any American industry are entitled to protection from lower cost foreign labor equal to the differential of cost of producing such products in this country and the cost of production in such foreign areas where our chief competition is located.

I see no difference between importing the product of low cost labor and importing the low cost labor itself.

The objective, of course, is maintaining permanent peace while increasing the standard of living throughout the world.

It must be recognized, however, that the 57 different standards of living represented by the 57 member nations of the United Nations present a definite problem in trade relations.

The flexible tariff administered by the tariff commission on the differential of cost basis would immediately establish a definite basis of trade with each specific nation. It would also provide a definite incentive for the other 56 nations to raise their standard of living since they would immediately get credit for it in corresponding lowering of our import fee on the products furnished by such country and their own wage earners would benefit.

Mr. MALONE. To continue my discussion of overvalued currencies, the manipulation of currencies by the 16 foreign nations is a very dangerous thing. This well-known manipulation of their currencies by the foreign nations, together with the "empire preferential rates" imposed by the empire-minded nations, including England, France, and the Netherlands, and the sterling bloc procedure in the sterling-bloc areas utilized principally by England throughout the British Empire, effectively prevents any free flow and free exchange of currencies and goods, which is absolutely necessary before any effective help can be rendered to the European areas.

I want to point out in some detail the manner in which the manipulation of the pound of English currency reacts. When England's productive capacity is increased so that she has a surplus of manufactured goods which must be marketed abroad, there is nothing to prevent her from devaluing the pound below the current value, which is the same as cutting the prices on all goods for export. Devaluation would have the effect of wiping out any import fee or in fact any reciprocal trade agreement that might have been made through agreements between our country and their own. Only a flexible import fee would make it possible to protect ourselves from a flood of British imports of manufactured goods in such an event, and that could be done only through power placed in a tariff commission or through some arrangement under which it could be utilized. At the present time, any change must be approved by the President. He is not doing it. He has abrogated almost entirely the use of the 1930 flexible import fee and used in its place the Reciprocal Trade Act.

The Congress of the United States, under the 1930 Reciprocal Trade Act, divested itself of the obligation to approve such changes, and put such power into the hands of the Tariff Commission, laying down the principle under which such differential of cost of production of each specific product between this country and where our chief competition is located, due to the difference in the wage standard of living, could be equalized.

Without a flexible import fee, representing such differential of cost, British textile goods could wipe out New England's textile industries which in 1939 produced values of $750,000,000, the textile industries of the South, and, in fact, those of the entire United States. The same applies largely to the mineral and other industries of our country. It is a very dangerous threat.

The so-called Marshall plan is the most amazingly brazen and preposterous scheme for a world-wide redistribution of wealth which has yet been proposed, even by the socialistic European governments, to level our living standards down to their own, through continually siphoning off our wealth through making up of deficits in European trade balances and other methods of securing our money through gifts.

I want to point out that those countries are Socialist countries, and I want to bring to the attention of this august body that a Socialist nation does not necessarily remain a Socialist nation; it either goes Fascist or Communist. It rarely remains Socialist. So this legislation is a good start in helping to keep such governments in power. The Tito government is a good example. We gave the goods to Tito, which he sold. He kept the money, built up an army, and finally reached the spot where he thinks he belongs. For 15 years we have been making gifts of large sums of money to foreign nations in the guise of loans, culminating in the gift to England in 1946, also called a loan. The only difference between the loan to Britain and the Marshall plan is in the amount requested. It will be used for the purpose of maintaining individuals and Socialist governments in power.

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

Mr. MALONE. I yield to the Senator from Indiana.

Mr. JENNER. I should like to ask the Senator if he believes that ERP, as it is called—and properly so, in my opinion—is really for the purpose of financing socialism in Europe?

Mr. MALONE. That will be the effect of it. I have no doubt the Senators have good intentions. They are promoting it for other reasons, but there is no way specified in the legislation to prevent it.

Mr. JENNER. It may be that it is also financing Communist strikes in Italy and France.

Mr. MALONE. Those nations are financing social security, unemployment insurance, and various other activities with money which would not be available had it not been for the help we gave them.

Mr. JENNER. Will the Senator tell me the difference between communism and socialism?

Mr. MALONE. I am unable to explain the difference, except that it is well known that the objectives are the same. The approach is different, but the end—socialization and nationalization of industry is exactly the same.

Mr. JENNER. Is it not a matter of recorded history that there must be a totalitarian government in order to maintain socialism, just as in the case of communism?

Mr. MALONE. I have not studied the history of such governments sufficiently to answer that question, but I shall have to say to my distinguished colleague from Indiana that the officials perpetuate themselves in office, and it eventually leads to fascism or communism.

Mr. JENNER. If the Senator will yield further, I should like to ask him this question: What will happen to ERP—and again I say I think it is properly named—in the light of what has happened in Europe? Czechoslovakia fell last week to communism. Finland, I understand, is on the verge of falling to the extent of agreeing to a mutual pact, which is the same as domination by communism. What will happen to ERP if Austria and Italy fall to communism? Can the Senator answer that question? What will happen to this program?

Mr. MALONE. I think the discussion a while ago clarified that question, that if the money had not been received by such country up to that time they would be cut off the dole, or world WPA.

Mr. JENNER. It seems to me the only way that they can stop communism over there is to have the will to stop it.

Mr. MALONE. That is the only way anyone can stop anything.

Mr. JENNER. I do not believe that the few dollars which we propose to send to European nations will give them anything of a will to stop communism. I go back in history to one example of the will of the people, and cite the little nation of Ireland. There was dear old England—and there will always be an England so long as we finance her—which had for hundreds of years owned and controlled three-fourths of the world.

She tried to subdue Ireland, her next-door neighbor. There was a war between them every few years, but in spite of England's vast power and strength she was never able to subdue little Ireland. Why? Because Ireland had the will to resist.

I do not believe the Marshall plan or any other plan will stop the spread of communism in Europe, because the people do not have the will within their own hearts to resist it, particularly in those nations which have succumbed to the illusions of socialism, dictated economies,

and deliberately rigged totalitarian controls.

Mr. MALONE. I thank the Senator for his contribution. It is something for which our experience through two world wars has not presented a solution. At least it has not presented any solution that would make me believe the mere spending of money in other countries will prevent anything which the people themselves want to do.

I point out to the Senator that in my humble opinion it could be likened to an experience I had while serving on the Nevada Public Service Commission. In our State there were cattle ranges two or three hundred miles from the valleys where an abundance of feed was available so we worked out a feeding-in-transit rate, so that the cattle, when shipped, could be taken off the train at certain places, en route, fed until they were fat and ready for the market, and then be put back on the train and sent to San Francisco. It occurs to me, after my research staff secured the information that the empire-minded nations of Europe, such as Great Britain, France, the Netherlands, and Belgium, have completed industrial treaties with Russia, that much of the material which we are sending to those nations can be compared with cattle coming off the Nevada range and being fed in transit—on the way to market—the same rate applying to market. In this case we are applying a manufacturing-in-transit rate on commodities that will go on to Russia. That is where much of the goods, furnished by our money, will finally go.

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

Mr. MALONE. I am happy to yield to the distinguished Senator from Indiana.

Mr. JENNER. Does the Senator remember that there was another emergency in world affairs in connection with the Greek-Turkish loan?

Mr. MALONE. I visited Greece and was very welcome there last fall, after they read my speech against the appropriations made in April 1947.

Mr. JENNER. The procedure followed at that time was announced to be the Truman doctrine.

Mr. MALONE. That is just about what it was like.

Mr. JENNER. I voted for the Greek-Turkish loan, I being a freshman Senator and wanting to follow the intelligent leadership which I assumed I should follow in this great and august body. I thought the doctrine, as it was explained to me, was designed to stop communism wherever it reared its ugly head. Did the Senator understand it that way?

Mr. MALONE. I voted against it because I did not think it would accomplish that purpose, or any other purpose, in our ultimate interest.

Mr. JENNER. I should like to ask the Senator from Nevada or any other Senator who can explain it to me, what has happened to the Truman doctrine, particularly when we think of what happened to Czechoslovakia last week? Why did we not send some money over there and stop communism from rearing its ugly head?

Mr. MALONE. The Senator has brought up a very interesting subject. This is the same administration which, in 1933, recognized Russia without any safeguards whatever, and started this whole fire which we are now trying to extinguish with seventeen thousand million dollars. In my humble opinion, this is just another ante in the greatest world-wide poker game in which the United States has ever sat. This is the same administration, I will say to the distinguished Senator from Indiana, which, prior to World War II, sent oil and scrap iron out through the Golden Gate to Japan, and then sent our kids out there to catch that same scrap iron in their bare hands as it came back out of Japanese guns. We are getting ready now for a similar situation. The administration is at least consistent—it is always on every side of every question.

Mr. JENNER. I tried to be sincere about our leadership. I wanted to do the right thing, but I have reached the conclusion that in order to follow our present foreign policy we would have to have St. Vitus dance. We would have to have a large amount of money, too.

Mr. MALONE. Yes, I think it will require a great deal of money, more than we are considering for ERP—more than we have, in fact.

Mr. JENNER. I should like to ask another question, and I shall be glad to have any Senator on the floor answer it. I have been led to believe that our foreign policy is sort of a bipartisan foreign policy. Is that the Senator's understanding? Does the Senator understand that this bill represents a bipartisan foreign policy?

Mr. MALONE. I will say in all seriousness to the Senator from Indiana that that is the idea which was given to the country. Unfortunately the country probably does not understand the devious ways in which we evolve our foreign policy in Washington.

Mr. JENNER. I do not understand it.

Mr. MALONE. If we are to have a bipartisan foreign policy which I can understand we must have a State Department which begins its authority at the water's edge. We cannot have a State Department which mixes national and international policy, a selective free-trade scheme set up in the Reciprocal Trade Act, which has been in effect for 15 years and has practically wiped out many of our industries—and a so-called international policy making money our chief commodity for export—through a world-wide redistribution of our wealth. We intend to go further into that subject at the proper time. The actions of the State Department itself prevent any bipartisan foreign policy or any other cooperative action. As the State Department now stands it is not bipartisan—it is a two-headed monstrosity.

Mr. JENNER. The Senator says it has two heads?

Mr. MALONE. It must be a two-headed thing, because it is trying to run both the national policy, and international policy. I also understood, we had a bipartisan reciprocal trade policy, that it was so announced about the time I took my seat in the Senate—but there is nothing bipartisan about it so far as I can observe.

Mr. JENNER. I asked the Senator that question because I returned from Indiana only last night, and when I arrived in Indiana I found that our distinguished colleague the junior Senator from Rhode Island [Mr. McGRATH] who also has a two-headed position, being chairman of the Democratic National Committee, appeared as the guest speaker at the Jefferson-Jackson $25 a plate dinner in Indianapolis, a few nights ago. He did not at that time refer to a bipartisan foreign policy. His only reference to the foreign policy was to the Truman foreign policy. So I want someone to explain what we have, and what has happened to the Truman doctrine, and whose policy this is, and who is going to get the $2.

Mr. MALONE. I am glad to say to my colleague from Indiana that I think it is well named the Truman policy, because I am unable to follow it at all, since it simply runs true to form—keeping on both sides of every important question.

Mr. JENNER. That is what the junior Senator from Rhode Island called it in Indianapolis a few days ago. I assume the bipartisan foreign policy is now a thing of the past.

Mr. MALONE. I may say to the distinguished Senator from Indiana, that in view of the fact that the four empire-minded nations have made definite treaties with Russia under which they are to ship that nation under a kind of a "shipment-in-transit" rate goods which are to be further processed and fabricated in the European nations before reaching Russia. Again we are consistent—as we have always been—we are on every side of every question.

Mr. JENNER. Another question, if the Senator does not mind trying to help me find out the truth—and I am seeking the truth. The people of my State asked me whether it was true that under the proposed ERP—and I again say it is properly named "ERP"—we were committed in these illustrative allocations to send about $200,000,000 worth of tobacco to these countries.

Mr. MALONE. We are sending $900,000,000 worth.

Mr. JENNER. Nine hundred million dollars?

Mr. MALONE. Yes; that is my understanding—out of the entire 4-year program.

Mr. JENNER. I like cigarettes, I smoke cigarettes, but I should like to have the Senator tell me what $900,000,000 worth of tobacco has to do with the rebuilding of the economy of western Europe to withstand the onslaught of communism.

Mr. MALONE. I may be wrong in my figure, and I should like to be corrected if I am; but it is a tremendous amount of tobacco.

Mr. JENNER. Another item in this program, as I recall, is lipstick, and another cold cream. Does the Senator know about that?

Mr. MALONE. The only lipstick in the Russian program that I recall read like power machinery—high-octane gas refineries, tool steel, and so forth.

Mr. JENNER. I know of the British loan, and the way it worked out. A great

percentage of the money, which in all amounted to approximately $4,000,000,000, was for movies, cigarettes, and cosmetics. In Indiana we like our women to look pretty, we like lipstick on them, and we like rouge on them, but again the folks there asked me—and I want the Senator to give me the answer—what lipstick and rouge have to do with the rebuilding of the productivity of a nation to withstand communism.

Mr. MALONE. I wish to make a correction. It was about $250,000,000 worth of tobacco from the first part of the appropriation.

Mr. JENNER. It was $900,000,000 in the 4-year plan, it is about $200,000,000 worth of tobacco under the present 12 months' program.

Mr. MALONE. I think that is correct.

Mr. JENNER. Does not the Senator think that if the ERP had remained in its original form, calling for $17,000,000,000, the American taxpayers would have saved money, rather than providing $5,300,000,000 for 12 months? Would not the Senator rather have it $17,000,000,000 for 4 years, than $5,300,000,000 for 12 months?

Mr. MALONE. I think it makes very little difference what the first amount is. It is the establishing of the principle in which I am interested.

Mr. JENNER. The Senator cannot answer many of the questions I have asked him, can he?

Mr. MALONE. I cannot say how the State Department's mind works, no.

Mr. JENNER. I thank the Senator.

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

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

Mr. KNOWLAND. As to at least one part of the question raised by the Senator from Indiana, I think there is a legitimate place in the appropriations for some tobacco as incentive goods.

It so happened that I spent some time in Germany last year, and I ran into this very practical illustration. In the Ruhr, Germany, which, as the Senator knows, is the industrial heart of Germany—and I know the Senator visited the mines and industrial plants there—we found that one of the great problems was the high rate of absenteeism. I checked up on it, not only with the American officials and the British officials, but with the German coal managers, to ascertain whether they had made any investigation as to the reason for the high rate of absenteeism.

They told me that in making a survey in one of the large Ruhr coal mines, they went to the house of one of their miners to discover why he was working only 2 days a week, which was enough to give him the heavy miner's ration. A miner made about 10 marks a day, which, if he worked 6 days a week, would mean 60 marks a week. This is the reason why the man was absent, as was found on investigation. He owned a hen. The hen laid five eggs a week. He ate one egg to augment his meager diet. The other four eggs he traded in the black market, five cigarettes for each egg. That gave him 20 cigarettes. He then traded in the black market the 20 cigarettes for 8 marks apiece, and that gave him 160 marks. So his hen was earning two and a half times a week what he could earn by working in a coal mine.

I personally saw with my own eyes men who were laboring in the coal mines earning 10 marks a day going out and paying 5 marks for a cheap German type of tobacco in order to have a cigarette to smoke.

I believe there is a legitimate need in this program, in the way of incentive goods, for a certain amount of tobacco, because if we can increase the production and the productivity of the mines and industrial plants in the Ruhr Valley and in other sections of Europe, so that more coal and more steel will be produced, I think that will be a constructive solution.

As a matter of fact, General Clay testified before our committee, when we were in Germany, to the effect that in order to increase production in the mines in Germany they were taking what would correspond to CARE packages—and I do not know but they were actually CARE packages—which they had purchased with funds which had been earned over there by the German miners, in order to furnish them incentive goods.

Certainly the able Senator from Nevada knows that in the present condition of the German currency, when it has little value in buying consumer goods, anything we can give them in their economy to increase their incentive to produce may in the long run result in saving us many hundreds of millions of dollars over a long period of years, and in the final analysis, if we can get them back to a degree of substantial productivity, I think we will contribute greatly toward rehabilitating the war-torn world.

Mr. MALONE. I thank the distinguished Senator from California for his contribution. I point out, however, that there is no tobacco for Germany listed in the Marshall plan, and that we furnish that in addition, entirely outside the Marshall plan.

Mr. KNOWLAND. No; but if it would afford an incentive in Germany it might very well afford the same incentive in some of the other European recovery countries.

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

Mr. MALONE. I yield.

Mr. JENNER. I think the reasoning which the able Senator from California has indulged in to the effect that the furnishing of American cigarettes would increase production, also would apply to lipstick and cold cream, because I think the people of Europe would also like to have their ladies beautified. So I think it would be a further incentive for the people of Europe to produce more if we were to include lipstick and cold cream in what we furnish to them. I think it might be well to include those two items under the Marshall plan.

Mr. MALONE. Mr. President, in this connection I think it might be pertinent to point out that it is not the fault of anyone but the "trick" governments in Europe, in my opinion, that these incentives are not available. The reason why France was so short of wheat last year was not only the drought; it was the manipulation of the values which the farmers were supposed to receive for the various products they were to raise, and it was made more profitable to them, by the Government's manipulation and arrangement, to raise something else other than wheat, so that the acreage was materially short, and there would last year have been a shortage of wheat in France, even though no drought had occurred.

Mr. President, I was in France on three different occasions during my recent trip abroad, and the information given me while I was there on those occasions was that the "trick" money contributed very largely to the difficulties existing in that country. When I speak of "trick" money, I do so in all kindness, because the franc can be made respectable if its value is allowed to reach its proper level, as was the lira in Italy. There the value was fixed at what the stock exchange considered it (the lira) to be worth. They did not manipulate it. They tried to arrange free flow of currency, so the lira would be as acceptable as the dollar. That arrangement was made following my visit there. The same was not true in France while the distinguished Senator from California and I were there. The people were afraid of the franc. They were afraid of exactly what did happen—a deflation. There the farmers do not sell their wheat, or anything else they raise for the franc if they can help it. They trade what they produce, they barter for something they want in return. The farmers own their land, and they can trade for what they want. In other words, I want to point out that the situation is just like that under the Government we have had here in our own United States for 15 years. The Government may take certain restrictive steps to correct something they can see, but it is like throwing a stone into a pond, it may result in rocking a boat 150 feet away, which the thrower of the stone did not see at all. In other words, certain action taken with respect to one matter may throw everything else out of gear. That is exactly what has happened in Europe and to a large extent in this country.

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

Mr. MALONE. I yield.

Mr. KNOWLAND. I think the able Senator from Nevada has put his finger on something which none of us in the Senate should lose sight of. He has just mentioned that for 15 years we have had a certain kind of government, but I call his attention to the fact that 2 years ago, because of the fact that we in the United States maintained our free elections, and our democracy, in the sense that we and the Anglo-Saxon know it, the American people were able to change, by their own votes, the control of the Congress of the United States.

The able Senator from Indiana [Mr. JENNER] a little earlier asked whether there was any basic difference between the socialism of Great Britain and the communism of Russia. I think there is a vast difference between the two systems. I do not approve of, and if I were in England today I would not be a member of the Labor Party in that country; but I want to say that so long as the British people maintain their free elections and their high traditions of

freedom in the sense that the Anglo-Saxon people have known it, then they will be able, if the Labor Government is not performing satisfactorily at the next general election, to change the government and put in another government of their own choosing. But once a nation goes behind the iron curtain, it has lost that opportunity. Therefore, I say there is a vast difference between the Socialist government of Great Britain and the Communist government of Russia. I do not believe there is anyone in this Chamber who, if he seriously considers the basic differences, can honestly say that there is not a vast difference between the two systems.

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

Mr. MALONE. I yield.

Mr. JENNER. I do not say that I was asking for information, I will say to the Senator from California, but I do sincerely believe that socialism will ultimately reach the same end of the road that communism reaches.

So far as England and its free elections as an Anglo-Saxon country are concerned, I think I agree with the Senator 100 percent, except that were it not for this one thing, the financing of soft socialism in Britain, which we have done under the British loan to the tune of $4,000,000,000, there probably would have been a national election in Great Britain before now, and the people might have voted out the soft socialist government. But just so long as the American taxpayer digs down into his pockets and sends money over there to finance the Attlee government in Great Britain, there is going to be a continuation of socialism in England. Why? Sir Stafford Cripps only a few days ago said, and in his statement he included the money that would be made available to his country under the Marshall plan—"We are going to operate the present economy in England next year under a $1,000,000,000 deficit." But he also said, "We are going to keep our political promises. We are going ahead with socialization of steel next year."

Mr. President, I say we are silly, and we will get stomach ulcers if we continue to finance soft socialism with the expectation of stopping communism, and I further say that we are silly, and will get stomach ulcers if we call upon our taxpayers to dig down into their pockets and furnish the money to finance strikes in France and Italy. I say that if the people of Europe do not have the will to fight off communism, dollars will not be able to do the job.

Mr. MALONE. Mr. President, I thank the Senator from Indiana.

I want to point out in passing that England now has recovered to the point of 115 percent industrially, compared to what her industry was in 1937. Great Britain is not down industrially. Sir Stafford Cripps was very frank with me when I spoke to him. He said, "We do not need the money so badly for England. We need it to build up our colonies. We need it to develop industry and production in other of our possessions, including Africa." I pointed out to him that there was private capital available in my own country for safe investment in such industries. But he said that was not what they wanted. What they wanted was the Marshall money. I am not giving his exact words, but the only conclusion I could arrive at from what he said, was that they wanted our money so their own government could build up their industries and own them and take over the existing industries.

Mr. President, in view of the fact that this interesting point has been brought up I wish to make a statement which I had not intended to make. I had a 3-hour conference with Mr. Monnet of France. He is a man who has one of the sharpest, most quick-thinking minds I have ever known. He outlined the 5-year Monnet plan. I was very much interested in it. To me it made sense all the way through until he told me how he was—we were—going to finance the plan. He said, "We need the Marshall-plan money in order to install additional generators, additional steam-power equipment, additional machinery in our heavy industries. After he had spoken for about an hour, and concluded his statement, I said, "I can understand that your people need many of these things. But you are within about 95 percent of recovery industrially." Their objective, however, is 140 percent. That is their announced objective. In Africa they have very little industry, and there their objective is perhaps for a 200- or 300-percent increase. They are not trying to return to the position they were in before the war. They want to go far beyond that.

I said, "Mr. Monnet, I have been in the engineering business 30 years in my own country, and I can still learn many things about the business, but in building projects like Boulder Dam, now Hoover Dam, on which we spent $160,000,000, the Congress of the United States would not allow a steamshovel full of dirt to be moved out of that canyon until we had made contracts with the possible users of the power and water to repay every dime, except the very nominal amount that could be deferred, not written off, on account of flood control." I said, "I personally do not know, in all my experience in my country, and with a service of 8½ years on our Public Service Commission, where it was my duty to fix utility rates, of one piece of heavy machinery in my country, generating equipment, railroad steam engines, or anything of that nature, free of debt. What we do in my country is to amortize this equipment when we install it. If it costs $10,000,000, or $100,000,000, we amortize each piece of major equipment over a period of time just a little less than the life of the equipment. Then every time a generator turns over it is paying part of the amortization cost and the interest on the money."

I said, "How do you figure that an industry will be successful if you cannot pay for the raw materials? He had previously said that part of the money was to be used to furnish raw materials. The raw materials and labor must be paid for, or you should not have an industry in that particular spot."

I am not objecting to helping Europe. I believe that if those countries were to turn honest tomorrow and respect the integrity of private industrial investments in the same manner that we respect the integrity of the investments of their own citizens in this country, they would not need the Marshall plan or any other plan. I know of many individuals in this country who are looking for outlets for investment. I have one particular friend who started a stainless steel mill in England, and had it partly constructed when the last war came along. He would like to go back and complete the mill, but every dollar he puts into England stays there. He cannot get it out. We do not put that restriction on their investments in America and there is no profit in that sort of investment in Europe.

For example, I went up to the cashier's window to pay my bill at the Hotel Crillon in Paris. It cost me $25 for one night's lodging at the hotel, including dinner. It was a hotel similar to what we would call a third-class hotel in Washington. It was a very satisfactory hotel. It cost me $25 for one dinner and a room. That amount was on the basis of 117 francs to the dollar. If I had not been in the United States Senate and had had the time, I would have gone out on the street and obtained from 350 to 400 francs to the dollar. Then my room and dinner would have cost me about $8, which is approximately what it should have cost.

I pushed the money under the wicket, and I had a couple of dollars change coming. The cashier started to give me francs. I said, "I am sorry; I am going to Germany, and I cannot use francs." He said, "I am sorry, but I cannot give you any other kind of money." I had just seen an American judge, who was on his way to Nuremburg, pay his bill in dollars. I said to the cashier, "Just give me two of the American dollars out of the till." So long as there were only two of us there, I got it. That is the only way you can get it, however. That is why no one will invest any money in their country.

It is not well understood here, but is general conversation in the European countries themselves, that the Marshall-plan countries have driven more local capital underground through their announced nationalization and socialization of property schemes than the current appropriation asked for under the plan. Capital which is normally available for industrial investment has either been buried so deep it cannot be found, or has been transferred to other countries by the owners.

The Secretary of the Interior, in his report to the President, after a profound investigation, said that this Nation could successfully withstand the impact of an additional $20,000,000,000 worth of goods and materials to be shipped to the European countries without hope of repayment of any kind.

At the same time the Secretary was reporting elsewhere for the past 15 years that we are a have-not nation in the many strategic and critical minerals and materials necessary to produce and manufacture such goods, and that the soil of the agriculture areas of this country is fast deteriorating and washing away.

Of course I do not agree that we are a have-not nation, and that we must

import these materials, even though my distinguished colleague from Massachusetts is so convinced. Why is he convinced? Because he has read that sort of thing ever since he has been in the Senate; and the process was going on 3 or 4 years before he came here. The Secretary of the Interior should compare his own various reports and decide which side of the fence he is on.

The Secretary seems to have given little consideration to the fact that seventeen thousand million dollars added to the twenty-four thousand million dollars which the Congress of the United States has appropriated since World War II and passed out as gifts to the nations throughout the world is more money than the entire taxable value of the 11 Western States added to that of the 11 Southern States, which together make 64 percent of the area of the United States.

That is what we are giving away, and we are foolish to do so. It is proposed that we accomplish it in 2 weeks. At least, that was the time set. At that rate we would finish the job of giving the entire country away in a very short time.

The American people have apparently never been advised that the citizens of the Marshall plan countries have nearly as much money invested in the United States—the Wall Street Journal estimates it at $13,660,000,000, and my own research departments estimate it at between $8,000,000,000 and $14,000,000,000—as they are asking for under the Marshall plan. They have this money here. It belongs to them. It belongs to their citizens, and the integrity of those investments is protected under our Constitution. How far do the Senators think we would get, for example, if we were asking a loan of $5,000,000,000 from Great Britain, and our citizens had $10,000,000,000 invested in European industries? The Senators know exactly how far we would get—we would be ridiculed out of their country.

It has never been emphasized before to our people that there is at this moment more private capital in the United States available for investment in the foreign countries anywhere in the world than ever before in the history of our Nation. Our people are ready and willing to take the business risk, but they cannot and will not take the risk of nationalization and socialization of their investment once it is made. If the European nations should turn honest and respect the integrity of private industrial investments in the same manner that we respect the integrity of the investments of their own citizens in this country they will not need the Marshall or any other plan.

What do the Senators think would happen in this country if the Congress of the United States suddenly announced that the policy of our Nation henceforth would be the nationalization and socialization of all business and industry.

The Senators know exactly what would happen. Immediately every man, woman, and child in this Nation who had $2 of hard money would have it buried in a tomato can before nightfall so deep in the ground that it would be difficult for them to find it themselves. I think it will be agreed that there would be no more investments until the policy of the Government changed—our own Government would then be in the position of having to borrow money to carry our own industrial structure.

That, Mr. President, is exactly what has happened in Europe. The citizens of those countries will invest their money in this country, but will not risk it in their own.

So the heads of those governments see nothing wrong in asking our Congress to appropriate billions of dollars to give to their socialistic governments—surely no one is naive enough to believe that even one cent will ever be repaid—to go into business—to take the place of the local capital that they themselves have run out of their own market by their own actions. We are simply continuing a policy started with Tito in Yugoslavia financing socialistic governments whose announced objective is government ownership of property and control of the individual—communism by another name, since the objective is the same.

The proposed $17,000,000,000 European gift is more money than the combined assessed valuation of the 11 Western States—approximately 40 percent of the entire area of the Nation.

Coming from the West, it is hard for me to understand giving away to European countries as much as the entire assessed valuation of 40 percent of the area of the United States, and doing it in one bill in 2 weeks. It is still just a little beyond me—more than the assessed valuation of the entire 11 Western States.

In addition, there is a very grave question as to whether the Congress of the United States can create additional purchasing power by making appropriations above the amount required to meet the cost of the Government each year. It is my humble opinion that the economic system which required all of our people 140 years to build has been wrecked in the past 15 years. It has been wrecked by a succession of congressional acts and Executive orders leading to inflation. It has been wrecked by appropriations made by the Congress totaling approximately $260,000,000,000 more than has been paid into the Treasury during that period. At this moment the system is just as susceptible to inflation through additional appropriations above the amount required to operate the Government each year as a toy baloon is susceptible to air. The economic system simply inflates and absorbs any additional substantial appropriations in the same manner as a toy balloon inflates from additional air, and there is no noticeable additional purchasing power. In other words, whether we appropriate $17,000,000,000 or $70,000,000,000, the amount of purchasing power is what counts.

I merely cite the appropriation made to Great Britain last year of $3,750,000,000 as an example. Within a few months the British came back and said that they had missed their estimates and that because of subsequent inflation the money would purchase only about half of what they had estimated. They were entirely correct; Mr. President, I think the people of the United States are punch drunk on these appropriations, and this Congress is punch drunk, we could probably add three more ciphers to the appropriation referred to in the bill, and no one would notice the difference for some time. Evidently the impact of such an appropriation no longer affects us. It still affects me, but I have not been in the Senate very long. Perhaps I will get adjusted after I have been here longer.

Mr. Snyder said, early in 1947, that in terms of the 1939 dollar, the 1947 dollar was worth only 50 cents. To state his point in my own language, he said that in the short course of 8 years we had halved the purchasing power of every liquid asset in the United States—the purchasing power of every salary, the purchasing power of all the wages and all insurance and all veterans' pensions, and every other liquid asset in the United States had been reduced by 50 percent.

Mr. President, a good smokescreen is being thrown out by such bills as the Marshall plan gift, but if the sunlight ever reaches this situation the Congress will have in their hair something they will never forget. Today, in view of the inflated condition in the United States and the tremendous rise in prices, the veterans, the workers who are under civil service, and virtually all the workers on pay rolls will be asking for double their present wages.

Mr. CORDON. Mr. President, if the Senator from Nevada will yield to me, let me say that a few moments ago he made a statement which was in substance, as I recall, that the nationals of some of the 16 nations with which we presently expect to deal under the European-recovery program have approximately $13,000,000,000 or $14,000,000,000 of investments in the United States, and that they are rapidly going underground—I believe that was the term—with their money.

Mr. MALONE. They are not disturbing such investments in this country. A lot of their investments have moved here, as a result of the policies in foreign countries.

Mr. CORDON. I simply wish to call attention to something which seems to substantiate the Senator's statement: The teletype in the hall has just carried the information that, today, United States $20 gold pieces in France went up 300 francs, to a price of 21,500 francs per $20 gold piece. That would be a new price of 1,075 francs per dollar of United States gold. At the same time, United States paper-money currency remained in the free market at 305 francs per dollar, and on the black market it went up from 332 francs to 335 francs. That means that gold is worth substantially three times currency, as measured in our own dollars.

The only explanation I can make of that is the one the Senator has given, namely, that even at this moment in France there is so little faith in the currency of that country that every possible effort is being made to secure gold, as gold, for the purpose of holding it, because of the lack of faith in the French currency.

If I may make a further point, let me say this: That being the case, it seems that we have here the job of facing the fact that that process will continue unless we are able to do something to stop it.

So far as I am concerned, I say now to the Senator that in my consideration of this bill, I am directing my whole study to the one question of whether the proposed method is a reasonable method of approach to stopping the effects of that sort of loss of faith by the nationals of those countries in their own countries and the economy of their own countries.

Mr. MALONE. I thank my distinguished colleague, the Senator from Oregon, very much for that contribution.

Mr. President, a while ago when I said that the franc, when devalued at 214 to the dollar, was devalued only about half as much as it should be, obviously I was correct. The franc is still overvalued about twice its true value, as the Senator from Oregon has confirmed by his reference to the teletype.

Gold is selling at from $50 to $90 an ounce in many nations of the world, except the United States. Therefore, no doubt the value of gold has something to do with the price of the $20 United States gold piece. But the Senator from Oregon is entirely correct in pointing out that no one wants the paper money we are using in this country if he could get gold. It is true that our paper money is desired more than the paper money of other nations, because we have not yet reached their stage of inflation; but we are on the way; we are moving in the direction in which they have gone.

Mr. President, I am only a humble Member of this august body, and I have been here only a year. I wish to make it plain that I do not have all of the answers, but I wish to say that when I came to the Senate I took an oath—and that occurred recently enough that I remember it—to protect the Constitution of the United States, and I construe that also to mean the property of the United States. Certainly we do not protect our money and our property by scattering it throughout the world, in an attempt to reach a balance of trade for all of the countries of Europe, many of which already have recovered, as shown by the industrial index, beyond their 1937 positions, but which still want to buy in 1948 goods valued at $5,300,000,000 more than they are able to produce. In other words, these countries want to buy more than they sell, or to spend more than they earn, just as many families in the United States are inclined to do. Today, most families in the United States are out of the dollar balance. But our families have to pay their own way. That is what all our people have to do. Similarly, I point out that at some time in our national affairs we must come face to face with realities, and must pay the banker.

Now it is proposed that we say to these foreign countries, "You find out what you need, over and beyond what you are able to sell, and we will make up the difference." Mr. President, it now becomes apparent that that is what we have been doing for years, and are further establishing a precedent in this bill. Now we are trying to create more money by law. If we had all the money that is in circulation today—I cannot tell how much it is; it is so many billions of dollars, and such a staggering total as compared to what we had in 1935, that it is inconceivable to me—that if we had all of it in dollar bills, it would be waist deep from here to San Francisco.

My able friend the Senator from California explained the situation. He pointed out that when we get more money than we can use to buy goods with, money has no value. Today, Mr. President, the United States could be headed for a situation like that, which has occurred in many other countries; or we could be headed toward a situation like that in Germany after the last war, when it took a wheelbarrow load of money to buy a pair of ham and eggs. We could be headed for such a situation, unless the Senate of the United States has the gumption to set its foot down.

Mr. CORDON. Mr. President, will my colleague further yield?

Mr. MALONE. I am happy to yield again to the distinguished Senator from Oregon.

Mr. CORDON. I simply wish to express the hope that sometime during this debate, and at the very earliest moment, some of my colleagues who have served on the Foreign Relations Committee and who have had the opportunity of a thorough study of the problem, which only constant attendance on the committee gives, will give to me, and to others in the Senate who are interested in the same subject matter, their views as to what can be done, if we adopt this European recovery program, to stop the investment of foreign funds in gold.

It seems to me that one of the grave dangers that we face in this program is the danger that the fat of the nations with whom we expect to collaborate will be wasted by them by investment in gold rather than investment in their own future, a species of national suicide on their part.

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

Mr. MALONE. I am happy to yield to my distinguished colleague from Massachusetts.

Mr. LODGE. I thank the Senator from Nevada. The Senator from Oregon has asked for a word from someone who was on the committee, and it is in that spirit that I speak, particularly so because this happens to be one phase of the bill to which I personally gave a great deal of thought and study. If the Senator will look on page 29 of the bill, subsection 4, line 11, he will see that the agreements which the Administrator concludes with these countries shall make appropriate provision for "making efficient and practical use, within the framework of a joint program for European recovery, of the resources of such participating country, including any commodities, facilities, or services furnished under this act, which use shall include, to the extent practicable, taking measures to locate and control, in furtherance of such program, assets, and earnings therefrom, which belong to the citizens of such country and which are situated within the United States, its Territories, and possessions."

That language was very carefully drawn, I may say, after consultation of men who have spent their lives in this field and know what they are doing. The purpose of the language is to assist the governments of the recipient countries in making available to the service of the Marshall plan the resources of their nationals which may be invested in American assets. I understand that under this language the Secretary of the Treasury would be obligated to cooperate with the government of a recipient country in the effort which that government will be required to make to obtain the resources of its nationals that are invested in American assets.

Mr. CORDON. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be very happy to yield to my colleague from Oregon.

Mr. CORDON. Is it the Senator's view that if a given one of the 16 foreign nations has within the United States of America, let us say for the purpose of the question, $1,000,000,000 of assets, owned by nationals of that country, and that the assets can be located and identified, that the agreement to be made with that country would be such that the assets might either (1) preferably be required first to be used for the purchase in this country of such commodities as that country is in need of for its current uses and its industrial recovery, or if not, that (2) it will be sequestered so that at some time in the course of the relief that may be granted those assets may be offset against what otherwise it is expected that we shall advance to such recipient country.

Mr. LODGE. I think I understand the Senator's question. The answer is "Yes," insofar as idle, hoarded, unproductive assets are concerned. One must distinguish, because all American assets that are owned by foreigners are not idle and unproductive, they are not all harmful, some are beneficial. There are certain very large enterprises in this country owned by foreigners, that are employing thousands of American citizens. To sequester and impound their working capital or to force liquidation of those assets would be a destructive thing to do. It is necessary to draw a line between the assets held by foreigners which are beneficial to this country and those which are not. But in the case of the assets which are hoarded and idle and unproductive, the assets of people who are trying to make themselves financial untouchables, I think such assets should be put into the service of the Marshall plan, that we should require the foreign governments to do it, and that we should help them in carrying out that purpose.

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

Mr. MALONE. I should be very happy to yield to my colleague from Oregon.

Mr. CORDON. I am very glad to hear the Senator's views on that subject. Frankly, I cannot go quite all the way with him. We see eye to eye with reference to what the Senator terms hoarded and nonactive assets, such as balances in our banks, and the like, but I cannot quite follow him when he suggests it

would be destructive if we required that country to—let us make a practical application—to require that country to take over from its nationals and pay in its own currency—after all, the nationals in that nation have some interest or stake in their own country—to take over the assets of its nationals in this country, paying for them in its own currency, as we did in this country when we took from our own people their gold and paid for it in the currency of this country, using substantially the same operation, and turn those working assets into money and use that money for its own development and industrial recovery. I cannot see that that would be a liquidation. I am certain that this Government would go to any length to protect the full value of those investments and transfer them to people here, where we have uncounted millions of dollars seeking investment, and that country would to that extent use its own fat for its own recovery in its own land. Is that sound, or does the Senator question it?

Mr. LODGE. I think that is correct. I do not consider what the Senator describes is a liquidation. In fact, I do not think the Senator and I are so far apart, as a matter of fact.

Mr. CORDON. I hope not.

Mr. LODGE. It is a rather intricate matter, and it is very easy to become confused in discussing it. I started off, several months ago, before Christmas, with the idea that it was indefensible to require the taxpayers of America, the rank and file of every-day citizens of this country, to put up their money for the reconstruction of Europe, and not to require the well-to-do people of Europe to help. It seemed to me that was an absolutely indefensible proposition. That is what started me on this path. Let me say, by way of background, that this is one prong. The other prong is in the amendment which I have offered to the tax bill which is before the Finance Committee. I offered the amendment last Wednesday morning.

Mr. CORDON. That would be one step.

Mr. LODGE. Yes. In other words, I am making a two-prong attack. I agree that when the government of a foreign country says to a citizen who hold dollar assets, "For these dollar assets we will give you French bonds, English bonds, or bonds of our own country in return," that is not liquidation. The only remark I made to which I think the Senator took exception was that in the case of a business in this country which may be owned abroad, which is employing large numbers of Americans—and there are such businesses——

Mr. CORDON. I know of a number of them.

Mr. LODGE. Yes. It is a good thing. They employ many people and do a lot of good. They must meet their pay roll and their expenses in dollars. It would not be right, I think, to interfere with the working capital which they must have in order to operate their business.

Mr. CORDON. Mr. President, if the Senator will yield further——

Mr. MALONE. Yes; I yield.

Mr. CORDON. I suggest that any action taken should not be one that would disturb in any way the continued functioning of an industrial enterprise in this country. In view of the fact that the national wealth of any nation is represented in what that nation has in a productive way within its borders, and what it controls without its borders, and except where we might find complete state ownership, that is the sum total of the assets of its citizens. That being the case, the holdings in the United States by nationals of one of the beneficiary nations is as much a part of the basic assets of that nation as are any of the holdings of any of the nationals within the territorial limits of the nation.

Mr. LODGE. I agree with the Senator.

Mr. CORDON. Therefore, in view of the fact that what is needed is not money, but commodities, materials, and things with which those nations can produce, and the money is to be used solely as a measure of the amount of things required, if those nationals have outside of their borders title on paper which can be translated into things which that nation needs for recovery within its borders, then it would seem to me altogether proper and only fair, so far as our own people are concerned, that to the extent possible we translate paper titles held by such nationals and representing physical values in our own country into dollars, and those dollars, in turn, into the things which that nation needs. To that extent we can reduce the amount of money we must take from our own people to help that nation to help itself.

Mr. LODGE. I agree entirely with what the Senator has said. I think this language seeks to accomplish that. Certainly if we require, as we should require, the people of Europe to make a maximum effort, it includes the effort represented by their assets outside of their own country as well as the assets inside their own country. I agree with the Senator. I think we have covered it.

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

Mr. MALONE. I yield.

Mr. GEORGE. Mr. President, I send to the desk two amendments to the pending bill and ask that they be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendments submitted by the Senator from Georgia will be printed and lie on the table.

Mr. LODGE. Mr. President, in conjunction with the colloquy which we have just had with the Senator from Oregon [Mr. CORDON], I think it would be helpful to have printed in the RECORD paragraph 51 of the committee's report, entitled "The use of foreign-owned United States assets," because I think it would make the RECORD more illuminative at that point.

Mr. MALONE. I have no objection.

There being no objection, paragraph 51 of the report of the Committee on Foreign Relations on the bill (S. 2202) was ordered to be printed in the RECORD, as follows:

51. THE USE OF FOREIGN-OWNED UNITED STATES ASSETS

The committee deemed it desirable that the participaing countries, to the extent practicable, should take measures to locate and control the assets held by their citizens in this country and the earnings from these assets so that the dollar incomes would be available to foreign governments to further the purposes of this act. This does not mean that the foreign governments must sieze or liquidate private assets held by their citizens. It is not considered desirable to require the liquidation of such assets and thus deprive European countries of reserves which they may need either to achieve economic stability or to meet inevitable emergency requirements for which the program does not fully provide.

In view of the cost of this program to the American taxpayer, it is the intent of the committee that all idle, hoarded, or unproductive assets should be put to use. The precise form of use will necessarily vary according to the circumstances of the particular country and the nature of the assets.

As of the middle of 1947, the CEEC countries held $7,094,000,000 in United States assets. The total long-term assets amounted to $4,930,000,000; about $2,200,000,000 of this represents stocks and bonds, the bulk of which are probably of a readily marketable character. Short-term assets amount to $2,164,000,000. In the present crisis many foreign countries have already drawn their reserves below what ordinarily would be regarded as a prudent level. Depletion of these reserves delays and jeopardizes the restoration of international convertibility of currencies and expanded international trade and investments.

It is important to distinguish between blocked assets and free assets. During the course of the hearings, the Secretary of the Treasury started to free $1,100,000,000 of blocked assets to help the recipient countries to obtain control of them. These assets have been concealed contrary to the laws and national interests of the countries concerned. The recipient countries can perhaps count on obtaining in the next 12 months a part of the $400,000,000 estimated to be held directly in the United States for resident nationals of these countries. The largest portion of the $400,000,000 of directly held assets, namely $100,000,000 to $150,000,000, is owned by French citizens, and the French Government is making every effort to mobilize these resources.

Two other related matters may be mentioned here: The pledging of foreign-owned assets and gold reserves. (a) The pledging of foreign-owned assets in the United States as collateral for loans is not without precedent. However, this would normally involve the nationalization or seizure of such assets by governments—a step which is contrary to the philosophy of the bill. (b) The CEEC countries held about $6,563,000,000 in gold reserves as of June 30, 1947. There have been serious drains on these reserves since that date. Most of the participating countries have already drawn their gold reserves below levels necessary to provide adequate working capital for their international trade or adequate backing to maintain sound currencies. It may be noted during 1947 the net increase in United States gold holdings was close to $1,900,000,000, a factor which has aggravated the exchange position of other countries.

Mr. MALONE. Mr. President, I wish to refer briefly to a copy of the United States News, dated February 13, 1948, containing a world report as corroborative evidence of the assets available, wherein it is said:

Europe, seeking $6,800,000,000 from the United States for the 15 months beginning on April 1, still is far from broke.

Gold, dollars and dollar investments of the Marshall plan countries are officially reported at $13,662,000,000. That is the estimate for June 30, 1947. Since that time, dollar resources have dropped by about $1,000,000,000,

but they remain within hailing distance of the $17,000,000,000 needed for the 4-year European recovery program.

Dollar resources of Europe furthermore, are at least as large and maybe larger than they were in 1937 or 1941. Besides gold, Europe is estimated to hold $7,094,000,000 in dollar assets, compared with $8,127,000,000 in 1941 and $6,730,000,000 in 1937. European gold holdings on June 30, 1947, were reported at $6,568,000,000. That is a larger volume of gold than Europe is believed to have held in 1940.

These are the known billions of dollars controlled by European nations. Other billions, variously estimated at $2,000,000,000 to $4,000,000,000, are hidden by private individuals, with most of this hoard in France.

Mr. President, I had just said, when the debate occurred, that the Secretary of the Treasury had stated that the United States dollar was worth early in 1947, 50 cents in terms of the 1939 dollar. What is it thought will happen when we appropriate the seven thousand million dollars asked for the first year of the Marshall plan? The dollar may not be a 50-cent dollar. It is more likely to be a 40-cent dollar. The ability to create purchasing power through appropriations by the Congress of the United States has been largely dissipated during the past 15 years.

We are not able to create substantial purchasing power above the amount required currently to operate the Government, for the very simple reason, or at least for one good and sufficient reason, that we cannot increase our productive capacity in proportion. I think the Congress is as helpless as a baby to create additional purchasing power, unless comparatively increased production results from such expenditure.

We could appropriate $70,000,000,000 and send it to the countries of the world as easily as we could appropriate seven billions, and probably have about the same relative purchasing power.

Of course, as the President has now recommended, we can put our finger back on the snout of the teakettle without pulling the fire from under it, through reestablishing price control, knowing full well we shall be scalded and that it is just a question of time.

We can start blowing on the thermometer again through reestablishing the rationing of goods and make ourselves feel warm, while our feet are freezing; but in the long run, the economic factors are building up and boiling up underneath, just as they always do. When the explosion comes this time I think we shall be just like the aviator who hit the Empire State Building. He has not yet been identified. When we wake up we shall be trying to borrow money from the European countries.

I point out at this time that it is just possible that the countries we are currently abusing in all this argument for the Marshall plan may be a little smarter than we conclude. It may just be that they think that by their oppostion to this loan the people of the United States may insist we pass the bill, and that when we do that, we will be on the way down economically, and when we are there will be no one left to support any other nation.

What did the President of the United States ask the Congress to do in the special session which he called in November? He said, "Rush back to Washington; there is a great emergency. You must stop inflation and keep on appropriating billions of dollars to give to the foreign nations of the world."

Of course, the two things are not compatible. Both cannot be done. We must make up our minds which is important, and get at the job. If Congress continues its wild orgy of spending, wages will double and triple, and few will be able to buy what they need to eat and wear because of retarded production.

Integrity is the crying need of the world today, integrity in our own Government, integrity in our national and international relations, the necessary stamina to tell our own people and the nations of the world the truth about what we intend to do.

There is more money and credit available in America today for sound investments abroad than ever before in the history of the world. Such investors are ready, willing, and anxious to take the necessary business risks in the rehabilitation of European industry, but they cannot and will not take the risk of nationalization and socialization of their capital once it is invested.

Therefore it is again my opinion that, if these governments would turn honest and again respect the integrity of private investments in the same manner in which we respect the investments in this country of their nationals, they would not need any capital furnished their own governments through action of our Congress under the Marshall or any other plan.

TRUTH AND PREPAREDNESS

Mr. President, we backed into two world wars in our generation unprepared and denying that we would fight. Let us try it once prepared to fight, and telling the world and our own people frankly what we will fight to maintain, through an extension of the Monroe Doctrine, a policy that kept us out of a major war for more than 75 years.

It is my personal opinion that, if we will now revert to this tried and proven principle, there will be no war in this or the next generation. Most people believe that, if this principle had been observed, neither the Kaiser nor Hitler would have gone to war.

Mr. President, I wish now to sum up briefly the points I have made. Let us consider these things on their merits. Let us consider feeding hungry people if there are still hungry people in Europe after the many appropriations we have made for them.

I point out to the Members of the Senate that the present crop is the third crop for the people of Europe since the war and that there is a prediction today that it will be one of the greatest crops ever raised in Europe.

Now the question of stopping communism, how is that to be done? I point out how General MacArthur thinks communism must be stopped, from an article by John G. Norris:

Gen. Douglas MacArthur, declaring that America's "frontiers" in the Orient and Europe are of equal importance, warned yesterday that China's military troubles must be settled before United States economic aid will help much.

The American occupation chief in Japan sent a long cable to the House Foreign Affairs Committee which seemed to take issue with key points of Administration foreign policy.

In General MacArthur we are dealing with a man who knows how to stop communism. He has demonstrated it, and he knows it will not be stopped unless we draw a line and say where and how we intend to stop its encroachment. I read further from the article quoting General MacArthur:

"We are prone," he said, "to overconcentrate on happenings and events to our east and to underestimate the importance of those to our west."

President Truman has proposed an outlay of five hundred and seventy millions for nonmilitary aid to China. That proposal, along with the European Recovery Program and two hundred and seventy-five millions in additional military aid to Greece and Turkey are before the committee.

MacArthur stressed the military problem in China and said that the need for internal reform there is infinitely less important than ending the civil war.

Mr. President, all I have asked is that this country make up its mind, that the State Department, the heads of our military services, the committees in charge of our military affairs in the Senate and the House, bend their efforts toward determining what we must do to protect our safety, and make their statement in so many words, with a twofold purpose, first, that we may prepare America for such an eventuality, and, second, to give the nations of the world notice that we mean business.

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

Mr. MALONE. I yield to the distinguished Senator from New Jersey.

Mr. HAWKES. Does not the Senator realize that there is a large group in the United States who are living in a dream world and who do not have any sense of reality in anything they are doing? Any sane man knows communism cannot be stopped with a few billion dollars, and any sane man knows we are not going to stop it by starting this program and continuing it for 1 year, nor are we going to stop communism after 5 years. Other countries are going on and on, and they are going to sap all they can out of this country, until they have gotten it to such a point that we will come to our senses and realize that we cannot give any more. Then they are going to hate us more than they hate anything on earth.

To me it is simply amazing that Members of the Senate and of the Congress generally cannot see the picture on the wall in any different light than they are seeing it. I read in a very fine report of a group of 6,000 farmers being questioned on the European recovery plan, and 52 percent of them had never heard of it. Think of that. The others did not know anything about it; they had heard of it, but they understood nothing about it. Yet here we are, voting taxpayers' money away. We are using the power to tax to destroy. We are taking their money without ever giving them a referendum.

Why in the world do not some of those in this body, some who have this matter in charge, say that the people of the United States are the stockholders of

America, and before the board of directors votes their funds away, gives them away, and plunges the people into a third World War, they are going to do the little, simple thing of putting a referendum on the ballot to this effect:

"Do you want your Representatives in Congress to give your money away, and destroy the Nation, and go through the process of leveling us off with the rest of the world? Do you want to destroy initiative, the only thing we have in the United States that protects us? Do you want to destroy the only thing we have that makes us different from all socialistic and communistic nations in the world?"

They have been to us twice already to save them, and we have done it. I would give them $5,000,000,000, I would label it as a gift. I would send a commission——

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

Mr. HAWKES. No; I will not yield at the moment. I would send an American commission over there to administer these funds. I would serve notice on the world that they were to stand on their own feet from now on. I would say, "We are going to give you food and seeds and fertilizer, but are not going to be involved in entangling alliances that will threaten the future of our children and our children's children."

Mr. President, I wanted to say this to the Senator, and I am going to have a great deal more to say on this subject before I am through. I want my little grandson, the only male I have left in my family—for my son is buried in New Guinea—to know that I did not vote to sell the United States down the river.

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

Mr. MALONE. I yield to the Senator from Massachusetts.

Mr. LODGE. Inasmuch as the Senator from New Jersey would not yield to me, I appreciate the Senator from Nevada being willing to yield.

I heard the Senator from New Jersey question the sanity of those who favor the proposal before the Senate. I heard him say that those of us who favor the proposal want to sell the United States down the river. I deeply regret his aspersions on us, because, very frankly, I think our patriotism and our judgment are as good as his, and that the RECORD will so demonstrate.

I also heard him say that he favors giving $5,000,000,000 to the nations of Europe without requiring them to do anything. I favor this bill providing $5,000,000,000, but I favor requiring the recipients to undertake the specific, constructive commitments which are set forth in this measure.

The Senator from New Jersey, who questions the patriotism and the sanity of the rest of us, wants to pour the money down a rat hole and require nothing for it, and he apparently opposes this constructive scheme to make the money available to the countries in question under specific conditions which will not result simply in rebuilding the old European crazy quilt which has involved us in two world wars, but which will get us out of the rut, and on to the high ground, and provide something different and constructive. That, Mr. President, is the American way of doing things. That is the kind of enterprise that has made this country great, and that has made the word "American" a symbol for optimism and dynamic effort the world over.

The Senator's solution to this dreadful challenge that confronts us is simply to give them money for food, without any expectation of a constructive result at the end of it. He is welcome to that solution.

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

Mr. MALONE. I am happy to yield to the Senator from New Jersey.

Mr. HAWKES. I think it will be found from the record that the Senator from Massachusetts has lost his poise. He has put words in my mouth that I did not say under any circumstances.

Mr. LODGE. Well, let us have the record read.

Mr. HAWKES. We will not have the record read at the moment. I am talking. I never said I would not require them to do anything at all. That is an absolutely false statement. The record will not show that. I said that in starting I would have this money administered by a fine American commission. I assume a fine American commission would use a little common sense in what they did. I would have faith in them. I have not questioned the patriotism of anybody in this Chamber. That is a word I did not use.

Mr. LODGE. The Senator said we would sell the United States down the river.

Mr. HAWKES. I did not say "You" would sell the United States down the river. I said this body would.

Mr. LODGE. The Senator was talking about the proponents of the bill.

Mr. HAWKES. I repeat, that if we do this thing, instead of agreeing with the Senator that we are stopping war, I claim that we are entering into the third world war. That is a difference of opinion. The Senator from Massachusetts is entitled to his opinion, and I am entitled to mine. I have lived through the two wars, and know a little about them. I thank the Senator from Nevada very much for yielding to me.

Mr. MALONE. Mr. President, I thank my able colleague from New Jersey for his contribution. I continue my summing up. Let us consider German coal production, and German steel production. What are we doing at the present time? We are sending six to eight million tons of steel annually to Europe. I just pointed out a moment ago, when we placed in the RECORD the terms of the treaties between the empire-minded nations and Russia, already completed and in effect, that a considerable amount of our goods furnished Europe will in fact be "in transit" to Russia. In other words, those goods may furnish the steel for the manufacture of the goods which Russia needs. Unless we send steel and other component parts and supplies to Europe they will be unable to fulfill their obligations under their treaties with Russia.

Now what could we do to save our steel for needed construction in this Nation. One simple Executive order would change the entire situation and allow the Germans to get back into production of six or eight million tons of steel annually. How long would that take? From my inspection of the plants in Germany, and the available description of those plants, the German steel production could be increased by the necessary seven or eight millions of tons annually within 6 or 8 months. Some of them are not damaged materially. The German plants have been held to less than 4,000,000 tons annually where the prewar capacity was 24,000,000 tons. The additional 7,000,000 annual tons say, would equal a total of German production of 11,000,000 tons of annual production. Instead of this simple procedure we are requiring our steel companies to increase their productive capacity through plant expansion, which would require the use of steel we need very badly here and leave many steel plants to go broke here in a few years when demand has caught up with supply—further ruining our own economy. There is a stop order on use of steel for certain purposes. Many buildings cannot be erected because they would require the use of steel in their erection. There is a priority on steel for certain uses.

Mr. President, the Germans want to put their steel plants into production. We are in charge of them. If that were done it would put an end to steel shipments from our country, and bring, within a year and a half, an end to the shortage of oil in our own Nation. The shortage of oil in the United States is due to several causes. One is the fact that 65,000 prospective wells have not been drilled over the past few years, which would have been drilled had it not been for the shortage of steel. Let us permit our steel to remain in this country, and use it to build tank cars, to build pipe lines to transport the Texas natural gas to the northern industrial areas, to build refinery plants, so that natural gas in Texas can be turned into gasoline. If that were done, I believe that in a year and a half there would no longer be even a spot shortage of oil in the United States.

There is another serious consideration, Mr. President. If Germany were permitted to produce that amount of steel, it would mean that she would be in a position to pay her "board bill" to the United States, which amounts now to more than $1,000,000,000 a year, including other material.

Mr. President, as I have previously said in summing up, we have wrecked the economic system of the United States. The Secretary of the Treasury bears evidence to that in his statement. How could that be stopped? It could be stopped by ending large appropriations of money above the amount currently needed to run the Government of the United States.

Truth and integrity are the commodities badly needed in the world today. If the United Nations, our State Department, and the Congress of the United States would bend their efforts toward reestablishing the integrity of

private investments by the other 56 member nations of the United Nations, then many of the pressing industrial problems would be automatically solved. The United Nations is dead at this time, but if we should extend the Monroe Doctrine to include the area and nations which we must currently protect for our own ultimate safety, then we would immediately revive that organization. The only nation on earth that can revive the United Nations and make possible ultimate world peace is the United States, and we are sidestepping that organization today.

Mr. President, I want to thank the Members of the Senate of the United States for their close attention during my address, and I also thank personally the Senators who have participated in the debate.

I now yield the floor.

MEETINGS OF COMMITTEES DURING SESSIONS OF THE SENATE

During the delivery of Mr. MALONE'S speech,

Mr. LUCAS. Mr. President, will the Senator from Nevada yield to me for a parliamentary inquiry?

Mr. MALONE. I yield to the Senator from Illinois with the understanding that these proceedings may appear at the end of my address.

Mr. LUCAS. I make that request, Mr. President.

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

Mr. LUCAS. Mr. President, may I inquire what the record shows with respect to standing committees or special committees which are now holding meetings under unanimous consent request?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). The Chair would respectfully state that the Chair is unable to answer the parliamentary inquiry at the moment, but with the help of the Parliamentarian will check the matter and will inform the Senator when the parliamentary inquiry can be answered.

Mr. LUCAS. I thank the Chair. When that information is available I hope the Senator from Nevada will yield again in order that I may make a statement.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me?

Mr. MALONE. I yield.

Mr. WHERRY. I also should like to propound a parliamentary inquiry. Is it necessary for the Appropriations Committee to secure unanimous consent to sit during the sessions of the Senate? There is some question about it.

The PRESIDING OFFICER. The clerk will read the applicable rule, which is section 134 (c) of the Reorganization Act.

The Chief Clerk read as follows:

No standing committee of the Senate or the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

Mr. WHERRY. Mr. President, will the Senator from Nevada further yield?

Mr. MALONE. I yield.

Mr. WHERRY. I understand the Parliamentarian now has the information desired by the Senator from Illinois.

The PRESIDING OFFICER. The Chair will answer the parliamentary inquiry of the Senator from Illinois by stating that the Parliamentarian informs the Chair that the only committee he knows of in that category is the Committee on Finance, which has leave permanently to sit during sessions of the Senate.

Mr. BARKLEY. It was not permanently. It was only during the hearings on the tax bill.

The PRESIDING OFFICER. The Chair is in error. It was during the hearings on the tax bill.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. The rule provides that—

No standing committee of the Senate or of the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

If no objection were made, a committee would have the power to continue in session throughout the entire session of the Senate, providing unanimous consent was obtained.

The PRESIDING OFFICER. The Chair believes that is correct, and that if there is no objection by any Member of the Senate when the request is made, the order stands.

Mr. LUCAS. This provision is frequently abused, and apparently no Senator has any interest whatever in it. It seems to me that sooner or later we ought to reconsider this provision, because it is absolutely impossible to keep a quorum on the floor of the Senate while this debate is going on. I have tried for the past 2 or 3 days to object to such unanimous-consent requests. Notwithstanding that fact, I have understood that two or three committees have been meeting. Whether they have been meeting in regular session or not, I do not know. They may be meeting informally in some office.

I see no virtue in this provision, in view of the fact that committees pay little or no attention whatsoever to it.

Mr. MALONE. Mr. President, I would appreciate it very much if this statement could be placed in the RECORD following my remarks.

Mr. LUCAS. I shall be glad to have that done. I am only trying to help the Senator from Nevada, who is making a very important speech on one of the greatest pieces of legislation ever presented to the Senate for consideration. Notwithstanding that fact, it seems to make very little difference who is discussing this subject. A meeting of the Armed Services Committee, or some subcommittee, or a meeting of some special committee investigating something, or a meeting of any other committee, is apparently more important to Senators than the debate over the great issue now pending before the Congress.

Mr. President, I do not propose to follow this subject any further, because apparently it does no good to make objections. I had cause to make an objection today to a unanimous-consent request that a subcommittee of the Committee on the Judiciary, I believe, be permitted to meet for the purpose of considering the antimonopoly bill. We have been considering antimonopoly bills ever since I have been in the United States Senate, but this is the only time during my service that we have ever considered a program of this kind. Yet it is more important for a subcommittee of the Committee on the Judiciary to consider an antimonopoly bill than it is to consider the pending measure, which is so important to the country and to the world.

Perhaps Senators have made up their minds. Perhaps they do not care anything about these debates. If they have made a decision, and if they do not care anything about the debates, we ought to get down to the business of voting on the amendments and on the bill.

Mr. MALONE. Mr. President, I object to any further dissertation on this subject.

Mr. LUCAS. I thought I was helping the Senator. Perhaps I am not.

Mr. MALONE. The Senator is not.

Mr. LUCAS. I regret that I interrupted the Senator. Not more than eight Senators are in the Chamber listening to him.

Mr. MALONE. My remarks will appear in the RECORD.

Mr. LUCAS. I thought the Senator wanted to convince other Senators. What he puts in the RECORD will not convince anyone.

Mr. MALONE. I would appreciate it very much if the Senator from Illinois would postpone his dissertation.

Mr. LUCAS. I shall certainly cease and desist. The only thing I was trying to do was to help the Senator from Nevada. I perfectly understand the position of the Senator from Nevada. If he does not want any help in trying to get Senators to listen to him, that is perfectly all right with the Senator from Illinois.

EXPANSION OF THE SYNTHETIC-FUELS PROGRAM

During the delivery of Mr. MALONE'S speech,

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

Mr. MALONE. Will the Senator state for what purpose he asks me to yield?

Mr. O'MAHONEY. I desire to ask unanimous consent that the Senate pass a House bill which practically duplicates the Senate bill to expand the synthetic-fuels program.

Mr. MALONE. I yield on the stipulation that what now occurs shall appear at the end of my address.

Mr. O'MAHONEY. Mr. President, I ask that these proceedings appear at the end of the address by the Senator from Nevada.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I ask the Chair to lay before the Senate House bill 2161.

The PRESIDING OFFICER laid before the Senate 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 shale, 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), which was read twice by its title.

Mr. WHERRY. Mr. President, I have no objection to the request of the Senator from Wyoming, with the understanding that the matter appear at the end of the remarks of the Senator from Nevada.

Mr. O'MAHONEY. Mr. President, I was about to say that early in February the Senate received from the Committee on Interior and Insular Affairs a report, without dissent, recommending the passage of Senate bill 134 to expand the synthetic fuels program by increasing the authorization by $30,000,000, and changing the period during which it may be carried on from 5 to 8 years. The bill was passed without dissent by the Senate, and went to the House. The House took up a companion bill, H. R. 2161, which was in all respects identical with the bill recommended by the Senate committee. The House Committee on Public Lands also recommended its passage, but on the floor an amendment was added providing that the original act should be amended by adding the words, "and that not to exceed $1,000,000 of the amount authorized by this act may be applied to a program of production research on secondary recovery from stripper oil fields and in refining processes." The Senate Committee on Interior and Insular Affairs has considered that amendment and is quite agreeable to it.

The chairman of the committee, the distinguished senior Senator from Nebraska [Mr. BUTLER], who is on the Senate floor now, presided at that meeting.

I ask unanimous consent that the Senate consider House bill 2161 as it came to the Senate from the House. By that request I would obviate the necessity of a conference. There is no dispute about the matter. The bill will then be ready to go to the President for signature.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 2161?

There being no objection, the Senate proceeded to consider the bill (H. R. 2161), an act to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coals, oil shale, 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).

Mr. WHERRY. The distinguished chairman of the Committee on Interior and Insular Affairs is present. I understand the request meets with his approval.

Mr. BUTLER. It does, Mr. President. I requested the Senator from Wyoming [Mr. O'MAHONEY] to handle the presentation of the matter, because it was his bill which our committee recommended. The committee is entirely sympathetic to the request the Senator has made.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 2161) was ordered to a third reading, read the third time, and passed.

Mr. O'MAHONEY. I am very grateful, Mr. President, to the Senator from Nevada for permitting this action to be taken.

THE PARTITION OF PALESTINE

After the conclusion of Mr. MALONE'S speech,

Mr. MORSE. Mr. President, I wish to say that I regret very much to take any time at all at this late hour, but after all I feel there are some other matters of concern to the Senate of the United States, which we must take care of as the days go by. I have one matter I want to discuss for a few minutes tonight in spite of the lateness of the hour.

For a few minutes, for the purpose of the RECORD, I wish to make a few comments on the position in which I think we find our Government in its relationship to the United Nations, so far as the Palestine issue bears upon the policy of our Government in the United Nations.

The position which our Government has taken in the United Nations in failing to support the Palestine partition decision has not advanced the implementation of the United Nations' Palestine settlement which is supposed to be supported by our Government. Nor has it increased confidence in the United Nations as an instrument of peace which I had heretofore thought to be one of the keystones, if not the keystone, of our foreign policy.

Under clouds of legal sophistry, our Government has confirmed the fears of many of us that the State Department lacks the will to have our Government do its part to make the Palestine settlement work. It confirms the fears of many that the State Department is faltering in its support of the United Nations.

It is extraordinary that our Government should seem to be more concerned at this time in lecturing the Security Council on the limitations on its powers and on the powers of the Assembly than to discover the great potentialities for the development of law and peace which the Charter provides. Our Government seems more concerned to point out how little the Council could compel the member states to do, rather than to point out how much the member states could do to enforce law and peace if they had the will to enforce law and peace.

When Mr. Byrnes was Secretary of State, I was struck by the fact that in nearly every speech he made he emphasized not what the United Nations charter legally required us to do, but what the United Nations charter made it possible for us to do, in defense of law and peace. At the first meeting of the Assembly in London in January 1946, he said:

> The functioning of the United Nations will depend not merely upon the words of the charter or the rules or procedures we adopt here or upon the individuals we elect to hold office. It will depend upon the support it receives from the governments and the peoples of the nations which have created it and which must sustain it.

When the peace was threatened in Iran there were those who said that the United Nations was powerless because of the Soviet right of veto on the Security Council. Fortunately, that was not the view then taken by our Government. Secretary Byrnes, in a speech on February 28, solemnly averred:

> The United Nations will fail unless its members give it life by their confidence and by their determination to make it work in concrete cases and in everyday affairs. * * * The mere legal veto by one of the permanent members of the Council does not in fact relieve any state, large or small, of its moral obligation to act in accordance with the purposes and principles of the Charter. * * * As a great power and as a permanent member of the Security Council we have a responsibility to use our influence to see that other powers live up to their covenant. And that responsibility we also intend to meet. * * * In the interest of world peace * * * we must make plain that the United States intends to defend the Charter.

It has heretofore been the policy of our Government to defend the purposes, principles, and policies of the United Nations. I had hoped that it was our policy not only to support those purposes, principles, and policies with our strength and our resources, but to show alertness, initiative, and resourcefulness in the defense of those purposes, principles, and policies. Certainly before our Government spoke on the Palestine issue, it was not our policy to sit back and debate how little we were legally bound to do, rather than how much we legally and practically could do to make the United Nations live. When President Truman told the United Nations Assembly in the fall of 1946 that the United States will support the United Nations with all the resources we possess, he gave renewed hope to peace-loving peoples everywhere.

But there is a profound difference in the approach taken by our Government on the Palestine issue from the approach which has heretofore been the keynote of our policy toward the United Nations. Whereas the affirmative, constructive approach which we have heretofore taken has strengthened the United Nations, the negative, legalistic approach now taken threatens to destroy the United Nations as an instrument of peace. Whereas Mr. Byrnes' approach to the Iran issue led to a peaceful solution, our present, dilatory, equivocal approach to the Palestine issue has only served to encourage the Arab states, contrary to their solemn obligations under the Charter, to defy by force the declared policy of the United States in regard to Palestine.

It is difficult for me to understand the purpose of the State Department in de-

preciating the significance of the General Assembly's resolutions on Palestine. Certainly the situation was one likely to impair the general welfare or friendly relations among nations and consequently clearly within the authority of the General Assembly to recommend measures for its peaceful adjustment under article 14.

It may be true that the Assembly cannot compel the member states to assist in the implementation of the recommended measures. But it is certainly a violation of the Charter for any member state to threaten the use of force to obstruct the recommended measures. And I certainly should assume that there was a moral obligation on the states like the United States, which supported the recommended measures, to cooperate and aid in their execution. There is a lack of candor, if not of honesty, in any government's voting for measures which it is unwilling to support.

A special significance attaches to the Assembly's recommended measures for Palestine, owing to the fact that Great Britain has indicated its intention to abandon its mandate. Were it Britain's intention to retain the mandate, the Assembly probably would not have had the authority to require her to accept its recommendations. The Charter contemplates, if it does not require, that a state retaining a mandate should accept a United Nations trusteeship agreement, the terms of which should be agreed upon by the Assembly and the mandatory power, as set forth in article 79. While a mandatory power would under those circumstances be expected to give great weight to the views of the Assembly, it could not be obliged to administer a trusteeship on terms to which it had not consented.

But here Britain has indicated her intention to abandon its mandate, and has requested the Assembly to recommend a solution. Palestine, which under the mandate was a sacred trust of civilization, has no mandatory willing to carry out the terms of that trust. A vacuum of power has been created, I submit, in this mandated area. Palestine is not a sovereign state or a part of any sovereign state. If the member states of the United Nations do not cooperate to carry out the recommended solution, the future of Palestine will be determined by war and terror. It is disheartening to find our Government raising legalistic questions as the right of the members of the Assembly or the Security Council to collaborate to carry out the recommended solution which is the only alternative to war and terror. In the Italian treaty, the Security Council was made responsible for the security of the Free Territory of Trieste, and our Government never raised the legalistic questions which it now raises in the case of Palestine.

Both by reason of the Assembly's resolution and by reason of the terms of the Charter, the Security Council has the right and, I think, the duty to restore and maintain peace in Palestine if there is a threat to the peace or a breach of peace. Certainly it would be difficult to sustain the premise that the Arab states have not threatened a breach of peace in Palestine. And certainly peace cannot be maintained or restored in Palestine except on the basis of a regime of law. Peace and a political settlement in Palestine are one and inseparable, and no legal sophistry of the State Department can make it otherwise. It seems to me a shameful thing that this Government of ours, which supported the partition plan in Palestine as a means to peace, should now suggest that the implementation of that plan bears no relationship to the maintenance of peace in Palestine.

Mr. President, I think we want, above all, an honest policy toward Palestine. We have not an honest policy toward Palestine today. The Jews do not know where we stand. The Arabs do not know where we stand. The United Nations does not know where we stand. We do not want Palestine to become a football of domestic politics. Neither do we wish to use it as a pawn in a power-politics maneuver abroad.

Our interest and the world interest in Palestine are in peace. Peace in Palestine requires a political settlement. We cannot get away from that fact, Mr. President. It is not easy to devise and carry out a political settlement in Palestine. No settlement can be perfect. But through the United Nations we sought a settlement. The recommended settlement is based on the plan drawn up by a committee of smaller powers. I would emphasize that the plan was not a plan of the so-called major powers, but it was a plan of the smaller powers. The larger powers were excluded, so that there would be no suspicion that the settlement would be dictated by the pressures of power politics or domestic politics. No fairer and no more workable plan has been proposed. If there is a fairer plan or a more workable plan, then let the State Department or the United Nations come forward with it. But, Mr. President, I submit that we have here a problem that must be solved both in the interest of fairness and justice and in the interest of peace.

We have a chance now to carry through a settlement that is not a unilateral settlement, but is backed by the United Nations. Tearing up or casting doubt upon that settlement will not give us peace in Palestine. I think such action only kindles the flames of terror in the Near East. Such action not only threatens the survival of the United Nations, but it threatens our own national interests in the Near East, which depend upon peace in the Near East. And peace in the Near East, as peace everywhere, Mr. President, can never be secured by appeasement. Not only is appeasement morally wrong, but it will not work, for I am satisfied that the Jewish community in Palestine will fight to extinction for the rights which the United Nations have recognized as their just due, supposedly in the name of international justice through international law.

I would appeal this afternoon to President Truman to take prompt action to keep this situation from getting more out of hand than it already is. I would appeal to President Truman this afternoon to put to work on this Palestine problem some men with vision and understanding who are not hostile and apparently unsympathetic toward the United Nations Palestine settlement, and who have the will and resourcefulness to help make it work. General statements from the Defense Department and from the Army Department that they stand back of the United Nations Palestine settlement ring hollow to many ears in America today. It would appear that those now working on the Palestine question have not their heart in it. That very fact has given to our position a cynical turn which is contrary to our American traditions of honor and fair play.

I know the Palestine question is not easy to handle; but I am not convinced that it cannot be handled if we put to work on it men with vision, resourcefulness, and ingenuity.

The Palestine question is difficult, but it has been made more difficult, I think, by our own blundering. I resent the whispering, inspired by those in various echelons of our Government, about the American troops which will be required to enforce the settlement, and about the danger of anti-Semitism growing in this country. Whether it be the conscious purpose of the whisperers or not, they are in fact stirring up divisions which can only serve to obstruct our declared policy for Palestine and the one hope for peace in Palestine.

Mr. President, if we made a mistake in voting for a partition of Palestine, then I say we should admit it, and before the world we should take the position that we favor reconsideration and a change in our vote. But let us take action one way or the other, rather than follow the course of legalism and, I think, sophistry which characterize our policy as of this hour.

The need of outside troops, American or otherwise, has been largely created by propaganda which casts doubt on our support of the Palestine settlement. I am deeply convinced that the Haganah (the Jewish militia) can maintain peace in Palestine if we will support it with but a fraction of the energy with which we are supporting the Greeks. Such a militia properly equipped and directed could defend the United Nations settlement, and proper safeguards could be insisted upon to insure that the arms were not misused and did not fall into the hands of terrorists. Such a militia would need only a minimum of outside help even if the Arab states should continue to use force in violation of the UN Charter. It is highly doubtful whether the Arab states would use force if they did not get encouragement from the British and ourselves.

But are we examining the problem of the defense of Palestine with the Jewish Agency which had accepted the UN settlement which we supported? No, we treat the Jewish Agency as an outcast while our dilatory and confused policy encourages the Arab states to violence and terror. Our embargo denies to those

supporting the United Nations settlement the necessary means of self-defense.

It is time that we stop this diplomatic double talk and double dealing. It is time that we take a sincere and honest position on Palestine. And we should adhere to that Palestine policy by word and by action in this country, in the Near East, and before the United Nations. We should act energetically and resourcefully to make that policy effective and not act as if we were seeking excuses for its failure. It is for us to devise and initiate appropriate measures to make our Palestine policy, the United Nations Palestine policy, succeed, to seek the cooperation of the United Nations Commission and, if necessary, the Security Council in carrying through those measures.

Assuming as I do in this argument, Mr. President, that our Palestine policy is sound, I repeat that if it is not sound and we have belatedly discovered that it is not sound, then let us take the position before the world that our policy should be revoked and rescinded and that we should adopt a new policy. But we cannot it seems to me support partition and then permit the breach of the peace which is characterizing the Palestine situation today to continue without a demand on our part that the United Nations take the steps required by its Charter to be complied with in order to prevent that breach of the peace.

That is not what our State Department is doing. While terror and chaos threaten Palestine, our State Department stalls. The State Department knows that Britain is dragging her feet and will not help carry through the UN Palestine settlement. And to be frank, the State Department neither wants nor expects the help of the Soviet Union. Yet the State Department has failed to consider what we ourselves can do to cooperate with the United Nations Palestine Commission in order to provide it with a militia adequate to carry through the Palestine settlement.

An American foreign policy, a nonpartisan foreign policy, in this country is possible only if we adhere to principles of justice and are unflagging in our active support of the United Nations. Let cynicism and a low order of power politics enter in, and our unity, our effectiveness in world affairs, and our security will become gravely impaired. The issue of Palestine transcends by far little Palestine. It is a test of our vision and our good faith. It is a test of our devotion to the principles of the United Nations. We must not let people with little vision and little faith sway our deep faith and our loyal devotion to the principles which unite our Nation and give us our strength.

We must not, it seems to me, fail that great ideal for which we fought in this body when we put the Charter of the United Nations through the Senate, namely, the establishment of an international system of international justice through international law. So far as the Palestine issue is concerned, I submit that as of this hour we are failing our obligations to that great ideal.

## ORDER FOR CALL OF THE CALENDAR ON MONDAY

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate reconvenes on Monday next at noon it proceed to the call of the legislative calendar of bills to which there is no objection, beginning with calendar number 952, which is the calendar number that follows the end of the last call.

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

## RECESS TO MONDAY

Mr. WHERRY. Mr. President, it appearing that the work of the Senate for the day has been concluded, I move a recess until Monday next at noon.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until Monday, March 8, 1948, at 12 o'clock meridian.

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## NOMINATIONS

Executive nominations received by the Senate, March 5 (legislative day of February 2), 1948:

### DIPLOMATIC AND FOREIGN SERVICE

Lincoln MacVeagh, of Connecticut, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Portugal.

### IN THE ARMY

### PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

*To be first lieutenants*

First Lt. William Ross Reed, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 2, 1948.

First Lt. Lowell Russell Hutson, [redacted], Army of the United States (second lieutenant, U. S. Army), with rank from March 3, 1948.

First Lt. Thomas Arnot Mort, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 3, 1948.

Second Lt. Roger Stanley Walden, [redacted] United States Army, with rank from March 3, 1948.

Second Lt. John Hyatt Newell, [redacted] United States Army, with rank from March 3, 1948.

Second Lt. Eric Otto Alfred Miller, Jr., [redacted] United States Army, with rank from March 15, 1948.

First Lt. Harry Theodore Pierson, Jr., [redacted], Army of the United States (second lieutenant, U. S. Army), with rank from March 16, 1948.

Second Lt. Edward Paul Crovo, [redacted] United States Army, with rank from March 18, 1948.

First Lt. Owen Joseph Walsh, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 21, 1948.

First Lt. Kenneth Peter Fischer, [redacted], Army of the United States (second lieutenant, U. S. Army), with rank from March 24, 1948.

First Lt. Otto William Huebner, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 24, 1948.

First Lt. Jere Hill Dement, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 27, 1948.

Second Lt. John Maurice Barnard, [redacted] United States Army, with rank from March 27, 1948.

First Lt. Erwin Risley Brigham, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 29, 1948.

Capt. Eames Langden Yates, [redacted] Army of the United States (second lieutenant, U. S. Army), with rank from March 31, 1948.

*To be first lieutenant, Medical Service Corps*

First Lt. Roger Lee Cramer, [redacted], Medical Service Corps, Army of the United States (second lieutenant, Medical Service Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Robert Eugene Van Der Aa, [redacted] Medical Service Corps, Army of the United States (second lieutenant, Medical Service Corps, U. S. Army), with rank from March 15, 1948.

First Lt. Robert Levi Covington, [redacted] Medical Service Corps, Army of the United States (second lieutenant, Medical Service Corps, U. S. Army), with rank from March 21, 1948.

*To be first lieutenant, Army Nurse Corps*

First Lt. Jeraldine Frances Skidmore, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Mary Ellen Williams, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Mary Frances Imilda Haley, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 1, 1948.

First Lt. Kathryn Ione Dixon, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 2, 1948.

First Lt. Mary Catherine Proctor, [redacted] Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 2, 1948.

First Lt. Helen Grace Kurutz, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 3, 1948.

First Lt. Jessie Melnik, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 5, 1948.

First Lt. Dorothy Jones, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 7, 1948.

First Lt. Nancy Leigh Limb, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 8, 1948.

First Lt. Mary Ann V. Hartnett, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 15, 1948.

First Lt. Christine Elizabeth Reinsch, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 17, 1948.

First Lt. Julia Choate, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 23, 1948.

First Lt. Lila Geneva Van Scoyk, [redacted] Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 27, 1948.

First Lt. Mary Agnes Azzalino, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 28, 1948.

First. Lt. Elizabeth Annerita LaRoche, [redacted], Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 29, 1948.

First Lt. Mary Ethel Doyal, [redacted] Army Nurse Corps, Army of the United States (second lieutenant, Army Nurse Corps, U. S. Army), with rank from March 30, 1948.

# HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 5, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of hosts, whose mind embraces all lands and whose heart harbors no ill, we thank Thee that though the march of man stretches from dawn to dusk Thou wilt never forsake him. When wrong seems to triumph, may we know that Thou dost stand within the shadows, keeping watch above Thine own.

In all our works, give us consciences so fine that they shall be sensitive to all untruth that makes falsehood easy. If any discords, O change them to pulses stirred to generosity and to deeds of daring rectitude. Grant that with singleness of heart we may so serve our homeland and promote such concord and harmony that the nations of the world will be led into the ways of justice and peace. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 3, 1948:

H. R. 5525. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other deficiencies;

H. R. 1350. An act to amend the act entitled "An act to establish a National Archives of the United States Government, and for other purposes";

H. R. 3726. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions; and

H. R. 4141. An act to amend subsection 602 (d) (5) of the National Service Life Insurance Act of 1940, as amended, to extend for 2 years the time within which eligible persons may apply for gratuitous insurance benefits.

On March 4, 1948:

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate insists upon its amendment to the bill (H. R. 2298) entitled "An act to amend the Interstate Commerce Act, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. REED, Mr. HAWKES, and Mr. MYERS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1317) entitled "An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents."

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include in each newspaper articles.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD and include a letter and certain data furnished by the writer of that letter.

HOUSE JOINT RESOLUTION 323—THE OIL-EMBARGO BILL

Mr. HESELTON. 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 Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, at this time I want to call attention to the program as announced by the majority leader yesterday at page 2172 of the RECORD, when he said:

> Also, if a rule is granted, House Joint Resolution 323, the oil-embargo bill, may be called.

That will be on Tuesday or Wednesday.

I also call attention to the text of the bill which I placed in the RECORD at page 2181, with certain factual material supporting it. I shall consult with the chairman of the Committee on Interstate and Foreign Commerce later today in an effort to arrange with the Committee on Rules for a hearing on the rule Monday or Tuesday.

The majority report is practically completed. However, those preparing the minority report were courteous enough to defer doing so when it appeared that there might be some possibility of favorable action by the Department of Commerce on Wednesday, after we had been assured of the use of one T-2 tanker by Mr. Charles S. Jones, of the Richfield Oil Co., and of sufficient other tankers by the Maritime Commission. Since our appeal to the Department was rejected, it will probably require more than today for that report to be prepared. If it is prepared, both reports can be filed during the day. If not, we will have to wait until Monday. I hope we will be able to advise you Monday afternoon that a rule has been granted and that we will be prepared for debate and a vote on the bill Wednesday.

During the special order granted to me today, I shall attempt to include some other factual material so that the membership may be fully informed as to the background and the necessity of prompt enactment of this bill.

I am confident that this will be a matter of very real interest to 216 Members of the House who joined in the telegrams urging a brief embargo. Since their requests were denied, this legislation is the only means now available to them to obtain relief for their constituents, and I sincerely hope that all of them will participate in the debate and join in passing this legislation next week. Of course, I hope that many others whom we were not able to reach and whose constituents are affected by this fuel-oil situation will also join in the debate and in the passage of the resolution.

EXTENSION OF REMARKS

Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include a radio address by Jack Beall.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include newspaper articles.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD on two subjects and include in one a letter from a constituent on the post office pay bill and in the other an article.

LOANS FOR RURAL ELECTRIFICATION—APPLICATIONS BY STATES

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, several days ago I tried to get a deficiency appropriation of $300,000,000 to carry on our rural-electrification program for the balance of this fiscal year.

My motion was voted down because the Members were misled as to the facts.

You will find in the RECORD of March 2 at page 1994 a list I inserted of applications showing the amount of money they need now to build rural power lines in the various States during the rest of this fiscal year.

If Congress merely makes the appropriation for the next fiscal year, and denies us this deficiency appropriation, our REA program will be slowed down almost to a standstill.

I am going before the Committee on Appropriations, if I can get a hearing, and I am sure I can, and urge that they either report this bill I have introduced for this $300,000,000 for a deficiency appropriation or include it in the next deficiency bill. I cannot understand why any Member of Congress would oppose it. Every dollar of this money will come back with interest, and it will enrich every State in the Union.

Here is what I said to the House on last Tuesday:

> In order that each Member may see where this money is needed, I am breaking these applications down alphabetically:
>
> ALABAMA
>
> The applications now pending from that State amount to $5,562,000.

ARIZONA

The applications now pending from that State amount to $1,076,000.

ARKANSAS

The applications now pending from that State amount to $4,657,000.

CALIFORNIA

The applications now pending from that State amount to $315,000.

COLORADO

The applications now pending from that State amount to $5,303,000.

CONNECTICUT

The applications now pending from that State amount to zero.

DELAWARE

The applications now pending from that State amount to $150,000.

FLORIDA

The applications now pending from that State amount to $10,225,000.

GEORGIA

The applications now pending from that State amount to $17,913,000.

IDAHO

The applications now pending from that State amount to $1,705,000.

ILLINOIS

The applications now pending from that State amount to $9,045,000.

INDIANA

The applications now pending from that State amount to $2,186,000.

IOWA

The applications now pending from that State amount to $13,473,000.

KANSAS

The applications now pending from that State amount to $12,878,000.

KENTUCKY

The applications now pending from that State amount to $10,497,000.

LOUISIANA

The applications now pending from that State amount to $2,914,000.

MAINE

The applications now pending from that State amount to $146,000.

MARYLAND

The applications now pending from that State amount to $800,000.

MASSACHUSETTS

The applications now pending from that State amount to zero.

MICHIGAN

The applications now pending from that State amount to $2,472,000.

MINNESOTA

The applications now pending from that State amount to $13,457,000.

MISSISSIPPI

The applications now pending from that State amount to $6,660,000.

MISSOURI

The applications now pending from that State amount to $29,797,000.

MONTANA

The applications now pending from that State amount to $8,942,000.

NEBRASKA

The applications now pending from that State amount to $18,099,000.

NEVADA

The applications now pending from that State amount to $80,000.

NEW HAMPSHIRE

The applications now pending from that State amount to $513,000.

NEW JERSEY

The applications now pending from that State amount to $98,000.

NEW MEXICO

The applications now pending from that State amount to $1,960,000.

NEW YORK

The applications now pending from that State amount to $157,000.

NORTH CAROLINA

The applications now pending from that State amount to $3,702,000.

NORTH DAKOTA

The applications now pending from that State amount to $23,948,000.

OHIO

The applications now pending from that State amount to $3,220,000.

OKLAHOMA

The applications now pending from that State amount to $9,337,000.

OREGON

The applications now pending from that State amount to $1,740,000.

PENNSYLVANIA

The applications now pending from that State amount to $2,161,000.

RHODE ISLAND

The applications now pending from that State amount to zero.

SOUTH CAROLINA

The applications now pending from that State amount to $6,765,000.

SOUTH DAKOTA

The applications now pending from that State amount to $14,962,000.

TENNESSEE

The applications now pending from that State amount to $10,552,000.

TEXAS

The applications now pending from that State amount to $20,802,500.

UTAH

The applications now pending from that State amount to $605,000.

VERMONT

The applications now pending from that State amount to $450,000.

VIRGINIA

The applications now pending from that State amount to $4,200,000.

WASHINGTON

The applications now pending from that State amount to $2,290,000.

WEST VIRGINIA

The applications now pending from that State amount to $53,000.

WISCONSIN

The applications now pending from that State amount to $6,802,000.

WYOMING

The applications now pending from that State amount to $3,710,000.

The total applications now pending from all the States listed above amount to $296,379,500; and applications are coming in at the rate of $24,000,000 a month.

Remember that every dollar of this money will come back with interest, and it will add untold millions, if not billions, to the wealth of the Nation.

I understand there is another deficiency bill pending before the Appropriations Committee, and I appeal to the members of that committee now to include this item of $300,000,000, in order that we may move forward with the greatest program ever instituted for the benefit of the American farmers, and keep moving forward with it until we electrify every farm home in America at rates the farmers can afford to pay.

Remember, these figures were furnished me by the Rural Electrification Administrator himself.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the gentleman can get the Rural Electrification people to stop building electric plants and using money in competition with private enterprise, in many places where it is unnecessary, and get them to adopt the principle that they are not going to spend money for that, I think the gentleman can get some place. He is not going to get any place if he does not do that.

Mr. RANKIN. I do not recognize the right of the power trust to monopolize the power business. In many places it is necessary for these farmers to build their own generating plants.

If we had waited for the power trust to electrify the farm homes of this country, the chances are that the average farmer would not have had an electric light in his house for the next 100 years.

I have led this fight for rural electrification for the last 15 years; and I will tell the gentleman from Pennsylvania [Mr. RICH] that we are going to keep up the drive until we electrify every farm home in America, at rates the farmers can afford to pay.

PUBLIC BUSINESS SHOULD BE PUBLIC

Mr. MACKINNON. 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. MACKINNON. Mr. Speaker, today's paper carries the story that the Secretary of Commerce, Mr. Harriman, has refused to respond to a congressional subpena to supply information with respect to one Dr. Condon. I am not presuming to pass on the facts in that case, but I do wish to point out that this follows the same pattern of secrecy as the administration has been following with respect to congressional subpenas throughout this entire session. They did it on the Pauley matter, and they are doing it here. They always have an excuse. They always claim that public records are their private, confidential property and deny the public the facts. If there is one thing this Congress is going to have to do, it is to take some affirmative steps to see that its subpenas are respected. Otherwise it will be absolutely impotent to get the facts upon which to legislate. We will be prohibited from performing the duties vested in us by the Constitution. The people of this country expect the Congress to make all this information public and to open up these public files that the administration is constantly claiming are their private property.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MACKINNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. The Department of Commerce just had its attorney before the Committee on Un-American Activities, and, in response to my question, he

testified that this was the first man they had had to investigate who had to be confirmed by the Senate and who may be impeached by Congress.

It is about time we gave these bureaucrats of the Government to understand that the Congress of the United States was created by the Constitution, and it is not going to be sidetracked or kicked around by certain bureaucrats merely to protect somebody whose loyalty is questioned.

WHEN DO WE LEARN?

Mr. VURSELL. 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. VURSELL. Mr. Speaker, at the expense of the American taxpayers, our Nation has given over $2,000,000,000 to Russia and her satellite nations since the war. Russia has now pulled the iron curtain down over these nations. We have enriched and added to the power of Russia by $2,000,000,000 and weakened our Nation to the same degree.

Now we are asked to dump $20,000,000,000 more into the countries just west of Russia through the Marshall plan. I predict, if we do this, later Russia will pull her curtain down over the additional $20,000,000,000. If we keep building Russia up by weakening our own Nation, we are more likely to have to face her in a war. Why build Russia up in this fashion? We should not gamble another $20,000,000,000.

Mr. Speaker, since the shooting phase of World War II ended in Europe, this Nation has poured more than $2,000,000,000 into Russia and her satellite countries for the humanitarian purposes of relief and rehabilitation.

We have provided from the workshops and storehouses of the United States not only food, clothing, and footwear, but have given generously for medical and sanitation projects, for agricultural rehabilitation, and for industrial reconstruction.

We set out bravely, if you please, to put Europe, particularly the liberated areas, back on its feet, and we asked nothing but that some of the promises made during the war would now be kept.

In the light of these promises, Mr. Speaker, it was presumed by our taxpayers, who furnished the money, that with the coming of peace in Europe the common people of all the liberated countries, excepting Russia, would be allowed to set up governments of their own choosing, free from the absolutism of military dictatorships, and where the dignity of man could arise again like the phoenix from the ashes of a great despair.

Both Mr. Churchill and Mr. Roosevelt promised the world nothing less. Do you gentlemen of the Congress yet remember the Atlantic Charter?

Ten countries have already succumbed to the blight of Red socialism. The aid we provided and the money we furnished perhaps delayed the process, but the end results might have been expected when we were so naive as to continue with our aid, even when our own leaders knew that the Communists were using our supplies and our tools to further their own interests and spread their doctrines.

Mr. Speaker, our Government appropriated $2,700,000,000 to the United Nations Relief and Rehabilitation Administration. Of the funds so appropriated, Russia and her satellites received more than one-half.

As of September 30, 1947, the division was as follows:

| Country: | *Total amount UNRRA relief* |
|---|---|
| Albania | $25,879,000 |
| Czechoslovakia | 258,999,000 |
| Hungary | 4,412,000 |
| Poland | 472,561,000 |
| Yugoslavia | 405,229,000 |
| Byelorussian S. S. R. | 59,962,000 |
| Ukrainian S. S. R. | 185,847,000 |
| Total | 1,412,889,000 |

Besides the relief furnished through UNRRA, our Government has made loans and property credits to several of the eastern European governments.

The loans outstanding as of September 30, 1947, were:

*Export-Import Bank loans (as of Sept. 30, 1947)*

| Country: | *Amount* |
|---|---|
| Czechoslovakia | $21,979,428 |
| Poland | 17,409,249 |
| Total | 39,388,677 |

PROPERTY CREDITS

In addition to the outright gifts and the loans, we have also established property credits for countries in the Soviet sphere as follows:

| Country: | *Property credits utilized* |
|---|---|
| Russia (11fc) | $198,779,452 |
| Poland (OFLC) | 29,760,012 |
| Czechoslovakia (OFLC) | 7,760,537 |
| Hungary (OFLC) | 16,560,741 |
| Total | 252,860,742 |

Of all the nations which were our allies in the war, Russia received one of the best deals of all. When the shooting had actually stopped, the lend-lease goods on order and in the pipe line for Russia amounted to $241,560,000. By the agreement of October 15, 1945, Russia was allowed to buy this material on credit, with interest at 2⅜ percent, with the first interest payment falling due July 1, 1947, and the first payment of the principal falling due July 1, 1954.

So, Mr. Speaker, to summarize, we have poured into eastern Europe the following sums:

*Russia and satellites*

| | |
|---|---|
| UNRRA | $1,412,889,000 |
| Property credits | 252,860,742 |
| Export-Import Bank loans | 39,388,677 |
| Lend-lease pipe-line credit to Russia | 241,560,000 |
| Total | 1,946,698,419 |

Mr. Speaker, we now learn that Finland is next in line to feel the blow of the hammer and the sweep of the sickle. With Finland tottering on the brink of communism, it is well to include the aid we have furnished her in this compilation.

This aid consists of:

| | |
|---|---|
| Export-Import Bank loan | $84,786,962 |
| UNRRA | 2,383,000 |
| Property credits: | |
| Maritime Commission (ships) | 816,000 |
| OFLC (surplus property) | 14,569,658 |
| Total | 102,555,620 |

Mr. Speaker, our investment therefore is more than $2,000,000,000. In thinking of our follies I am reminded of the advice of a great English economist, who after World War I devoted considerable thought and study to the postwar problems of Europe.

In his book the Economic Consequences of the Peace, this economist gave this timely warning:

> There is no guaranty that Europe will put financial assistance to proper use, or that she will not squander it and be in just as bad case 2 or 3 years hence as she is in now; M. Klotz will use the money to put off the day of taxation a little longer, Italy and Yugoslavia will fight one another over the proceeds, Poland will devote it to fulfilling toward all her neighbors the military role which France has designed for her, the governing classes of Rumania will divide up the booty amongst themselves. In short, America would have postponed her own capital development and raised her own cost of living in order that Europe might continue for another year or two the practices and the policy of the past 9 months. And as for assistance to Germany, is it reasonable, or at all tolerable that the European allies, having stripped Germany of her last vestige of working capital, in opposition to the arguments and appeals of the American financial representatives at Paris, should then turn to the United States for funds to rehabilitate the victim in sufficient measure to allow the spoliation to recommence in a year or two?
>
> There is no answer to these objections as matters are now.
>
> If I had influence at the United States Treasury, I would not lend a penny to a single one of the present governments of Europe. They are not to be trusted with resources which they would devote to the furtherance of policies in repugnance to which, in spite of the President's failure to assert either the might or the ideals of the people of the United States, the Republican and the Democratic Parties are probably united.

Those, Mr. Speaker, were the prophetic words of Lord J. M. Keynes, written in 1919, when all Europe was a tinder box, just like it is today.

It is sad to note, that our Government, with high and lofty ideals in mind, made loans of over $15,000,000,000 to European governments after World War I, and most of the loans remain unpaid as of this day and hour.

Mr. Speaker, in fairness to the taxpayers who are now called upon to furnish another $20,000,000,000 in aid to Europe under the Marshall plan, I ask, When do we learn from the past?

LEGISLATIVE PREROGATIVES

Mr. HOFFMAN. 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 Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the issue raised by the gentleman from Minnesota and referred to by the gentleman from Mississippi is a fundamental one. Congress appropriates money for these departments and they proceed to spend it and then they deny to the Congress the right to inquire as to whether they are spending it or have spent it in accordance with the law, where they have spent it and how they have spent it. So it comes about that now the committees of Congress are denied an opportunity to know where the money that they have appropriated is going, and whether or not those departments are acting lawfully. At the moment, one of your committees has had under consideration the granting of paroles to the notorious gangsters from the city of Chicago, and the FBI acting under instructions of the Department of Justice, refuses to tell us about the investigations which it has made and which will show us whether or not the Department has acted fairly and complied with the law.

To remedy that situation, a joint resolution has today been offered.

Mr. RICH. 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 Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I would like to say to the gentleman from Michigan and to the other gentlemen who have been talking here about trying to get information from these departments, and to the people of the United States, the only way that you are ever going to get anything good and sound here in Washington that is going to be for the benefit of the people of the United States is to clean house, and begin at the White House, and the people can only do that next November. If they do not do that, the country might as well be boxed up and shipped over to Russia. We just have to clean out the New Deal departments of our Government.

Mr. HOFFMAN. Mr. Speaker, if the gentleman will yield, we are not going to wait until November. If you will get over to the committee meetings and come along with me and get that resolution passed, we will get that information.

Mr. RICH. We have got to clean house. We have got to clean house in November. Soundness, efficiency, economy, good government demands that the American people get busy. Clean up this bureaucratic regime. To do it elect a Republican President, and I guarantee we will have a house cleaning.

EXTENSION OF REMARKS

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD and include a newspaper clipping.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an article from the Mine Workers Journal, together with certain charts.

FEDERAL MINE-INSPECTION LAW

Mr. PRICE of Illinois. 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. PRICE of Illinois. Mr. Speaker, I am inserting in the RECORD today the most telling argument I can give in support of legislation to put teeth into the Federal mine inspection law. I urge the membership of this House to study the report from the United States Bureau of Mines, which I am including with my remarks in the Appendix of the RECORD.

I have the feeling that when the majority of the Members of this body see in the RECORD that during the year 1947 there were 64,165 coal miners killed and injured—990 killed—they will want to have an opportunity to enact legislation to give the Federal Government the power to enforce the recommendations of its inspectors in matters of mine safety.

The record of mine fatalities for 1947 reflects clearly the laxity of State enforcement and the inadequacies of State safety laws.

There are measures pending in this Congress that would provide the answer to mine safety.

It is long past time for action on the part of Congress, lest the blood of future fatalities be on our hands.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to revise and extend his remarks.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD.

PRIVILEGE OF THE HOUSE

Mr. MUNDT. Mr. Speaker, I rise to a question of the privilege of the House and ask that a subpena with which I have been served be read by the Clerk.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA, HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* GEORGE MARSHALL. NO. 367–47, CRIMINAL

The President of the United States to KARL E. MUNDT, 1206 New House Office Building, Washington, D. C.:

You are hereby commanded to attend the said court, Monday, the 8th of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in schedule A attached hereto and made a part hereof, consisting of one page, and not depart the court without leave thereof.

Witness the Honorable Chief Justice of said court, the 2d day of March, A. D. 1948.

[SEAL] HARRY M. HULL, *Clerk.*
By MARGARET L. BOSWELL,
*Deputy Clerk.*

CHARLES A. HORSKY,
*Attorney for George Marshall.*

SCHEDULE A

1. Letter dated January 7, 1946, from Norman W. Schur to KARL E. MUNDT,

2. Copy of letter dated January 19, 1946, from KARL E. MUNDT to Norman W. Schur, Chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

3. Copies of letter sent by KARL E. MUNDT, to Gov. Thomas L. Bailey (Mississippi), and approximately 99 others on or about January 20, 1945, relating to a suitable and working criterion to determine what does and what does not comprise an un-American activity, together with the data sheet mailed therewith and all replies received thereto and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms "un-American" and/or "subversive."

4. Copies of all letters sent by or on behalf of the committee or by any member thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American activities, or relating to the definition of the terms "un-American" or "subversive," or relating to an analysis of letters received purporting to define un-American activities or propaganda; together with all letters received from the Brookings Institution in connection therewith.

5. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

Mr. MUNDT. Mr. Speaker, I have been subpenaed to appear before the District Court of the United States for the District of Columbia to give testimony on Monday morning next at 10 o'clock in the case of United States against Marshall, which is a congressional contempt proceeding. Under the precedents of the House I find I am unable to comply with this summons without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body.

PRIVILEGED RESOLUTION

Mr. MICHENER. Mr. Speaker, I offer a privileged resolution (H. Res. 493) and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas Representative KARL E. MUNDT, a Member of this House, has been served with a subpena duces tecum to appear as a witness before the District Court of the United States for the District of Columbia to testify at 10 a. m., on the 8th day of March 1948, in the case of the *United States* v. *George Marshall*, criminal No. 367–47; and

Whereas by the privileges of the House no Member is authorized to appear and testify but by the order of the House: Therefore be it

*Resolved*, That Representative KARL E. MUNDT is authorized to appear in response to the subpena duces tecum of the District Court of the United States for the District of Columbia on Monday, March 8, 1948, in the case of the *United States* v. *George Marshall* at such time as when the House is not sitting in session; and be it further

*Resolved*, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpena of the said court.

Mr. MICHENER. Mr. Speaker, I move the adoption of the resolution.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RANKIN. Mr. Speaker, we are getting right up to the issue involved. This is a defense subpena and the gentleman from South Dakota [Mr. MUNDT] is entirely correct up to that point, but they have no right to subpena the records of the Committee on Un-American Activities; and for that reason I think this motion or agreement should be limited to granting the gentleman from South Dakota [Mr. MUNDT], the right to answer that subpena, but as far as directing him to take the records of the committee is concerned I shall object to that, now and from now on.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. MUNDT. I am taking with me to the court only those records which I have in my office, in my own file. I am not taking anything from the committee files.

Mr. RANKIN. None of the committee files?

Mr. MUNDT. None whatever.

Mr. MICHENER. Mr. Speaker, I may say that the House has a privilege, that is, the right to have the Members in attendance, unless excused, which privilege is constitutional. Second, the staff of the House, that is the Clerk and the clerks to committees and others, do not enjoy the privileges of the House as far as personally responding to court subpenas is concerned. But the Clerk of the House or the clerk of a committee has no control over the files. He is an employee of the House and as such is the custodian of the files. He has no discretion as to whether or not he will present these official files in court. It takes action by the House to permit an employee of the House to take the files of the House away from the House or make them public.

Mr. RANKIN. That is exactly what I want to bring out.

Mr. MICHENER. There is no question about that; let us not take any time on that.

Mr. RANKIN. I do not propose for every criminal lawyer who comes here to defend somebody charged with disloyalty or contempt to subpena the records of the Committee on Un-American Activities.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman from Michigan yield?

Mr. MICHENER. I yield.

Mr. MARCANTONIO. First of all, the gentleman from Mississippi is incorrect. These men are not charged with disloyalty.

Mr. RANKIN. No; they are charged with contempt of Congress.

Mr. MARCANTONIO. Just a minute, the gentleman from Michigan yielded to me.

Mr. MICHENER. The gentleman from Michigan does not yield for a discussion as to the merits of the particular contempt case.

Mr. MARCANTONIO. I merely want to correct the record. These men are not charged with disloyalty; they are charged with contempt. Furthermore, it seems to me that the court should pass on the admissibility of records, not the gentleman from Mississippi.

Mr. MICHENER. The gentleman from New York is quite right, the court passes on the relevancy of the evidence. The Clerk may not take the documents from the House unless authorized by the House; and if and when documents are presented as evidence, then the court determines the materiality of the documents to the issue involved. I do not believe a defendant can secure all the files in the Clerk's office unless the court has passed on the question of materiality. If it were otherwise the functioning of the House might be prevented. If the Clerk and the files can be removed to court then the same rule would apply to all officers of the House.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Not on the merits. If it is a question as to procedure, I yield, but not on the merits of the case.

Mr. RANKIN. I just want to notify the gentleman from New York [Mr. MARCANTONIO] that we will protect the records of the Committee on Un-American Activities without consulting him.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. MICHENER. For a parliamentary inquiry? Certainly.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. What I want to know is whether or not I was in contempt of the House or had violated some statute or rule of the House when 4 or 5 years ago they asked me to go before the grand jury. I went down there without bringing the matter to the attention of the House. They have asked me to come down again. May I go down of my own will or must I have permission of the House?

Mr. MICHENER. If it is a parliamentary inquiry, the Speaker will have to answer it; if it is not, I will.

Mr. HOFFMAN. It is a parliamentary inquiry addressed to the Speaker.

The SPEAKER. The Chair does not care to answer the gentleman from Michigan at this time.

Mr. HOFFMAN. One word further; I am getting other subpenas to go down there. Must I come before the House every time? That is what I want to know.

Mr. MICHENER. If the gentleman was here when the matter was up a few days ago he would have the answer.

Mr. HOFFMAN. I read the record but I did not so understand it.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to revise and extend his remarks and to extend his remarks in the Appendix of the RECORD.

Mr. FOOTE asked and was given permission to extend his remarks in the Appendix of the RECORD and insert an editorial.

INCREASED AUTHORIZATION FOR COOPERATIVE FOREST-FIRE PROTECTION

Mr. SIKES. Mr. Speaker, I ask unanimous consent to insert my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, fire protection, a major public responsibility, is basic to successful long-range forest management. Farmers and other small owners, whose holdings comprise three-fourths of all private commercial forest land, are major beneficiaries of public protection.

Public fire protection on private and State-owned forest lands is administered under the well-established cooperative pattern of the Clarke-McNary law, whereby the State forester administers the activity with Federal financial aid up to 50 percent of the total cost. The present Federal authorization is limited to $9,000,000, the amount appropriated for fiscal year 1948. The program is deficient in two important respects:

First. Protection has not yet been established on hundreds of millions of acres that need it. It is in effect on 332,000,000 acres. During the calendar year 1946, approximately 16 percent of the unprotected area burned, as compared with less than 1 percent of the area under protection. Nearly three-fourths of the unprotected area is in the South, one of our most important forest regions.

Second. With the exception of a few States, the protection needs intensifying where it is already established.

In 1938 the cost of adequate protection for State and private forest lands was estimated at $18,729,000, not counting the amount needed for Federal supervision and inspection. Today the corresponding estimate is $40,662,000.

The major factor in this increase is the fact that it now takes much more money than it did 10 years ago to provide the same protection. In addition to inflationary increases in wage and salary rates and in equipment and other costs, State laws now require larger expenditures for retirement, accident insurance, unemployment compensation, and the like.

Also involved in the increase is the addition of 16,358,000 acres of watershed lands to the area in need of protection, bringing the total area to be protected up to 439,000,000 acres. Better information on what is needed in organization, training, supervision, equipment, and improvements has also led to some increase in the earlier estimates.

The Federal share of the present estimate would be $20,331,000 plus administration costs of about $558,000. Thus, $20,000,000, which might be reached by successive increases of $2,000,000 a year, would be a conservative limit to place on the Federal authorization.

For the present fiscal year, the 43 cooperating States and Hawaii are budgeting $18,250,000 of State and private money for forest-fire protection. Although they never spend the full amount

budgeted, the States could already match a major part of what ultimately might be called for. Past experience shows that increases in Federal funds stimulate increases in corresponding State appropriations.

CALL OF THE HOUSE

Mr. RIZLEY. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

| | | |
|---|---|---|
| Abbitt | Gavin | Mitchell |
| Allen, Ill. | Gross | Morgan |
| Andrews, N. Y. | Hall, Leonard W. | Morrison |
| Bakewell | Hart | Muhlenberg |
| Barden | Hartley | Multer |
| Bell | Havenner | Murray, Wis. |
| Bland | Heffernan | Norrell |
| Bloom | Herter | Norton |
| Bonner | Hill | O'Toole |
| Bryson | Jenkins, Ohio | Owens |
| Buckley | Johnson, Okla. | Patterson |
| Byrne, N. Y. | Jones, Wash | Pfeifer |
| Carroll | Kearney | Phillips, Calif. |
| Case, S. Dak. | Kee | Poage |
| Celler | Kefauver | Price, Fla. |
| Chiperfield | Kennedy | Rains |
| Clark | Keogh | Ramey |
| Clippinger | Klein | Rooney |
| Coudert | Lane | Sarbacher |
| Davis, Ga. | Lesinski | Sasscer |
| Davis, Tenn. | Lichtenwalter | Scott, Hugh D. Jr. |
| Dawson, Ill. | Ludlow | Simpson, Pa |
| Dawson, Utah | Lynch | Stigler |
| Delaney | McCormack | Stratton |
| Devitt | McCowen | Taylor |
| Dingell | McCulloch | Thomas, N. J. |
| Dirksen | McGarvey | Thompson |
| Domengeaux | McMahon | Towe |
| Dondero | Macy | Twyman |
| Douglas | Manasso | Vail |
| Eberharter | Mansfield | Wadsworth |
| Fernandez | Mathews | West |
| Fuller | Merrow | Wilson, Ind. |
| Gallagher | | |

The SPEAKER. Three hundred and twenty-seven Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that in the remarks I have made and will make in the Committee of the Whole today I may be permitted to include certain letters and extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1949

Mr. STEFAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5607, the State, Justice, Commerce, and Judiciary appropriation bill, 1949, with Mr. CURTIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 23 on page 52 of the bill and there was pending the amendment of the gentleman from Texas [Mr. WILSON].

Under the order of the Committee agreed to on yesterday, the gentleman from Texas [Mr. WILSON] is recognized for 5 minutes, after which the gentleman from Texas [Mr. LUCAS] will be recognized for 10 minutes.

Mr. STEFAN. That is satisfactory to the committee.

Mr. WILSON of Texas. Mr. Chairman, on yesterday I offered an amendment to cut $2,608,000 from the CAA appropriation and provide that no part of the whole appropriation should be used in developing Fort Worth International Airport. My good friend and colleague the gentleman from Texas [Mr. LUCAS], on the day before on this floor stated that Dallas was sore and did not want Fort Worth to have an airport. He knows this is not true. We do not care if Fort Worth builds 10 airports. As a matter of fact they have a municipal airport within 6 miles from downtown Fort Worth, the same distance as Love Field is from Dallas, and they can enlarge and develop that airport much more easily than they can build a new one.

What we object to in Dallas about this whole thing goes much deeper than petty jealousy. We think this whole matter will determine whether or not a Washington bureau is bigger than the Congress and whether or not a Washington bureau with Federal money, part of which was collected in Dallas, can connive and in an underhanded manner without even consulting Dallas and without giving Dallas an opportunity to be heard or to file a brief or to protest whether or not it can kick Dallas in the teeth, steal its airport when Dallas furnishes more than four-fifths of the traffic, both passengers, cargo, and air mail in the whole Fort Worth-Dallas area.

If the CAA and the air lines are permitted by this Congress to go through with this pernicious deal and wreck and ruin a $12,000,000 investment which Dallas has in Love Field, and we are forced to use Fort Worth International Airport at great inconvenience and great expense and great hazard, we will go farther to board a plane than any other city on the American or Braniff air line system except Detroit which is using Willow Run temporarily until they can build one closer in.

The postmaster of Dallas says that if this change is made it will cost the Post Office Department $54,000 additional per year to handle air mail.

I have voted three times for a tax cut and to override my own party's Presidential veto and I intend to do so again, but merely cutting taxes will not save the taxpayers' money. A tax cut must be coupled with a determined attempt to cut out useless governmental waste and extravagance such as represented by this expenditure.

To show you that our fight is getting some results, day before yesterday the CAA notified Dallas that the North Texas Airport's official name had been changed to Fort Worth International Airport and that it had been reduced from a class 6 airport to a class 5, equal with Love Field, but this does not cure the wrong but is merely an attempt on the part of the CAA to salve Dallas and to stop the fight on this appropriation.

Bear in mind that the regional office which decided to do this thing to Dallas and to Love Field is located in Fort Worth.

I am making no fight on the committee, because I think they have done a fine job on this whole bill with the exception of this appropriation, and I am sure they did not have the facts on it because only 10 days ago after the committee had closed the hearings and had had the hearings printed the CAA filed its airport plan that they intended to wreck Love Field and relegate it to an auxiliary airport.

We do not blame Forth Worth, and I do not blame my colleague the gentleman from Texas [Mr. LUCAS], but I do blame the CAA and the air lines when they make findings of fact not based upon the actual facts, and when they write conclusions of law that are not supported in any particular.

I ask that you vote with me to cut this appropriation out so that a fair hearing can be given both Fort Worth and Dallas and that whole area, and a fair, impartial decision reached.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Tennessee.

Mr. JENNINGS. How much will we save and reduce this proposed appropriation if the gentleman's amendment is adopted?

Mr. WILSON of Texas. Two million six hundred and eight thousand dollars for this year, and probably millions in the future, because they will be back here next year saying, "We have put in $2,608,000; we want $5,000,000 more."

Mr. JENNINGS. That is not hay, even in Texas.

Mr. WILSON of Texas. That is not hay anywhere.

If you vote this appropriation for the development of Midway Airport they will be back next year for $5,000,000 and they will claim then that it would be a loss to the Government because you have already $2,608,000 in the project and you cannot afford to quit. They are like the Fuller brush man. They want to get their foot in the door and they know that in doing so they have the sale made.

My colleague apologized because a frivolous matter was being discussed while more important matters could be discussed but I say I have no apology to make for demanding that Dallas not be discriminated against by a Federal bureau without an opportunity to be heard and to produce the facts.

If the CAA sought to emasculate the airport in your city and to discriminate

in favor of a neighboring city, I would not hesitate to vote against it and I would not hesitate to speak against it. Why did not the CAA put the National Airport that is so conveniently located to the city of Washington up around a halfway point between here and Baltimore? It is foolish in the extreme to allow the expenditure of this money when both Fort Worth and Dallas have airports that have been developed largely by local money and when Dallas recently voted a $5,000,000 bond issue for the development of Love Field and Red Bird Airports.

This is not a little local fight but this fight involves a philosophy of government and that is the right to be heard, the right to present the true facts and the right to have an honest and fair decision from an impartial judge and I might add that this is only the beginning of our fight if this discrimination is allowed to stand whereby the Dallas Airport, Love Field, will be emasculated and relegated to nonuse.

The large majority of citizens in Dallas, Highland Park, and University Park live east of the Trinity River and east of the downtown district. My own home in east Dallas will be 26 miles from the Fort Worth International Airport and I have landed a hundred times in airplanes on Love Field and I have also landed on Meacham Field at Fort Worth in American and Braniff airplanes and they are both good airfields, both being capable of development to meet any standard required by the CAA but do you think that I would wire my wife to meet me at the airport 26 miles away after dark when she would have to drive on a lonely country road that is already saturated with traffic, a two-lane highway? The answer is "No." I would have to pay $5 to ride to downtown Dallas in a taxicab and another $1 to get to my home.

The CAA has lost sight entirely of necessity and convenience, the yardstick by which other transportation facilities are measured by the Interstate Commerce Commission and by the various State commissions, and has sought by this expenditure to make it convenient for the air lines rather than the traveling public.

The engineer's report prepared by Fort Worth's own engineer, says that the Fort Worth International Airport will only serve for a few years and then another great airport will have to be built still farther away by the expenditure of millions of Federal dollars. Our engineers say that Love Field is ample in space and acreage for the developments for the next 20 or 15 years. The CAA found that Dallas only had 6 loading ramps and as a matter of fact we have 11. They found that we had 303,000 landings in 1946 and that we were overcrowded. The record shows 142,000 landings. These inflated figures gotten out of the thin air not based on fact nor upon the record are stated in their so-called justifications.

I ask that you and each of you aid a great city to maintain its airport that has been built primarily with local money even if we never get another Federal dollar because we are able to develop our own.

We care not how many airports Fort Worth may build and if they and the CAA do not try to ruin Love Field we care not how much Federal aid they get but as long as they seek to destroy our preeminence in the Southwest by the expenditure of a part of our own money, we are going to scream to high heaven and appeal to every fair-minded, conscientious citizen for fair dealing. I ask that you support this amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from Texas [Mr. LUCAS] for 10 minutes.

Mr. LUCAS. Mr. Chairman, I repeat my apologies for such a matter as this coming on this floor. I am sorry that in such times as these we have to discuss municipal matters when we have such important matters, both national and international, to discuss and legislate upon. However, since this matter has been brought before us, it is incumbent upon me, representing Fort Worth, to answer the gentleman and give you some of the facts which my friend and colleague, the gentleman from Texas [Mr. WILSON] has failed to give you.

First, let me ask the chairman of the subcommittee, the gentleman from Nebraska [Mr. STEFAN] one question: Will the gentleman please tell us, from the plan which has been submitted to him by the CAA, the total amount of funds which are going to be spent within the next fiscal year on the Greater Fort Worth Airport.

Mr. STEFAN. We do not have it by that name, I will tell the gentleman from Texas. In the projected plan of the Civil Aeronautics Administration, the proposed plan for fiscal year 1949, if these funds are allowed in the bill, for Texas there are approximately 62 airports. I think Texas has more airports scheduled under this program than any other State in the Union. I think the total, including sponsored funds and Federal funds runs a little over $6,250,000.

Now, being specific in answering the gentleman from Texas, Greater Fort Worth International Airport sponsored funds for 1949 are $900,800.

Mr. LUCAS. That is about what Fort Worth herself will spend, is that right?

Mr. STEFAN. That is correct. The Federal Government proposes, for Greater Fort Worth International Airport $800,000 plus 25 percent of $201,600 in land. You know, the Federal Government, in allocating funds for airports, matches 50–50 on the development of land areas, but in the acquisition of lands the Federal Government shares 25 percent, so that 25 percent of this amount would be around $50,000, or a total of around $800,500.

Mr. LUCAS. Eight hundred thousand dollars is about all that is to be spent in the next fiscal year on the Fort Worth Airport. The amendment offered by my colleague from Texas reduces the appropriation by $2,608,000. That means, Mr. Chairman, that there is a general reduction of about $1,800,000 in this fund. That means, under the act which provides for a proportionate reduction and proportionate expenditure of these funds throughout the United States, that all districts in the United States will suffer to the extent of $1,800,000; is that not right, Mr. Chairman? This is under section 6 of the CAA Act.

Mr. STEFAN. I can give the gentleman what the Federal Government proposes to spend at Fort Worth during the fiscal year 1949.

Mr. LUCAS. That is all I want the gentleman to give me right now.

Mr. STEFAN. Can I help the gentleman by telling him how much we already have spent there? Five hundred and ninety-two thousand dollars. But owing to the law we passed in the Seventy-ninth Congress, May 13, 1946—the gentleman is reading from section 5 or 6?

Mr. LUCAS. Section 6 (a). I will answer it, Mr. Chairman. I thank the gentleman for the information he has given me.

This is no more than an attempt on the part of Dallas to prevent Fort Worth from having a modern airport. You should know the whole facts in this case. Going into the history of this matter, years ago, when aviation travel first became popular, both Fort Worth and Dallas naturally opened airports. Dallas was fortunate in her municipal airport, in that the Federal Government has expended large sums of money there. During the last war, for instance, Dallas received in benefits on Love Field, the Dallas municipal airport, over $5,000,000, while Fort Worth received during this last war only $64,000 on her airport. Dallas boasts of a magnificent airport, bought and paid for by the Federal Government on a 100-percent basis. Now Fort Worth wants to build an airport and pay for it on a 50–50 basis under the CAA program.

Just this morning the Dallas Morning News, my colleague's newspaper, arrived in Washington from Dallas, and it has this headline: "Airport wrangle ends in victory for Dallas."

Let me read what it says:

> Dallas has won the opening skirmish to keep Love Field as the premier airport of north Texas.
>
> Fort Worth's projected greater international airport (Midway) will become merely the principal airfield for that city.
>
> Original plans called for building the Midway Airport into the principal port for the Dallas-Fort Worth area, thus threatening to rob Dallas of the tremendous air-line operations at Love Field.
>
> The new plan does not contain any suggestion for joint use of Midway by Dallas and Fort Worth and does not propose removal of any air-line schedules from Love Field.

Why, then, Mr. Chairman, has this attack continued on this floor? Why, then, do they still insist upon reducing this appropriation and cutting Fort Worth out? I will tell you why. It is a typical attack by Dallas on Fort Worth. They do not want Fort Worth to get one red cent. That is true.

Mr. MACKINNON. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Minnesota.

Mr. MACKINNON. Is there any possibility of arriving at any compromise on this matter?

Mr. LUCAS. Of course, I cannot speak with authority for the people in Fort

Worth, but I think that one might assume that one cannot compromise with Dallas. Dallas would not want to compromise. Dallas has everything. Why should Dallas compromise? This amendment is the type of compromise she would offer. Compromise by cutting us out.

Our airport at Fort Worth will not accommodate four-motored planes. We did not have the benefit of Federal funds during the war to expand our airport, and so the CAA does not permit four-motored planes loaded to enter or leave the Fort Worth airport. Therefore it is necessary and essential that the city of Fort Worth build a larger airport. We wish to do it. We have made plans to do it. We have bought an airfield, which was used by the Army and Navy during the war for practice flights out east of Fort Worth, on which the Government spent $1,500,000. We are going to move out there and build our airport there, thus salvaging the Federal Government's $1,500,000 which has been spent there. We want to spend our own money on our airport, and we do not want Dallas telling us anything about where we shall build our airport. We did not tell Dallas anything about her airport. We have not called for hearings.

Let me tell you one other thing. I received yesterday morning a wire from the air-line pilots' chief in Texas reading as follows:

MARCH 4, 1948.

Hon. WINGATE LUCAS,
*House Office Building,*
*Washington, D. C.:*

Air-line pilots operating into Dallas and Fort Worth went on record in 1940 endorsing Greater Fort Worth Airport. Present airports now marginal. Both have runways not authorized for present operating equipment. Instrument-landing channels cannot be considered over safe terrain. I represent 140 pilots living in Fort Worth and Dallas. The pilots that operate the aircraft should be considered.

ROBERT J. RENTZ,
*Chairman, Council.*

Gentlemen, by voting for this amendment offered by the gentleman from Texas [Mr. WILSON] you will not only deprive Fort Worth of our right to build an airport of our own, but also deprive Fort Worth of the right to achieve an ambition which every city should be able to realize with her own tax funds. Fort Worth has voted a bond issue of $2,500,000 to build this airport. We want to build it. We do not want any opposition from Dallas. We did not offer any opposition to Dallas when she was building her airport. We think it comes with bad grace for Dallas to try to prevent us from building an airport, where we want to build it. By voting for this amendment, you will enlarge that monopoly of traffic which Dallas now has due to the great expenditure of Federal funds on the Dallas airport. You will be voting to overrule your committee, which has set this appropriation. You will be overruling the decisions of impartial engineers and administrators who have recommended this airfield, and you will be also disregarding the desires of the pilots who favor this proposed field, and you will be taking a long step toward logrolling on every airport plan that comes before this House. Gentlemen, I ask that the amendment be defeated.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope that the Representatives from Fort Worth and Dallas will not ask us to settle what is between them purely a domestic question.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. LUCAS. We are not asking the House to settle it, Mr. Chairman. We think it ought to be settled by an independent agency which was set up by this Congress and delegated with authority to determine such matters.

Mr. WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. We will now hear from Dallas.

Mr. WILSON of Texas. Mr. KNUTSON, do you believe in settling this airport squabble between Dallas and Fort Worth where the CAA proposes in their recommendations and in their justifications, that all air line movements shall be moved to the central airport where both cities have real airports and on which the Government has spent money? Do you think that now when material is high and when labor is high and when we have many thousands of obligations today in this country that it is the right thing to do in connection with your tax cut to throw away $2,608,000 which the gentleman from New York [Mr. ROONEY] told me was in that bill as reported to the House and when we find in the CAA $2,608,088 to be contributed by the Federal Government and $2,040,000 at Fort Worth. I do not know where the chairman gets his information, but that is what we found in the records at the CAA, and that is what we propose to cut off.

Mr. KNUTSON. I wonder if we could not compose the differences between the two great cities by eliminating both items.

Mr. WILSON of Texas. I will agree to that. Eliminate the Federal money from both. I agree that we will cut off all Federal money to both airports.

Mr. KNUTSON. My purpose in taking the floor was to see if I could not possibly bring back amicable relations between the two able Representatives from Texas.

Mr. WILSON of Texas. Will the gentleman yield further?

Mr. KNUTSON. I yield.

Mr. WILSON of Texas. There is no ill feeling between the gentleman from Texas [Mr. LUCAS] and I. Fort Worth and Dallas have been squabbling about this thing for 6 or 7 years. The air lines went out and tried to gain advantage, and bought 638 acres of land in order to put this airport in. Our engineers say they do not have enough ground. There is the Trinity River on one end of it, a State highway on the other end, and a railroad on the other side, and they cannot build a real airport there.

Mr. KNUTSON. We should impeach the engineers that laid it out.

Mr. LUCAS. Will the gentleman yield?

Mr. KNUTSON. We will now hear from Fort Worth.

Mr. LUCAS. I think we should be allowed to determine where our airport should be although we appreciate the interest of the citizens of Dallas in telling us that that is not the proper place for it. We are spending our own money and I think ought to decide where we should spent it on our airport.

Mr. WILSON of Texas. Will the gentleman yield again?

Mr. KNUTSON. I yield.

Mr. WILSON of Texas. I ask you, and I want to say that I am trying to help you save the taxpayers some money and I have been doing it. I say that if both cities have an airport already, most of which is the investment of public money—Dallas recently voted a $5,000,000 bond issue to complete the development of Love Field, and to run a landing strip 10,000 feet, if necessary; we own the property, we already have 1,280 acres, 1,030 already bought and 250 under option. Now do you think it is fair for the Federal Government to step in when Dallas furnishes 83 to 85 percent of all the traffic and 85 to 90 of all the cargo that goes into the whole Dallas-Fort Worth area, and when Dallas receives and sends out more air mail than Houston, San Antonio, and Fort Worth combined, do you think it is fair to wreck Love Field and build a new one at Government expense?

Mr. KNUTSON. Mr. Chairman——

Mr. LUCAS. Will the gentleman yield?

Mr. KNUTSON. I cannot yield further.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. KNUTSON] has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. How far is Missouri from Fort Worth and Dallas?

Mr. SHORT. I never thought we would have two more distinguished and able gentlemen from Fort Worth and Dallas than Fritz Lanham and Judge Sumners, I am thoroughly convinced that we have two worthy successors here today.

Mr. KNUTSON. Mr. Chairman, my purpose in taking the floor was in the hope that I might pour a little balm of Gilead on this situation, but it appears that I have embroiled myself in a municipal development fight, and of course that presents a hopeless situation.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Very briefly.

Mr. JUDD. I am sure the gentleman feels quite at home in this kind of an argument. It is almost like the old days between Minneapolis and St. Paul but fortunately we have not had anything like that now for some time.

Mr. KNUTSON. I am thoroughly familiar with the way the two gentlemen from Texas feel. It was for the purpose of relieving their feelings I took the floor,

but I see I have failed miserably and I yield back the balance of my time.

Mr. JENNINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let us get back to the meat in the coconut. This amendment proposed by the gentleman from Texas [Mr. WILSON] will cut from this bill $2,608,000. I have enjoyed this friendly verbal bout, blow by blow, between these two good friends of mine from the State of Texas. "I could be happy with either were the other dear charmer away." It seems that the cause of this animated discussion and understandable rivalry between these two thriving cities of that great State grows out of the fact that the Representatives from Dallas and—what is that town next to Dallas?

Mr. WILSON of Texas. The gentleman means Fort Worth?

Mr. JENNINGS. Fort Worth. The real bone of contention is that there is watchful clashing of interests between the two cities.

Mr. WILSON of Texas. That little town?

Mr. LUCAS. Mr. Speaker, I demand that those words be taken down.

Mr. WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. It appears now that my good friend from Fort Worth is laboring under the impression that Dallas received more Federal funds than Fort Worth during the war period; and he takes the position that Congress ought to even the matter up, that Congress should state an account and see how much Fort Worth is behind Dallas in the receipt of Federal funds during the lavish expenditure of the last World War.

This amendment should be adopted on the ground of economy. We had an economical man in my town who practiced the economy he preached. He said that economy is doing without the things you are "obleeged" to have. Dallas has a model airport. It is big and they are going to make it bigger. Certainly the gentleman from Fort Worth would not admit for a single second that Fort Worth has a second-class airport. She has got a good airport. The inclusion of $2,608,000 in this bill is a proposal to build a third airport. Why not save this $2,608,000? We have had an entertainment that you could not get anywhere in any show house in the United States for any sum of money. Having been entertained, edified, if not informed, let us save this $2,608,000 and keep it in the pockets of our people. Later, should it develop that Fort Worth needs an additional airport, I would be willing to make a contribution to it, but why build a third airport when they have two? In addition, the airplane has eliminated distance, telescoped it, so to speak. One of these two rival cities of the plains, within 34 miles of each other and an airport at the edge of each, now proposes to build another at the expense of the taxpayers of this country of $2,608,000. Let us join with our fine colleague from Dallas, Tex., in practicing economy to the extent of $2,608,000.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the Aviation Policy Board has just finished a very difficult and long labor in order to bring a certain degree of guidance, if possible, to the Congress and to the Government in aviation matters.

It is quite obvious to us that it is necessary to provide ways and means of employing a great many more aircraft in civil undertakings than are now being employed. The reason for that is that aircraft employed in civil undertakings become auxiliaries in national defense; hence it is not necessary for the Government armed services to purchase aircraft and hold them in readiness for time of need in quantities that otherwise would be required.

We hope that the number of aircraft in the air in commercial undertakings may be quadrupled and quintupled and more in the next few years, and that they may be used and useful in the public service. We believe also that the number of airports required to serve the people in order that these aircraft may be utilized in the public service will be greater than the number now employed.

Mr. Chairman, insofar as this particular controversy is concerned, it is quite probable that in the course of the next century at least the cities of Dallas and Fort Worth will grow so greatly they will merge together and perhaps become one city. It is more economical that they have an airport between them than one on either side of these two cities; therefore, so far as this proposal is concerned, if that airport can be developed in such a place that it will serve not only Fort Worth but the west side of Dallas, that another airport may be used for Dallas, and still another airport may be used for Fort Worth, I do not think will result in there being too many. Already in the New York area we find it necessary to have six or seven airports in order to handle the traffic.

The bottleneck is airports. We need more runways and more facilities to provide for this additional traffic that must be developed for the air auxiliary of our national defense. If the Civil Aeronautics Administration has recommended this additional airport it has no doubt been approved by the Air Coordinating Committee and the military sides of our Government.

Mr. Chairman, in my opinion, regardless of the controversy between these two gentlemen, the other airport should be built.

Mr. BUSBEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to clear up one question between the two gentlemen from Texas. May I ask the gentleman from Texas [Mr. LUCAS] whether in the survey of possible locations for this new airport some other location could have been selected that might not have brought about this controversy with the people of Dallas?

Mr. LUCAS. First, let me say to the gentleman that there is no controversy between Fort Worth and Dallas. This is an attack by Dallas upon Fort Worth. Secondly, I will answer the gentleman's question by stating that there are other sites, and we have plains in all directions from Fort Worth. The Army and Navy have spent $1,500,000 on an airport between the two cities. Dallas has not chosen to develop it. Fort Worth needs an airport where four-motor planes may come in. We do not have such an airport now. So we had this opportunity to salvage that field which the Army and Navy have been using during the war and on which the Government has spent $1,500,000. We felt it was an economy measure to use a field which is already there.

Mr. BUSBEY. What is the distance from the proposed airport to Dallas and from the proposed airport to Fort Worth?

Mr. LUCAS. It is closer to Fort Worth than it is to Dallas.

Mr. BUSBEY. What is the approximate distance from each?

Mr. LUCAS. I think it is approximately 17 miles from Fort Worth and about 18 miles from Dallas.

Mr. BUSBEY. Would the gentleman from Dallas [Mr. WILSON] agree to that?

Mr. LUCAS. I do not know the exact figure.

Mr. WILSON of Texas. We claim it is 19.5 miles from downtown Dallas where the two main hotels are and 17.8 miles from the main hotels of downtown Fort Worth. But we claim also that the main part of Dallas is built east. I live 5 miles east, out toward White Rock Lake. The airport is 25 miles from my home, whereas Love Field is about 3 or 4 miles, and it is along a two-lane highway.

Mr. BUSBEY. If this new airport were permitted to remain in the bill, would that have any effect on Love Field over in Dallas?

Mr. WILSON of Texas. They say they are going to make a feeder airport out of both Meacham Field and Love Field.

Mr. BUSBEY. Just what do you mean by feeder airport?

Mr. WILSON of Texas. An auxiliary feeder airport. What that means to us is they are going to destroy Love Field and relegate it to a very small position and take us away from preeminence in air transportation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Chairman, I have great affection for the gentleman from Fort Worth and the gentleman from Dallas. I have visited both of these beautiful cities and all of the airports in that vicinity. I know how both of these gentlemen feel, but we are dealing not only with two airports here today; we are dealing with thousands of airports that are being sought by communities in every State of the Union.

I am very glad to have this Federal airport program brought up in debate in the way it has been brought up. It is a healthy thing; very healthy, because of the great importance of the Federal

airport program and its relationship not only to our economy and its relationship to the ever-expanding and ever-growing infant industry, air transportation, but mainly because of its great importance to national defense. So far as your committee is concerned, it takes no part in any local controversy. This, apparently, is a jurisdictional and administrative matter. However, I feel it is my duty, as chairman of this committee, to say something about airports and the Airport Act itself. You will recall—and I recommend your perusal of it—the Federal Airport Act of the Seventy-ninth Congress, passed May 13, 1946, Public Law 377. It authorizes the expenditure of $500,000,000 of Federal funds, to be matched by local funds over a period of years, in order to provide our country with a national network system of airports, for the promotion and development of air routes, of commercial airports for standard air transportation. The system, I assure you, has been carefully set up. No airport is selected, as I understand it, without the advice and consent of the Army and the Navy and all concerned, so far as aviation goes.

Mr. JENNINGS. Mr. Chairman, if the gentleman will yield, is there not a danger of collision between aircraft if you have three airports within a radius of 30 miles of each other?

Mr. STEFAN. Will the gentleman wait until I finish my statement, and then perhaps he will be enlightened on aviation. I say, we authorized an expenditure of $500,000,000, to be matched by the various States and municipalities over a period of years, to provide this Nation with standard networks of airports, plus Federal airways, of which there are over 40,000 miles, representing a Federal investment of over $100,000,000.

Now, this act provides for carefully planned airport classification standards, and I want to repeat now, before any location is finally decided upon, it is screened, approved by both the Army and the Navy, and as near as I can figure or as near as I can understand, the selection must have the approval of all services to make these airports or convert them at a time of emergency.

My purpose now is to merely explain how far we have gone in the present civilian airport program. In 1947 fiscal year we appropriated $45,000,000 toward the program and for fiscal year 1948 we appropriated $32,500,000, making a total of $77,500,000 which was merged together in fiscal year 1948.

Many of you will remember the plan of the former Administrator, Mr. Charles Stanton, who is in South America today working on improvements in airports and aviation. His plan was to increase our airports from approximately 3,000 to 6,000. I believe the basis of that plan is the heart of the present plan. It has been reorganized and reorganized and revamped time and time again.

However, there does develop from time to time considerable controversy in the various localities, such as the one with which we are confronted at this time. More emphasis seems to be placed on larger airports. I know how you feel about airports, and I know how badly you felt after the war to find many, many Army and Navy airports declared surplus. I know how you feel about the waste of the people's money on those airports. But you also must admit and agree with me that aviation made a great contribution to the winning of the war. War itself is wasteful. We wasted hundreds of millions of dollars in the construction of principal airports and auxiliary airports, which today are lying idle far away from any community which can afford to operate them. Yes, war is wasteful. How wasteful this last war was in casualties, 1,200,000 or more, four or five hundred thousand of which were fatalities.

Today aviation is so important that representatives of every country in the world are searching for new ideas in aviation. Today supersonic weapons, atomic weapons, are being searched for—and very successfully searched for—by representatives the world over. We are flying today 30,000 feet above the ground, at a rate of 500 to 600 miles an hour, in airplanes of a size of which we never dreamed about years ago, and we are successfully flying them. Many of the airports included in this plan today are dovetailed into the plan for the defense of your country and mine should an emergency arise tomorrow.

Civilian airports are not profitable. I do not know of many airports in the United States that pay a profit. I am told that perhaps Burbank, Calif., pays a little profit. I am told that perhaps the airport at Detroit, Mich., pays a profit. There is only one commercial airport in the entire United States that is operated by the Government of the United States, and that is located in the District of Columbia, and you are making appropriations for it in this bill. It does not pay a profit. So when you go into the construction of airports in your community do not expect to make a profit on the operation of the airports. The maintenance and the cost of construction are too large for the communities of today to undertake. Therefore, we must subsidize commercial air lines and civilian commercial airports.

The present bill before you carries a fund of $40,000,000 for the Federal airport program, of which $37,000,000 is in contractual authorization, and $3,000,000 are in cash for administrative purposes.

Of the funds appropriated, 25 percent are set aside as discretionary funds and used at the discretion of the Administrator, but the entire total is matched by the various States, localities and communities desiring to participate in the program.

The Federal Government matches 50 percent of the cost of development of landing areas, 50 percent for engineering costs and supervision, and 50 percent on administration buildings and purely functional construction. The Federal Government participates only to the extent of 25 percent in the purchase of land.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Wyoming.

Mr. BARRETT. My State is deeply interested in this appropriation. I commend the chairman of the committee for his work on this bill. I am wholly in accord with the provision for the appropriations for airports. As the gentleman well knows I have consistently supported appropriations for the construction of airports under the provisions of law calling for substantial contributions from local sponsors. Now I have been informed that England used about $100,000,000 of the British loan to build up a huge airport project in southern Europe. That represents an investment of two and a half times the amount involved here for airports.

Mr. STEFAN. If the gentleman will permit me to say so, that is an old sore with those of us who have been studying international aviation. However, to enlighten the gentleman it is my information, although I cannot talk regarding this with too much official information, it is my understanding that the loan we made to Great Britain of around $100,000,000 was used for aviation or for putting into operation an air line which is in competition with our own air line. On the one hand, a British air line in which there has been invested approximately $100,000,000 is losing approximately $40,000,000 a year and is competing with an American air line which is making a profit. Now take that for whatever it is worth, but that is an international matter. Let us talk about something nearer home.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. STEFAN] may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT. Is it the idea of the gentleman from Nebraska that we are going to continue taking $100,000,000 out of one pocket and give it to England to build up competing air lines and airports, and then at the same time restrict appropriations so as to hold down the development of our own airports.

Mr. STEFAN. I thank the gentleman for his contribution. If you will read the report of the Congressional Air Policy Board, you will find that some recognition has been taken regarding that matter. The report is available to you as well as to other Members.

Mr. Chairman, I will not take up much more time. Very few people know what it means to build an airport. They do not realize the tremendous amount of work in the construction and development of landing areas. There is new equipment like the GCA, that is the ground-control approach, the installation for instrument landing, the ILS, radar, and many other new things in radio, techniology, scientific discovery, and so forth, which we are now placing in airports in order to make travel by air as safe as it can be.

The details in launching upon this gigantic program are tremendous and the start in launching the program has been necessarily slow because of the voluminous detail of work, conferences, inspections, and financial arrangements locally and between the sponsors and the Federal Government. The result is that a very small amount of the original funds appropriated have been actually spent, but the records show that many of the details and obstacles have been overcome and a considerable portion of the money should be in the hands of many of the localities during the present and early part of the next fiscal year, which begins on July 1, 1948. Members of the committee have a list of the towns and communities suggested by the Administration for the proposed program in 1949. Due perhaps to the reason that the Administrator is continually negotiating the list of proposed construction projects may be subject to change.

Some of the members of your committee have visited many of the airports in our country in order to get a better picture as to how your funds are being expended. We know something about both the Fort Worth and Dallas airports. So far as I personally am concerned, both are very important airports, and I am told by the CAA that both cities need an airport because of the heavy air traffic enjoyed by both communities.

My many years of studies of airports and airport maintenance indicates that as of today there is not more than one of the thousands of airports in the United States which is operating at a profit. That will also include the Washington, D. C., National Airport, which is the only commercial airport that is operated by the United States Government. The commercial air lines today are operating under a deficit program. Subsidies are necessary to keep them going. The entire airport and aviation picture in our country is a pathetic one. However, the industry is so important to our economy and national defense that two committees or boards were recently set up, one by the Congress and one by the President, to study the entire picture and suggest some policies. Two important reports have been issued and are available to every Member of the Congress. I suggest a reading of the reports of the President's Air Policy Commission and the report of the Congressional Air Policy Board.

Mr. CRAWFORD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have no idea what will happen to this amendment, but I do have great respect for the taxpayers and bondholders of my district. I have a lot of respect for the gentleman from Fort Worth and the gentleman from Dallas. It was my privilege within the last 15 to 25 days to visit both of these airfields, and I have a little knowledge of the capital structures and industrial and agricultural structures that surround those two great cities of the Southwest.

If this Congress, and I mean the group that is now in the House and in the other body, is going to cut expenses and keep our pledge to the people of this country, I am convinced we are going to have to deal with small chickenfeed, because it is the small chickenfeed that sums up into these billions that we talk about cutting.

Here in my opinion, based upon personal observation and the arguments made, is a chance for us to eliminate $2,600,000 from this appropriation bill without hurting anybody, and give us a chance to show a little respect for the people in this country who in the coming fiscal year are requested to put into the tax box over $47,000,000,000 against a little over $5,100,000,000 put into the tax box in the prewar peacetime year 1939.

I am going to vote for this amendment and for every amendment where I am convinced the appropriation can be cut without seriously interfering with the progress of the people of the United States. That is the message I wanted to present this morning.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. STEFAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. WILSON].

The question was taken; and on a division (demanded by Mr. LUCAS) there were—ayes 72, noes 31.

Mr. LUCAS. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCAS: On page 52 line 23, strike out the period and add the following: "*Provided further*, That no part of the appropriation herein made shall be expended at Love Field, in Dallas County, Texas."

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. LUCAS. Mr. Chairman, is it not fair? The Members have spoken for economy. I admire their vote and respect it. If the Members believe in economy then they are going to stay with this amendment because they are not going to believe that Dallas ought to have its cake and eat it too. It is only fair, Mr. Chairman, that all appropriations in this act providing for expenditure of Federal funds be on equitable basis. You have cut off Forth Worth. It is only fair that you stand by my amendment; and I think you will in view of your expressed vote for economy.

I ask a vote in favor of the amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, it is not my purpose to get into this Texas family fight, even though I think both these gentlemen are justified in airing their views here today.

Somebody said that Dallas and Fort Worth had three airports between them. If that is the case, that is concentrating the airways a little too closely. In that event, I am going to call for a few funds to be spent on air progress up my way.

The fact that sectional topics seem to have been in order on this floor recently, and because we are talking about aeronautics in this bill, I am going to do some lobbying for my section.

In case you do not identify their names when I mention the Triple Cities, let me say I represent the great metropolitan area of Binghamton, Johnson City, and Endicott, which comprises the sixth largest industrial center in the greatest industrial State of the Union. We are located just halfway between New York City and Buffalo in what is known as the southern tier of up-State New York.

Last year, the Broome County Board of Supervisors authorized a large bond issue to build the Mount Ettrick Airport, a location north of Johnson City and the best site for miles around. Much public interest is evident, but ultimate success of the whole venture is predicated upon the extent of financial cooperation we can obtain from Washington.

As I realize economy seems to be the theme where domestic affairs are concerned, I will not at this time, take any legislative action to ask the House to appropriate funds to construct the Mount Ettrick Airport.

I am bringing this to the attention of Congress today, however, because I believe the Federal Government ought to assume a substantial share of such expense, so that the burden of taxation will fall just as lightly as possible upon our local citizens.

If Texas and Michigan and California can have airports, New York State certainly should come in for her share and the Mount Ettrick project is geographically and logically placed so as to be almost halfway between two great North American capitals, Toronto, Canada, and our own Washington, D. C.

In fact, I would call the Mount Ettrick site the natural air oasis for the bulk of sky commerce going north or south to the friendly capitals I have mentioned.

Locally, it is of the utmost importance to assure Broome County an adequate airport, especially for the sake of our expanding industries which employ 20,000 Endicott Johnson shoe workers, 10,000 International Business Machines people, 8,000 Ansco men and women, as well as other thousands of endeavors of diverse manufacturing lines.

Here is an airport in its embryonic stage which could be responsible for making the whole southern tier the industrial center of the State. It would also bring the country within easy reach of our superior quality goods such as shoes, business machines, cameras, and film which we make in our valley of opportunity.

So while the other sections of the land cry for allocations, we in the triple cities and Broome County deserve fair and equal consideration to help us build the Mount Ettrick airport, and bring New York's southern tier closer to all corners of America for the general benefit of everybody concerned.

Again, I say, we should distribute the airports equitably around the United States and I can think of no center of population more needful of such action

than the patriotic locality it is my honor and privilege to represent.

Mr. STEFAN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. WILSON].

Mr. WILSON of Texas. Mr. Chairman, I am not going to oppose this amendment.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Nebraska.

Mr. STEFAN. Mr. Chairman, I think we better have the pending amendment read again.

The CHAIRMAN. Without objection, the Clerk will reread the amendment.

There was no objection.

The Clerk reread the pending Lucas amendment.

Mr. STEFAN. May I ask the gentleman, does that include the operation-control tower? Do you have a control tower there?

Mr. WILSON of Texas. Yes; we have a control tower, and we have as many employees down there as the four largest in the country, including LaGuardia, Chicago, and National Airport here. I am not going to agree to eliminate funds for the control tower. I said I was not going to oppose the amendment. I asked the chairman how much money Love Field will have; he looked it up and said $25,000 for lighting of runways.

Mr. STEFAN. That is in the airport program, but there is another item, I think, for Dallas which continues the operation of the control towers at the expense of the Government. I do not know exactly what there is there. I assume you have three crews.

Mr. WILSON of Texas. We have a 24-hour operation.

Mr. STEFAN. There are $42,000 and $35,000 and I believe the amendment ties both of them together.

Mr. WILSON of Texas. If the amendment seeks to cut out our control tower, I am against it. There is $25,000 for Love Field. I do not think there is anything in there for Meacham Field because Fort Worth was intending to abandon it anyway.

This is purely a safety measure, including lighting of the runways. That is one of my arguments; that is, the CAA ought to spend its time building and instituting radar equipment and other safety devices to keep these four-motored planes from falling and burning up.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Do I understand that the gentleman from Texas [Mr. LUCAS], who offered this amendment, wants to cut out the funds for the operation of these airports? I would like to have the gentleman ask him. I do not think he means that, although his amendment, apparently, does that very thing. Does he want to stop the operation of these airports down there?

Mr. WILSON of Texas. Does the gentleman mean the towers?

Mr. HOFFMAN. Yes; on the ones that exist. I do not think he does.

Mr. WILSON of Texas. The gentleman from Texas [Mr. LUCAS] and I have no ill feeling about this matter. We came here and presented our two sides of the case.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Nebraska.

Mr. STEFAN. As I understand the amendment, no part of this amendment would have anything to do with control-tower funds.

Mr. WILSON of Texas. Is there any question about it? Does the gentleman think there is any question that this amendment does not touch the operation of the control towers?

Mr. STEFAN. I suggest the gentleman ask the Chair for a ruling on that, and then he will be sure.

Mr. WILSON of Texas. I will ask the Chairman for a ruling as to whether or not this amendment would cut out of this appropriation the control-tower money that goes to two or three hundred major airports over the country.

Mr. STEFAN. I may be of some assistance to the Chair by pointing out page 47 under the heading "Civil Aeronautics Administration."

The CHAIRMAN. The Chair will state to the gentleman from Texas that it is the opinion of the Chair that this does not raise a matter that can be determined by the Chair. Having read the amendment and examined the question raised, the Chair declines to make a ruling on it.

Mr. WILSON of Texas. Mr. Chairman, then for that reason and that reason only—because I believe in economy; I have tried to vote for economy while I have been here, and it is not just a little measly fight between Dallas and Fort Worth—if there is any doubt about whether or not the money in this bill is going to cut out the operation of the control towers, I could not stand here and let an amendment like that go through without some protest. There is only $25,000 set up for lighting the runways, and really every runway of every major and little airport in the Nation should be lighted, and they should have radar equipment and other equipment for the safety of the passengers and pilots during the night and daytime. For that reason I cannot, of course, agree that this amendment be adopted, and I urge you to defeat this amendment, because it only involves $25,000, and it is on Love Field. I would certainly offer no amendment to cut out any money for Meacham Field, because I believe Meacham Field needs some development, and I think probably Love Field needs some development also. I have landed on all these fields except Midway. It has a gravel runway, and it has never been used except for training purposes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Texas. I yield to the gentleman from Missouri.

Mr. SHORT. There is an old saying that fools walk in where angels fear to tread. I wish to say that my brother was a colonel in the Eighth Army Air Force in England for 2 years. He spent 2 years in Dallas. He has never spoken or written a word to me, but I know that this additional fund is necessary in order to keep that field as it is today. I want to compliment the gentleman from Texas for the splendid battle that he put up here. As I have tried to say earlier today, the gentleman who succeeded Fritz Lanham is a worthy opponent, but I think this amendment is offered more in spite than anything else.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. LUCAS].

The amendment was rejected.

The Clerk read as follows:

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Departmental salaries and expenses: For personal services and other necessary expenses of the Bureau of Foreign and Domestic Commerce at the seat of government, including the purchase of commercial and trade reports, and not to exceed $50,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $5,300,000, of which $190,000 shall be transferred to the appropriation "Salaries and expenses" under the Office of the Secretary: *Provided*, That expenses, except printing and binding, of field studies or surveys conducted by departmental personnel of the Bureau shall be payable from the amount herein appropriated: *Provided further*, That $25,000 shall be available exclusively to carry out a study of hard fibers and hard-fiber products.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of making a slight correction in the RECORD of yesterday. On page 2166 of the RECORD the gentleman from Nebraska [Mr. STEFAN], in arguing against the proposal to increase the current census statistics appropriation, stated as follows:

> Presently many forms of current statistics are being gathered by private institutions. For instance, the Metropolitan Life Insurance Co. indicates that the population of the Pacific coast area has increased more than 40 percent in the past 7 years. Other companies and organizations are gathering current statistics.

I hold in my hand the statistical bulletin of the Metropolitan Life Insurance Co. of January 1, 1948. In that bulletin on page 9 is a table which shows there has been an increase of more than 40 percent in the past 7 years in the population of the Pacific coast area. At the bottom of that table, however, there is a note which reads as follows:

> Based on provisional estimates by the Bureau of the Census of the population of the United States on July 1, 1947, including armed forces overseas.

This illustrates the fundamental importance of census statistics, which are the basis for virtually all important statistical information published by private agencies. Without census information the country would be deprived of a great part of its basic knowledge.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Nebraska.

Mr. STEFAN. May I say that I was reading from a newspaper article quoting the Metropolitan Life Insurance Co. I shall place that article in the RECORD. I am very happy the gentleman has brought this matter up. I certainly would not want a misstatement to go into the RECORD.

Mr. GARY. I did it just for that purpose, Mr. Chairman. I am certainly not attempting to contradict the chairman of my committee. I am absolutely certain that under no circumstances would he mislead the House. I simply wanted to get the record straight.

Mr. STEFAN. The newspaper article to which I referred is as follows:

WESTWARD MIGRATION

The 1950 census of the United States is bound to show many changes in the placement of people. A recent check sponsored by the Metropolitan Life Insurance Co. indicates that the population of the Pacific coast area has increased more than 40 percent in the past 7 years. This represents about four and a half times the gain reported in other portions of the country. Depression prompted much of the movement westward; the war accounted for most of the rest.

Probably a majority of the new residents of California, Oregon, and Washington will remain there. At least no important trend to the East has been noted to date. In other words, the losses sustained by the Atlantic seaboard and the middle States must be regarded as permanent. New England especially has felt the disappearance of many of its younger men and women. The figures tabulated in Maine, Vermont, New Hampshire, and western Massachusetts in the next census may be startling. Metropolitan Boston, the industrial cities of Connecticut, and little Rhode Island doubtless will be discovered to have advanced, but other portions of the northeast corner of the Nation have fallen behind.

Of course, there is little new or novel about shifts in population in a westwardly direction. Long before Horace Greeley, in 1850, pointed out the advantages of growing up with the sunset half of the continent hundreds of families and thousands of individuals, acting independently, had started toward the Mississippi, the Rockies, and the gold fields of the Sierras. Some did not go very far. Their descendants are scattered over northern New York, Ohio, Indiana, Michigan, Illinois, and Wisconsin. Intermarried with German, Scandinavian, Dutch, Irish, and Scottish stock, they have put nearly a century of their labor into the processing of the Great Central Plains from the Canadian border to St. Louis.

Prosperity prompted whole colonies of those erstwhile New Englanders to move to California. It is possible to find large groups from Iowa in the suburbs of Los Angeles, transplanted wholesale, happy in their new environment, but not at all ashamed of the places from which they came. Their children make almost automatic adjustments. Meanwhile, in Texas, Oklahoma, New Mexico, and Arizona the spreading out of towns like Dallas, Tulsa, Albuquerque, and Phoenix suggests that the 1950 census will disclose a tremendous acceleration of population increase in the Southwest. Economic progress on this frontier has been stimulated by irrigation, improvement in communications and transportation, and the promotion of new industries of a local character yet of national significance.

Mr. PLOESER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PLOESER: On page 56, after line 5, insert the following paragraph:

"Technical and scientific services: For necessary expenses in the performance of activities and services relating to the collection, compilation, and dissemination of technological information as an aid to business in the development of foreign and domestic commerce, including personal services in the District of Columbia; not to exceed $25,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and not to exceed $50,000 for printing and binding, $520,000, of which $20,000 shall be transferred to the appropriation 'Salaries and expenses' under the Office of the Secretary: *Provided*, That the Secretary is authorized, upon request of any public or private organization or individual, to reproduce by appropriate process, independently or through any other agency of the Government, any scientific or technical report, document, or descriptive material, foreign or domestic, which has been released for public dissemination, and to sell such reproductions at a price not less than the estimated total cost of reproducing and disseminating same as may be determined by the Secretary, the moneys received from such sale to be deposited in a special account in the Treasury, such account to be available for reimbursing any appropriation which may have borne the expense of such reproduction and dissemination and making refunds to organizations and individuals when entitled thereto."

Mr. STEFAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, before speaking directly to the amendment which I have offered and which applies on page 56, line 5, I want to say something in behalf of the committee which has handled this bill. I think they have done an exceptionally good over-all job. While I may disagree with one or two portions of the bill, that certainly is no discredit to the exceptionally fine job that this committee has done. The interest to which I intend to speak today is that interest which helps to keep the free-enterprise system alive and in particular to encourage small enterprise. I want to say in that regard that the chairman, the gentleman from Nebraska [Mr. STEFAN], has certainly demonstrated his very sincere interest in small business when, in that portion of the bill which deals with the Department of Justice, they not only did not allow the Budget Bureau cuts on the anti-monopoly and trust provision, but instead restored the request made to the Budget Bureau. That is quite different from the custom in government. All of us over the years have heard a lot of lip service for small business and against monopoly. We heard it in the Presidential message this year when the President called for increased appropriations and for broadening of the law. The testimony as found in these hearings shows that even the Department of Justice feels that the law is sufficient and that what they need is adequate funds. Despite the Presidential message calling for increased appropriations, the President's own office, the Bureau of the Budget, cut the request of the Justice Department instead of increasing it, a demonstration of insincerity. This committee, in its wisdom and in its sincere interest in small and independent business, restored the cut and put it back to the original amount requested by the Department of Justice. There is not a great difference in dollars, but in principle there is a tremendous difference, and it is demonstrative of a sincere interest of the chairman of this committee and the committee members. I compliment them for what they have done. They deserve a tremendous amount of credit. The amendment I have offered is to the section of the bill which applies to the Department of Commerce and in particular to the Office of Technical Services, an office which was set up back in 1945 by Executive order. I am going to try to describe to the committee the service performed by that Office and then I want to say at the outset that after reading these hearings, you can see why the committee was probably justified in not giving any more consideration to the inclusion of this amount than it did. The hearings are weak despite the fact that I feel this office is doing a fine technical job. Obviously they have poor salesmen when they come to Capitol Hill, because they have not adequately described the job they are doing or the necessity of that job to our free competitive economy.

Mr. Chairman, the amendment may be subject to a point of order. It may be that a point of order does lie against the amendment. I am inclined to believe where the amendment has been applied in the bill that the authority granted in the law to the Secretary of the Department is sufficiently broad, but it is not for me to make that decision. The Office of Technical Development, as I said, was set up by Executive order during the war to be a place to pool technical information growing out of the war and in subsequent periods. To this Office has gone all of the material that we got in the conquered nations. There are tons of scientific data accumulated and gathered in Germany and Japan. Tons of it are still in bundle form and have not yet been analyzed, charted, or cataloged so that industry in America can get the benefit of them.

The functions of the Office are, first, digests, abstracts, research, and development reports of the United States Government, particularly the armed services, and captured technical documents of German and Japanese origin.

Second. It organizes and catalogs material for reference of business.

I think something ought to be said here. If this was an agricultural appropriation or a labor appropriation, most every Member of this Congress would feel very badly if it were being excluded; but here is business, equally the lifeblood of the Nation, affecting 3,700,000 enterprises in this Nation, paying for this service—not wholly; it has not become self-sufficient yet, but, according

to the figures I have before me, we estimate for this year $520,000 in the appropriation request here, it would make a net cost to the Government of $60,000, or a little more, because it is safely estimated that business will contribute about $460,000 in the coming year. It is the lifeblood of the Nation, a technological pool where we disseminate and make available to business this technical information.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. SHORT. Does not my colleague feel that in this age of scientific research, technological development, there is no money we can invest that will produce greater dividends than this particular thing that my colleague is now talking about?

Mr. PLOESER. I certainly agree; and I am going to talk a little more on that point as I go along.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. O'HARA. Does any of this money covered in the amendment the gentleman has offered include the Small Business Bureau?

Mr. PLOESER. No, not that bureau known as the Small Business Bureau, but this is mainly service to small business. Some 8,000 a month make inquiry to this Office.

The third thing, this Office sells information to American industry.

Mr. SHORT. Will the gentleman yield again?

Mr. PLOESER. I yield.

Mr. SHORT. It is more or less self-liquidating, is it not?

Mr. PLOESER. It has not become entirely so, but it can be made so. Six hundred thousand dollars was paid to the Government in the past 2 years, and they have already paid in about $300,000 a year for this service, and the present sales are running at a minimum of $30,000 a month. Then there is the additional annual sale of catalogs that is in excess of $30,000 a year. Those sales are on the increase, and rapidly so, indicating an expanding demand for this technical material.

The service of the Office is to answer inquiries about the Office as it applies to solving the technical problems of businessmen.

Now here are some startling facts. In 1930, 12 years prior to the war, all research in the United States being developed partly by the Government, partly by industry, and partly by little independents, 70 percent of all that research was developed by industry; 16 percent by others of miscellaneous category, and only 14 percent by the Government. It is a startling fact that in the year 1947, 54 percent of all industrial research done in America was done by the Government, and only 39 percent by industry, and 7 percent by all others. The Government spent $625,000,000 in 1947 on research, $500,000,000 of which was in the Department of the Army and the Navy, and yet we are concerned about an exchange of dollars with industry which probably will cause a net expense of somewhere between sixty and a hundred thousand dollars to the Government for a pool in which we can disseminate this information, so that industry may benefit from it. I am fully of the opinion that had these facts been properly presented to this committee, it would have been included in this bill.

I am not in any sense, not in the slightest degree, critical of the committee, because I have read the hearings, and had I been in their position without any further knowledge of the matter I would have acted the same way the committee did; so I am not criticizing the committee. Now, however, we have a proper set of facts before us, and I hope I am presenting it in a way that makes it acceptable.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Government research spending will be enormous from now on, and the technical data released from these activities will be invaluable to American industry, especially small and independent business. To efficiently organize and prepare this information for dissemination, one and only one organization should be charged with this responsibility. OTS is already in this business and its continuation is vital to the solution of crucial problems that industry is now and will be faced with. One repository of all technical and scientific information and data is mandatory.

New techniques, new methods, and new processes already turned over to industry by OTS is saving the American public millions and millions of dollars. Some examples are: First, the Fischer-Tropsch process for producing synthetic fuels and lubricants is the keystone of the American synthetic oil program; second, a preservation process for soybean oil is saving this industry millions of dollars a year; third, a new radio condenser has already saved the Navy more than $2,000,000; fourth, information and data on acetylene chemistry is saving the chemical industry millions; and many others. These are facts, not opinions. OTS activities is the best investment the United States ever made, and it has been evaluated by Russia, officially, as being worth $10,000,000,000, and by Britain as worth $5,000,000,000.

I do not know whether there is anything particularly accurate in these evaluations; they may be principally propaganda, but the fact remains that we have unlimited technical material in German and Japanese documents which should be made available to American industry. They are bundled by the tons awaiting dissemination and revision for work. This is the office that does it. Nothing is more vital to American industry today than the loosening and the dissemination and wide distribution of this technical information. So I ask for the adoption of the amendment.

The CHAIRMAN. Does the gentleman from Nebraska insist on his point of order?

Mr. STEFAN. Yes, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. GARY. Mr. Chairman, I wish to be heard on the point of order.

Mr. PLOESER. If the gentleman from Virginia wishes to be heard on the point of order, I will yield that he may proceed.

Mr. GARY. May I say that a point of order was raised against this item last year and it was eliminated on the point of order. At that time, however, the Department was engaged in some research which it was doing, in which it farmed out certain projects for research to the various colleges and institutions. It was not doing original research but was using other available research agencies to make the research for them. When, however, a point of order was raised in the House the research activities were eliminated.

The Office is now engaged only in furnishing technical and scientific information to business. The authority for the Department of Commerce to engage in such activities reads as follows:

> It shall be the province and duty of the Bureau of Foreign and Domestic Commerce, under the direction of the Secretary of Commerce, to foster, promote, and develop the various manufacturing industries of the United States, and markets for the same at home and abroad, domestic and foreign, by gathering, compiling, publishing, and supplying all available and useful information concerning such industries and such markets, and by such other methods and means as may be prescribed by the Secretary of Commerce or provided by law.

It is our contention that this is just exactly what the particular office is doing and that under the above language its activities are authorized.

The CHAIRMAN. Does the gentleman from Nebraska desire to be heard?

Mr. STEFAN. No, Mr. Chairman; I ask that a ruling be made.

The CHAIRMAN. The Chair is ready to rule.

It is the opinion of the Chair that the amendment does contain legislation and, therefore, the Chair sustains the point of order.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Chairman, may I say that I am indebted to the chairman of the subcommittee for yielding to me in order to say a word in connection with the matter just ruled on by the Chair. I would like to add my support and endorsement of Mr. PLOESER's statement and join in supporting restoration of the appropriation for the Office of Technical Services.

I happen to have had considerable experience during the war with the National Inventors Council, one of the agencies of the Office of Technical Services, an activity which they support. I can say from my own personal experi-

ence as the officer who was assistant to the Chief of Operations of the Chemical Warfare Service, where we dealt with many technical matters, inventions, and ideas for inventions, that the work of the National Inventors Council in clearing for us civilian suggestions was absolutely invaluable. We would have been snowed under without their help. They turned up and evaluated some very interesting and some very useful suggestions for us.

Today my branch of the service is still engaged in the extremely difficult phases of chemical and bacteriological warfare, the use of incendiaries, and the use of smoke. The work of the National Inventors Council continues to be very important. I understand that both the Secretaries of Navy and Army have asked the Secretary of Commerce to continue this work of the National Inventors Council as a phase of work of the Office of Technical Services so useful to our national security.

It is my hope that we may find some way to continue this excellent work with which I have myself had such a direct experience.

Mr. STEFAN. Mr. Chairman, may I say to the gentleman that we have absolutely nothing against the Inventors Council. I know many of the people who are connected with it. I agree that they did do a wonderful work. We had to have them in order to win the war. The Inventors Council is composed of many distinguished scientists and this group rendered a great service during the war.

The amount requested for the Inventors Council is $25,000, representing the salaries and expenses of four or five employees. In view of the fact that the work of the Council is entirely for the armed services, the activity should be in the Department of National Defense. I want to repeat that many agree with the committee that this Department surely can provide four or five employees to service this Council.

Mr. JAVITS. May I thank the gentleman for his statement.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Chairman, this bill making appropriations for very important departments of our Government has been under consideration by your committee since last December. The report, the bill, and the hearings have been available to Members of the Congress since February 27. We delayed bringing it to the floor of the House on account of the illness of one of our able Members and the absence from the city of another. Therefore, the departments had opportunity to read the report, read the hearings, and the bill, with the result that we are bombarded by the agencies affected to make changes in the bill at this time. Much of the information which has been given on this matter of technical services was not available to us when the hearings were held. It is not fair to a committee to allow the departments to come into the House or the committee and attempt to rewrite a bill with information that was not provided to the members of the committee when we held exhaustive hearings.

Let me tell you the real story.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Missouri.

Mr. PLOESER. I think what the gentleman says is right, and he well knows that I agree with him and that is why I said what I said before.

Mr. STEFAN. I appreciate more than the gentleman from Missouri realizes what he said about the committee, because every member of that committee is just as interested in the success of small business as any man in the United States of America.

Mr. PLOESER. I know that.

Mr. STEFAN. It was this committee that had the audacity to increase the appropriation for the Antitrust Division in order to give small business some protection. Certainly, we want to help small business, but we want complete information on which to base our decisions for appropriations. Some information made available to you and other Members was not available to us, and I really think we should have the truth about some of the information and some of the misinformation given to you and which you transmitted to the House a little while ago, and upon which I will endeavor to enlighten you now if you will allow me to proceed.

Mr. PLOESER. If any of that is misinformation, I will be happy to have it.

Mr. STEFAN. I will give it to the gentleman.

Now let me tell you the real story on this Office of Technical Services. The hearings on this item will disclose that the basic argument for the continuance of this activity is that technical reports are being sold at the rate of about $30,000 per month, implying that this amount should be used to offset the requested appropriation of $520,000. Mr. Foster, the Under Secretary of Commerce, stated "this operation almost pays for itself as far as Government-wide operations go." It would appear that some of the officials of the Department did not feel inclined to give the committee all of the facts and others did not know all of the facts. The truth of the matter is, that not $1 of the receipts covering sales of these reports goes into miscellaneous receipts of the Treasury Department. All of this money—every cent of it—goes to three agencies of the Government and represents the actual cost of duplicating and processing these reports. These agencies are: The Library of Congress, the Department of Agriculture, and the Army Medical Bureau. Oh, yes, the Department of Commerce would have us believe that this money is deposited in the Treasury, and its officials confidently list in the hearings the month by month sales of these reports in terms of dollars. Gentlemen, this is just another example of the extent to which some officials of our executive branch will go in order to perpetuate themselves in office.

Furthermore, I am informed that the Department of Agriculture and the Army Medical Bureau, because of their limited supply of information, have now turned over to the Library of Congress all of their reports, and the Library of Congress is now in position to accept orders for all of the material that has been listed. Other material remains unlisted, which is primarily what the Department of Commerce has been doing and proposed to do with the $520,000 it requested. Even before this transfer of reports from Agriculture and the Army Medical Bureau the Library had in its possession nearly all of the documents, that is the so-called unclassified documents, which are on file with the Commerce Department. If not the originals, it had copies, and it was in position and now is in position to accept orders direct. There is no reason why the orders for this information had to be routed through the Department of Commerce.

The listing of the remaining material can be done by private industry, as a part of it is being so listed at the present time. Perhaps the fees might be increased sufficiently to permit the Library to add a number of people to list this material so that the entire operation could be performed at no cost to the Government.

Let us not be deceived when we hear that so many dollars' worth of these reports have been sold. This operation is costing the American taxpayer $700,000 today, and I propose to vigorously oppose an additional half million dollars to keep over a hundred unnecessary jobholders in office.

Now I will show you some more misinformation. At this point in the RECORD I shall insert a letter from the Library confirming what I have had to say, also the testimony of Mr. Green in connection with an item the Standard Oil Co. had to do with. You can take that record and see the names of people asking for this information. Small business wants it. One of my colleagues on the floor the other day said small business wants it, and he read letters from small business. Who was that small business? General Electric Co., Westinghouse Electric Corp., Standard Oil Co., E. I. du Pont de Nemours & Co., United States Rubber Co., General Motors Corp., Fisher Body Division; Chrysler Corp., Ford Motor Co., Borg-Warner Corp., United States Steel Corp., Allegheny Ludlum Steel Corp., General Mills, Inc., Parke, Davis & Co., Radio Corp. of America, Goodyear Tire & Rubber Co., Eastman Kodak Co., and Aluminum Co. of America. Is that small business?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Virginia.

Mr. GARY. I should like to correct the gentleman at this point.

Mr. STEFAN. I am reading from the gentleman's remarks.

Mr. GARY. Yes, but the RECORD shows, though, those organizations and thousands of small-business organizations. I wanted to show that this bureau

is not serving one class of business but is serving business both big and small.

Mr. STEFAN. The gentleman referred to Westinghouse. Do they want it?

Mr. GARY. Yes. That is big business.

Mr. STEFAN. Then business ought to get together. The gentleman says Westinghouse wants it. Here is a letter from Westinghouse:

In the hearings on the appropriation bills for the above Office—

Referring to the Office of Technical Services of the Department of Commerce, of which we are speaking—

I understand the statement has been made that this Office is of great importance to industry and should, therefore, be continued. So far as our company is concerned, I have investigated the situation and it is my personal opinion that this particular Government activity is of no value to us.

Mr. GARY. Then why do they use these services if they are of no value to them? They are one of the customers. I just gave a list of the customers, and I have some orders here from them.

Mr. STEFAN. Here are some more. I will put in the RECORD other letters.

This indicates, Mr. Chairman, how much information is available to us from the departments and how much is available after the departments want to increase appropriations that we have reduced in the interest of the taxpayers of America. Small business is going to get a good break out of this committee. I am glad the gentleman from Missouri [Mr. PLOESER], chairman of the Small Business Committee, is here, because he has done more for small business than any other man I know. I am glad he helped this committee to go along with items in the bill that make common sense. If you can get business to really get together, then let the Department go to the Senate and justify what they are entitled to, and maybe we can go along, because we do want to help small business.

Mr. Chairman, the letters and statements to which I have referred are as follows:

THE PUBLICATION BOARD PROJECT OF THE OFFICE OF TECHNICAL SERVICES, DEPARTMENT OF COMMERCE, AS IT CONCERNS THE LIBRARY OF CONGRESS

In accordance with agreements between the Librarian of Congress, the librarian of the Army Medical Library, the librarian of the Department of Agriculture Library, and the Office of Technical Services, which carries out directives of Executive Orders 9568, June 1945, and 9604, August 1945, materials processed by the Publication Board with the exception of medical items* are deposited in the Library of Congress Government publications reading room. These materials are made available to interested readers in the Library of Congress and photocopies of them are furnished to those requesting them. An average of five readers per day for the past 2 years have visited the Government publications reading room for the purpose of examining this material. To date 68,376 items have been deposited in the Library of Congress and 28,200 of these items have been photocopied, some of them as many as 100 times.

All requests from the general public for photocopies of Publication Board (OTS) items are directed to the Department of Commerce, which forwards all money to the Superintendent of Documents, who holds the money for payment to the library which performs the actual work. The OTS order section forwards an order card to the depository library holding the report requested. All orders for photocopies of reports held by the Library of Congress are directed to the photoduplication service. The photoduplication service secures the report from the Government publications reading room, makes the photocopy, mails it directly to the person or organization who has requested it, and bills the Superintendent of Documents on Government Standard Voucher 1080 for the work done.

To date some 159,600 orders for Publication Board materials have been completed by the Library of Congress photoduplication service and a total of $302,759.22 has been received in payment. All funds are deposited in the Treasury, in a special account for the operation of the Library of Congress photoduplication service.

JOHN C. L. ANDREASSEN,
*Director of Administration.*

MARCH 3, 1948.

TECHNICAL AND SCIENTIFIC SERVICES

*Flow of moneys received from sale of technical documents*

General

1. All remittances, in the form of checks or postal money orders, are received by the Order Section, together with orders for documents listed in the Bibliography of Scientific and Industrial Reports.

2. After orders are verified, correct amounts of moneys for orders are deposited with the Government Printing Office, which certifies receipt of the money on the face of the order to which it applies. Orders and moneys covering incorrect amounts are returned to customer with explanation as to why the order is incorrect. Refunds to customers covering reports which cannot be furnished are made by the Government Printing Office when requested by the Office of Technical Services in writing.

Photostat and Microfilm Orders

All moneys deposited with the Government Printing Office for orders covering photostat or microfilm reproductions are used to reimburse the depository libraries (Library of Congress and Army Medical Library) when they submit a 1080 voucher to the Government Printing Office covering completed orders. The vouchers when submitted by depository libraries have attached one copy of each of the order cards filled which total the amount shown on voucher.

Trust Fund Orders

All moneys deposited with the Government Printing Office for orders covering mimeograph, multilith, and other processed reports are used to reimburse the appropriation "Technical and scientific services" when a 1080 voucher is submitted by the Commerce Department's Division of Accounting Control to the Government Printing Office. To these vouchers are attached the individual order cards of filled orders which total the amount shown on voucher. Reimbursements in excess of expenditures are deposited in miscellaneous receipts of the Treasury.

*Sale of documents*

Procedure for Ordering Publication Board Reports

1. After reports are acquisitioned and pass through the numerous processes necessary, the public is notified of PB reports available for sale through the Bibliography of Scientific and Industrial Reports which is compiled, processed, and issued weekly.

2. Upon receipt of an order each document itemized therein is checked for (a) accuracy of PB number and title and (b) correctness of remittance by the Order Section.

3. Moneys received are turned over to the Government Printing Office, where the orders are receipted.

4. The Order Section then prepares an order card for each report listed in the customer's order (quadruplicate for photostatic and microfilm orders, triplicate for reports sold under the trust fund).

5. To utilize existing facilities, photostatic and microfilm work is performed by two depository libraries (Library of Congress and Army Medical—the Department of Agriculture is no longer serving as a depository library). These libraries receive a proportionate share of original PB reports from the Office of Technical Services. Upon order the particular library holding the report reproduces it. In placing such orders three of the order cards mentioned in paragraph 4 are sent to the library, one of which is returned to the Office of Technical Services indicating date order was filled, the second is used for preparing 1080 voucher to the Government Printing Office to reimburse for services rendered and the third is held by the library as a permanent record showing work done for the Office of Technical Services. The fourth card is held by the Office of Technical Services for control purposes.

Trust Fund

6. Order cards for mimeographed, multilithed and other processed reports which are handled under the trust fund are distributed as follows: One copy to the Commerce Department's Distribution Section, which fills the order from inventory on hand and returns cards to the Office of Technical Services with date order was filled; the second and third cards are transmitted to the Department's Division of Accounting Control, which prepares the 1080 vouchers to the Government Printing Office to effect reimbursement to the appropriation "Technical and Scientific Services" after receipt of dated card from Distribution Section. These vouchers are prepared monthly.

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GOULD'S PUMPS, INC.,
*Seneca Falls, N. Y., March 1, 1948.*

Hon. KARL STEFAN,
*House of Representatives,*
*Washington, D. C.*

DEAR CONGRESSMAN: Have been hearing and interested in for many months the activities of the Office of Technical Services of the Department of Commerce, and have been on the mailing list to receive their continuing announcements of pamphlets describing German patent and technical information, etc.

From the form and nature of the announcements we have received from the Office of Technical Services would comment to the effect as a manufacturing businessman, I cannot comprehend the need for continuing the activities of this bureau and certainly the information which they have gathered has been currently distributed and without doubt the industries who might be interested have been fully informed of the situation in Germany. Such being the case I am at a loss to understand the urge of the Department of Commerce to continue this activity and would certainly approve its elimination.

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*NOTE.—When the project started in February 1946 all agricultural items were deposited in the Library of the Department of Agriculture and all medical items were deposited in the Army Medical Library. Agricultural items have since been transferred to the Library of Congress. Medical items, which consist of approximately 5 percent of the entire Publication Board collection, are still housed and serviced by the Army Medical Library.

Am glad to send to you my comments and shall hope in the near future to hear of the appropriation for the coming fiscal year being eliminated from the budget.

Yours faithfully,

N. J. GOULD,
*President.*

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UNDERWOOD CORP.,
*Hartford, Conn., March 1, 1948.*

Re Office of Technical Services.

Hon. KARL STEFAN,
*Chairman, Subcommittee on Appropriations, State, Justice, Commerce, and Judiciary, House of Representatives, Washington, D. C.*

DEAR MR. STEFAN: From the Appropriations Committee meetings I have learned that some doubt has been expressed as to whether appropriation should not be made to carry on the Office of Technical Services for the reason that certain industrial units have expressed the opinion that the work of that division should be carried on at least to some extent.

I understand that your subcommittee has resolved not to appropriate any more of the taxpayers' money for this activity, and I feel sure that such action was only taken after a comprehensive study and full deliberation. I am writing you, however, in support of the judgment of your committee in the event that doubts in the full committee or pressure from other sources should arise to question or oppose the decision you have made.

I have observed considerable of the activity of the Office of Technical Services since the end of the war and have been in touch with a large number of representatives of both large and small industrial units, and I personally have failed to obtain a single favorable comment about these services except as they were confined to the gathering of technological information of enemy origin. I understand that this work is substantially completed.

It appears that the OTS has undertaken various additional services to perpetuate its tenure and to find a position for itself somewhere intermediate the already organized and well-developed contacts of industry, the Government, and the public. These services are duplicative and constitute an interference which is actually harmful because of the inexperience of the Office in the matters which they are undertaking to handle. In my opinion, business has not been benefited to any real extent by OTS, and certainly if there is a real desire on the part of the Appropriations Committee, and I know there is, to eliminate unnecessary Government expense, OTS is one place where a great saving can be effected and there will be no harm to anyone. If there is microfilm or other data that has been collected and should be made available to the public as a continuing service, it would seem that the Patent Office is the place where this operation should be transferred.

Yours very truly,

J. A. HOLTON.

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AMERICAN MACHINE & FOUNDRY CO.,
*Brooklyn, N. Y., March 1, 1948.*

Hon. KARL STEFAN,
*Chairman of House Appropriations Committee, Subcommittee on State, Commerce, and Justice Appropriations, House Office Building, Washington, D. C.*

SIR: I learn that the appropriation to the Office of Technical Services has been refused by your subcommittee, which action I heartily approve.

I notice from the hearing reports that there is some question as to the value of this information. I have had some experience with the Office of Technical Services reports and information since I am director of patents of the American Machine & Foundry Co. and have had the duty of both passing on this material and finding out from our research departments how much value it was to them. In every case the report was that they could not make any real use of this material, and that the technical publications that were already available to them furnished the same information in more usable form.

In view of this, I was appalled that large sums of money were being appropriated to carry on this work, apparently to prolong the life of a wartime agency. I am correspondingly happy to learn that this type of made work has been eliminated from the appropriation bill.

Respectfully yours,

GEORGE S. HASTINGS.

Copies to Hon. JOHN TABER, Hon. FREDERIC COUDERT.

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CHICAGO, ILL., *March 2, 1948.*

The Honorable KARL STEFAN,
*House Office Building,*
*Washington, D. C.:*

We respectfully urge that you use every effort to defeat the proposed appropriation to continue the Office of Technical Services. Since war's end there is no further need for this Office. Government and independent associations now adequately cover this field.

GOODMAN MANUFACTURING CO.,
W. E. GOODMAN, *President.*

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NEW YORK, *March 2, 1948.*

The Honorable KARL STEFAN,
*House of Representatives,*
*Washington, D. C.*

DEAR SIR: I understand that in the hearings on the matter of continued appropriations for OTS the question has been raised as to the need on the part of industry to have OTS continue for the purpose of disseminating technical information.

It is my opinion that this is not necessary and it is my feeling that the decision not to appropriate further funds to OTS is wise.

Very truly yours,

RICHARD O. LOENGARD.

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NEW YORK, N. Y., *March 1, 1948.*

Congressman KARL STEFAN,
*Chairman, House Appropriations Subcommittee:*

Banks are instructed to curtail loans to small-business men, thus cooperating in the effort to put the brakes on inflationary prices. Small-business men need conservative bank loans to carry on far more than they need technical information through bureaucratic offices eating into tax dollars. OTS should end its service in favor of numerous trade associations and the United States Patent Office that now supply needed technical information more efficiently than OTS could hope to do. Please face the economic facts as they exist today. Avoid needless duplication of services. Terminate OTS.

Respectfully.

W. C. HUEBNER,
*Huebner Laboratory, New York City.*

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TECHNICAL INFORMATION SECURED FROM GERMANY

Mr. GARY. If I am not mistaken, last year you demonstrated before the committee a machine that you had gotten from Germany on which you were recording the human voice on a spool of wire. Is that correct?

Mr. GREEN. A plastic tape with iron fragments imbedded in the plastic, and you magnetize the fragments. It wasn't a wire, precisely but a plastic tape. It is being manufactured today by four concerns of which I have knowledge.

Mr. GARY. I saw one a few days ago in Richmond that records on a spool of wire.

Mr. GREEN. Yes, sir.

Mr. GARY. Is that the same?

Mr. GREEN. The same principle; the wire has a little less fidelity. It is the same magnetic principle. The wire has other advantages, but doesn't give you the same fidelity as if you substitute a plastic tape and imbed iron-oxide fragments in it. You would have the same thing on the wire, but you get a little more rigidity instead of higher flexibility. There are four companies to my knowledge putting that out.

Mr. FOSTER. All of them based on that principle of this information brought back by OTS.

Mr. GREEN. The biggest thing that I know of going on today is the plant which is being built in Kansas by the Standard Oil of Indiana. That is the synthetic gasoline from natural-gas process which will double our fuel reserves in this country.

Mr. GARY. Is that from a formula which you picked up?

Mr. GREEN. Yes, sir; the Fisher-Tropsch synthesis—two Germans, Fisher and Tropsch. As a matter of fact, we are still discovering more information in our collection, and finding German technicians to put into that work.

Mr. FOSTER. I think you recall, Mr. Gary, that the Russians in one of the conferences stated that the Americans had gotten more in reparations in this way than any other reparations that had been taken out of Germany. They estimated, as I recall, about $10,000,000,000.

Mr. GARY. Yes; I remember they made that statement.

Mr. GREEN. There was a British journal about a month ago where one of the British placed that estimate at $5,000,000,000.

Mr. GARY. Take the process you mentioned for which Standard Oil is building a plant.

Mr. GREEN. Standard Oil is in this and two or three other companies, but Standard Oil is putting up the big plant in Kansas.

Mr. GARY. Do they pay you for the process?

Mr. GREEN. No, sir. This is information turned over to anyone who wants to purchase it. Of course, when a big project like this comes up it is only a large concern that can use it.

Mr. GARY. You do not permit them to patent it; do you?

Mr. GREEN. No, sir; there are no exclusive rights in that.

Mr. GARY. There is no way they can get exclusive rights under patents based on this information?

Mr. GREEN. No, sir. You may have seen where American Cyanamid has now come out with a new insecticide they say is from 5 to 25 times stronger than DDT. The Chemical and Engineering News says of this discovery:

"Parathion was tested briefly in Germany where it was designated as E605, but a satisfactory method for its commercial production had not been developed when it was found by British and American scientific teams at the close of hostilities.

"According to Cyanamid, the versatility of parathion eliminates a problem encountered with DDT in that DDT, while killing certain insects that are natural enemies of others, permits these other insects to multiply more profusely than ever. For instance, the use of DDT for codling moth on apple and pear crops gives free rein to the multiplication of mites, thus substituting one insect problem for another. Parathion is said to be 5 to 25 times more potent than DDT."

Mr. GARY. Your department got that?

Mr. GREEN. Our investigator named Thurston found that.

Mr. GARY. And brought it over here?

Mr. GREEN. Yes, sir.

Mr. GARY. And it is being developed in this country now?

Mr. GREEN. Yes, sir. American Cyanamid is the only one who has released publicity on it, but it is being developed.

PUBLICATION OF BOOKLETS ON GERMAN SCIENCE

Mr. STEFAN. Mr. Green, you have handed to the committee copies of the FIAT Review of German Science, 1939–46. The one I have is marked "Anatomy, Histology, and Embryology." Do I understand from you you are supervising the editing and so forth?

Mr. GREEN. Under the military until we left Germany. Now the military government has taken it up.

Mr. STEFAN. Up to what year did you supervise the gathering of this information and the printing of these volumes?

Mr. GREEN. We never supervised the printing of the volumes, sir.

Mr. STEFAN. That is what I understand.

Mr. GREEN. No, sir. That is done by a German printing house.

Mr. STEFAN. No; according to the books you gave us it is done under the direction and supervision of three governments—the military forces of three governments—the British, French, and the United States.

Mr. GREEN. That is what it says on there, but actually——

Mr. STEFAN. It says so on there. You say that we cannot believe what we read on there? Then, going on to the front it says on the pages of the book the same story, that it is done by cooperation of three or four organizations.

Mr. GREEN. That is correct. It is done by cooperation.

Mr. STEFAN. Did you do the supervising of this information and the assembling of this information?

Mr. GREEN. No, sir.

Mr. STEFAN. Why are you presenting these books? For what purpose?

Mr. GREEN. To tell you about projects in which we are involved and which we will make available to American industry, but which have not reached this country as yet.

Mr. STEFAN. There is a program on the part of the war agencies of three governments to continue additional volumes of this book, according to this information here.

Mr. GREEN. There are 82 more volumes to come, and I am arranging right now to have the paper shipped to Europe to have it printed by the German house, which has no paper.

Mr. STEFAN. We understand the shortages of Germany not only for this particular thing but for other things. The interim aid that we appropriated just a short time ago included money for paper and other things. The thing I wanted the committee to know—and I want to be frank about it—is that we should be given frank information. I was led to believe that perhaps by denying you some funds last year you were unable to get this information.

Mr. GREEN. No, sir; I didn't say that.

Mr. STEFAN. This information is being gathered by the armed services of three governments.

Mr. GREEN. No, sir.

Mr. STEFAN. Doesn't it say so?

Mr. GREEN. They say so, but may I describe what the facts are, please?

Mr. STEFAN. Here it says it is presented by the United States Government and the British Government and the French Government. Those are the printed words here in the foreword. Can't we accept that printed word?

Mr. GREEN. The organization termed "FIAT," which is mentioned there, is no longer in existence; it was an organization——

Mr. STEFAN. That means Field Information Agency, Technical. That is what it means.

Mr. GREEN. Exactly; and its personnel were Department of Commerce personnel under the personal supervision of Col. Ralph M. Osborne, of the military government. In order to initiate the project it was necessary to get the cooperation of the British and French. In return, the British and French asked for stocks of copies of the documents when completed. It was a volunteer operation by German scientists to write up their research work during the war years. When we were forced to leave the theater, the military government assigned one man, Mr. Ted Shaefer, who is in Karlsruhe, who is now working on the editing and final assembling of these materials.

I don't want to give the impression this thing was done independently of the military government. Our entire operation was under the military government, and, as General MacArthur said, if we go to Japan, we go to Japan under his control. All of the thousands of reports prepared in Germany bear the authority of military government on the frontispiece.

Mr. STEFAN. We will put in the record at this point the foreword thereto.

(The foreword of the booklet entitled "FIAT Review of German Science, 1939–46, Anatomy, Histology, and Embryology," is as follows:)

"FOREWORD

"Military government of the British, French, and United States zones of Germany by means of their respective FIAT's (Field Information Agency, Technical) present this volume of the FIAT Review of German Science in the hope that it will assist in informing international science of research done in Germany through the war years. It is believed this and its companion volumes will present a complete and concise account of the investigations and advances of a fundamental scientific nature made by German scientists in the fields of biology, chemistry, mathematics, medicine, physics, and sciences of the earth during the period May 1939 to May 1946.

"The wholehearted cooperation of all persons assisting in the preparation of the reviews was most gratifying. Mention is made of the services rendered by both the numerous German scientists who furnished and arranged the contents of these reviews and the personnel of the scientific branches of the FIAT's who supervised the program.

"The manuscript from which this volume has been derived has been turned over to a committee of German scientists, which will make the arrangements necessary for printing other than this strictly limited edition. The latter is transmitted by the respective FIAT's to their government for distribution."

Mr. GREEN. The question was, Are there any projects going on abroad where we have no personnel abroad? and my answer is, This is one of them. United States FIAT was the military organization supervising our activities. When we left Germany, United States FIAT ended. We release the end products of that organization. Now, this exhibit, you won't find our name in that, either. That is one of the volumes prepared by German patent examiners and German patent officers. You won't find our name in there, either.

Mr. STEFAN. I suppose there are a lot of them that we won't find your name in.

Mr. GREEN. Very definitely; but we are the fellows getting and distributing the end product on that.

Mr. STEFAN. Are there any further questions? The committee stands adjourned until 10 o'clock tomorrow morning. Thank you.

STANDARD OIL CO.,
*Chicago, Ill., March 1, 1948.*

Re Office of Technical Services; Department of Commerce appropriation bill for 1949.

Hon. KARL STEFAN,
*House Office Building,*
*Washington, D. C.*

MY DEAR CONGRESSMAN: I have just had the opportunity to read the testimony given on January 13, 1948, by Mr. John C. Green, Director of the Office of Technical Services, in connection with the above bill.

I was struck by his statements (at page 81 of the printed transcript) concerning the Kansas synthetic gasoline plant of Stanolind Oil & Gas Co. (a subsidiary of Standard Oil Co. of Indiana). Mr. Green's testimony plainly infers, if it does not state, that the Kansas plant had its origin in information brought to this country by OTS. This is not the case, and the matter appears to us to be important enough to warrant a direct denial.

The Fischer-Tropsch reaction to which Mr. Green referred was widely known in this country long before World War II. The basic principles of the process were common knowledge among American technologists as early as 1929, when the Bureau of Mines had already actively begun its development of the synthesis process. Not only was the reaction widely reported in the prewar German technical literature to which American industry had full access at that time, but it was also widely discussed in the technical literature of this country. Bibliographies prepared by our company in 1943 and 1944 included approximately 2,500 references to the technical and patent literature on this subject. Since well before World War II, American industry has been hard at work in its research laboratories and pilot plants developing commercial processes involving the basic and well-known reaction.

The commercial synthetic gasoline plant which is soon to be built by our subsidiary company in Kansas is based upon: (a) the basic information concerning the Fischer-Tropsch process which was common knowledge in this country before the war, and (b) American inventions and improvements upon that basic prewar information. While we have been fully aware of information released by OTS concerning the process, there is not to be included in this Kansas plant a single significant feature which we have derived from the OTS information.

Furthermore, it is to be noted that no "German technicians," as referred to by Mr. Green, have had any part in the development of the process to be embodied in the Kansas plant design.

Very truly yours,

BRUCE K. BROWN.

Copy to Mr. John C. Green, Office of Technical Services, Department of Commerce, Washington, D. C.

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ALLOY MACHINE CORP.,
*Elkhart, Ind., March 2, 1948.*

Re proposed appropriation for OTS.

Hon. KARL STEFAN,
*House Office Building,*
*Washington, D. C.*

DEAR REPRESENTATIVE STEFAN: It is my understanding that an appropriation is being sought by the Office of Technical Services for the forthcoming year.

The company of which I am president is opposed to any appropriation for the OTS and I, personally, am equally against the grant of any money for such agency of the Government. The fact that our company is a small one employing about 25 people may be of interest to you in evaluating our views.

If time permitted further comment concerning the value of OTS, we could fill several pages. Suffice it to say, we are definitely opposed to the continued existence of OTS.

Very truly yours,

ALLOY MACHINE CORP.,
By JOHN A. DIENNER, Jr.,
*President.*

Copies to Hon. RALPH E. CHURCH, Hon. EVERETT M. DIRKSEN.

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WESTINGHOUSE ELECTRIC CORP.,
*Pittsburgh, Pa., March 1, 1948.*

OFFICE OF TECHNICAL SERVICES OF THE DEPARTMENT OF COMMERCE

Hon. KARL STEFAN,
*House Office Building,*
*Washington, D. C.*

DEAR SIR: In the hearings on the appropriation bills for the above office, I understand the statement has been made that this Office is of great importance to indus-

try and should, therefore, be continued. So far as our company is concerned, I have investigated the situation, and it is my personal opinion that this particular Government activity is of no value to us. I thought you might be interested in getting my views.

Respectfully yours,

W. A. STEIGER,
*Patent Attorney.*

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Missouri.

Mr. PLOESER. Let us not be naive about this thing. There are 8,000 inquiries a month in this office. There are not 8,000 big businesses the size of Westinghouse in the United States or in the world. It is only natural that a company like Westinghouse, with its huge laboratories, despite the fact that it has had its information gatherers in this office for the past several years working day and night getting all the technical information they could, does not give a tinker's whoop about what happens to the little fellow who cannot have a big laboratory.

Mr. STEFAN. I agree with what the gentleman from Missouri says, but do not justify this on the assumption that Westinghouse wants this with one mouth and comes to us with another mouth and says it does not want it.

Mr. PLOESER. I have never mentioned Westinghouse, and what they want bothers me never.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. HORAN. I would like to know if it is necessary for the Department of Commerce to have a designated office of small business in order to contact and serve small business.

Mr. STEFAN. I think we are coming to that item when the gentleman from Wisconsin offers his amendment.

Mr. O'KONSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 55, line 21, second paragraph, strike out "$5,300,000" and insert in lieu thereof the following: "$5,752,000 of which not less than $452,000 shall be exclusively used for aids and services to small business by the Office of Small Business at the seat of government and."

Mr. O'KONSKI. Mr. Chairman, when I first introduced this amendment, or thought of introducing it, I was very reluctant to do so because it involves such small sums compared to what we have been talking about, and I thought it would receive very little consideration. All this amendment asks for is a dime—"Brothers of the House, can you spare a dime?" That is a dime for every small business establishment in the United States of America. This amendment restores $452,000 which was asked by the Office of Small Business for the protection and encouragement of the more than 4,000,000 small businesses in the United States of America, that is more than 4,000,000 of them asking for the meagerly sum of $452,000, which amounts to about a dime apiece. Brothers, can you spare a dime—a dime for the encouragement and protection of small business?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield gladly to the gentleman.

Mr. SHORT. Did the gentleman run on a platform of economy when he was elected last?

Mr. O'KONSKI. Certainly I ran on a platform of economy.

Mr. SHORT. And it requires only a feather to tip the scales, does it not?

Mr. O'KONSKI. Certainly not a dime.

Mr. SHORT. But you are asking for a half a million dollars.

Mr. O'KONSKI. Yes; for the protection and encouragement of the most powerful segment of our economy, namely, 4,000,000 small businesses within the United States of America. This is in conformance with the policy of this Congress. I wonder if the gentleman from Missouri knows that he voted for the establishment of a Small Business Select Committee in the House of Representatives which spends quite a sum of money for the encouragement and protection of small business? I wonder if the gentleman from Missouri knows that he also voted for a resolution which called upon the President of the United States to appoint in each and every executive department of the Government of the United States of America a representative of small business. He also voted for that resolution. In other words, there is a very definite distinction between small business and big business. All this amendment asks for is a dime apiece for the more than 4,000,000 small businesses within the United States of America. Recently the chambers of commerce of the Veterans of Foreign Wars and the American Legion have incorporated in their bylaws the establishment of a small-business committee for the encouragement and protection of small business. Each and every one of them have done so. If you eliminate the Office of Small Business, which this appropriation bill does, then you will leave them entirely without any clearinghouse in the Nation's Capital. The only thing that this appropriation calls for in the committee report is that they hope that the Department of Commerce will set up within itself a few chairs and secretaries and employ a few people for the protection and encouragement of small business, but it does not compel the Department of Commerce to do so. All this amendment does is to restore the $452,000 cut to continue the Office of Small Business which amounts to a dime apiece. I ask you gentlemen if in your deliberations you cannot possibly spare a dime, one thin dime. I thank you very much.

Mr. STEFAN. Mr. Chairman, I wonder if we can come to some agreement as to time on this amendment?

I ask unanimous consent that all debate on this amendment and all amendments there to close in 15 minutes, the last 5 minutes to be reserved for myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. O'HARA] is recognized for 3½ minutes.

Mr. O'HARA. Mr. Chairman, I understood I was to have 5 minutes under the request. Otherwise I would have objected to the unanimous consent request.

The CHAIRMAN. If the gentleman wishes to propound a unanimous-consent request.

Mr. O'HARA. I ask, Mr. Chairman, that of the 15 minutes I may have 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'HARA. Mr. Chairman, it is indeed an unusual day when two Republicans get up and ask to increase an appropriation. As one Member of the House I have almost religiously followed the recommendations made by our Committee on Appropriation on bills of this nature because usually I do not have the information which they have. However, I wish to say now that I am supporting the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI]. I think we are making a serious mistake, from my own personal knowledge. There have been no telephone calls and no requests from the Department of Commerce for me to speak on this subject. It is simply based on my own experience and my own knowledge.

The Small Business Committee was a part of the national war agencies during the war. We had a congressional Small Business Committee in the House which did a splendid job, but on many occasions I kept some of my small business people in operation, not by reason of the aid and assistance I got from the House Small Business Committee but from the National War Agencies Small Business Committee. That was largely due to one or two individuals who are still employed in the Department of Commerce. I say to you that those are small businesses that would have gone out of business if I had not been able to get them tin, fats and oils, and things that they needed in order to operate, both during and after the war.

Perhaps you members of the committee have a peculiar knowledge of this situation. Let me say to you that generally I go along with you in cutting down personnel in departments, but I do say that you are making a serious mistake. It is a serious mistake to cut out this particular part of your appropriation. I am supporting the amendment because I think, after all, the people of the country are not going to be greatly overburdened if we have an efficient Small Business Committee, instead of just wiping it out. Perhaps it is oversupplied in personnel. I do not know, but do not wipe it out, because it is going to be a matter of regret if you do. They have rendered to small business a great service. That was done by the same personnel that is down there now. They have given the most helpful and most conscientious service, service which only they, by reason of the knowledge they have acquired in that office, were able to give, and which our congressional committee in the House was not able to give.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. PRIEST. I just wanted to emphasize what the gentleman is saying

and to call attention to the fact that the gentleman is a member of the Committee on Interstate and Foreign Commerce and by that membership has had a fine opportunity, particularly in recent weeks to make a study of the work of this office.

Mr. O'HARA. That is right.

Mr. PRIEST. I certainly agree with the gentleman's statement.

Mr. O'HARA. And may I say to my distinguished friend that there are some things about the Department of Commerce I would like to see cut out, but this is not one of them.

Mr. CHADWICK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. CHADWICK. Merely for the purpose of expressing my complete agreement in the thought the gentleman has advanced, that it is very important that we maintain this activity. It may not be perfect, but it has done a splendid job.

Mr. O'HARA. Let us not be inconsistent. I thank the gentleman for his remarks. We all say we are for small business. It is the backbone of the industrial competitive free-enterprise system of this country, and yet here we come in and find opposition to allowing a little miserable $450,000 when in a few days we shall be asked to vote billions to everybody, every Hottentot all over the world.

Mr. SHORT. The gentleman will not vote for it, and neither will I.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. PLOESER. I should like to point out that the Select Committee of the House has had good cooperation from the Department. I do not think we are in a position to fully appraise the value of its work, for we have not had sufficient time; but I am going to support this amendment because it is essential for small business. Certainly the Department of Commerce should devote its main interest to small business, for that is the main business of America. It should not be necessary to have a special committee of the House to convince it of that.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The gentleman from Virginia is recognized for 2½ minutes.

Mr. GARY. Mr. Chairman, I rise to support this amendment. I am not going to make a speech. I discussed this question fully day before yesterday. I do want to say, however, with reference to the appropriation for the Small Business Bureau of the Department of Commerce that the committee commented in its report on testimony which had been presented to it to the effect that concentrations of economic power in American industry is at the highest point since the passage of the Sherman Act. If this is true, then surely this is not the time to eliminate the activities of the Department of Commerce in behalf of small business, which is the foundation of our system of free enterprise.

The CHAIRMAN. The gentleman from Virginia yields back 1 minute.

The gentleman from Washington [Mr. HORAN] is recognized for 2½ minutes.

Mr. HORAN. Mr. Chairman, once again I want to bring the matter of relationships to the attention of this House with regard to this appropriation.

The Bureau of Foreign and Domestic Commerce, which is the division for which we are considering at this time and of which the Division of Small Business is a part, got in 1940 a little over a half million dollars. In 1941 they got a million and a third; in 1942, a little less than a million and a half; in 1944, with the war still on, they got a million and a third; in 1945, with the war ending they got a million and a half. Then Henry Wallace took over the Department of Commerce and he began to expand it. We granted them almost $2,000,000 that year, but they came back for $75,000 deficiency. Then Henry's effect was fully felt. Before the year was out they got another slice for $275,000. The next request went up to $6,000,000 plus—almost $7,000,000. We actually granted them almost $5,000,000 in 1947. Last year they got approximately the same amount which was about $5,000,000. This year they are asking for almost $6,000,000.

At some place, Mr. Chairman, we have got to call a halt on these expansions. Certainly if they were able to provide that wonderful service for one-half million dollars in 1940, with all the field services required, and so forth, they should do well 8 years later with 10 times that amount. My colleagues on the floor of the House here are pleading for something that they do not need.

The Department of Commerce is an American institution. It exists to serve small business in all of its phases. I suggest that it has all the funds that can be wisely expended.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Do I understand that the estimate of this year as approved by the committee is at least equal to the amount appropriated last year for small business?

Mr. HORAN. It is more.

Mr. BATES of Massachusetts. Then what is the real issue involved here?

Mr. HORAN. They have told certain people that they cannot serve small business with the amount of money we have allowed them. They have made it plain they will not serve small businessmen, apparently, because without this extra half million dollars, they say, they cannot talk to the small businessmen of the Nation.

Mr. BATES of Massachusetts. A telegram I have received states that the committee has abolished the Office of Small Business.

Mr. HORAN. There is no Office of Small Business. The Department of Commerce exists for all the people of the United States. Any time you start to classifying their services on a political basis, we are in danger, and I warn you of that.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Is it not true that there exists now an Office of Small Business?

Mr. HORAN. There exists a Department of Commerce to serve all of the people of the United States.

Mr. O'KONSKI. And in it an Office of Small Business?

Mr. HORAN. That is a political designation.

Mr. O'KONSKI. Is it not true that that Office has been eliminated in this appropriation bill? That is the question.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I want to make the committee's position perfectly clear in this matter of small business. Yesterday the report of the committee was quoted somewhat out of context. I want to quote from the report all of the matter dealing with the Office of Small Business:

> The economy of this country has been developed through the encouragement of small business, and the committee is interested in the protection of small business. However, it is not convinced that a functional breakdown between small-business functions and other business functions can be definitely established. Accordingly, the committee is recommending that the Office of Small Business, as such, be abolished, and its work transferred to the Office of Domestic Commerce. However, there should be located within the Office of Domestic Commerce a small group of specialists to study and keep in touch with the problems of so-called small business with view to integrating their requirements with the services rendered to business generally.

We are not abolishing services to small business. What we are abolishing is the duplication and the top-heavy administrative set-up within the Bureau of Foreign and Domestic Commerce. Big business is quite able to serve itself, and it is for small business primarily that the Bureau of Foreign and Domestic Commerce was created. A reading of the hearings will disclose to anyone interested enough to read them that considerable duplication exists between the Office of Domestic Commerce, which serves business generally, and the Office of Small Business. This work cannot be segregated and was not segregated before Mr. Wallace became Secretary of Commerce. This Bureau developed an enviable reputation as a servant of business—small business particularly—prior to the war, and on what appropriations? Let me tell you just to mention a few years since the Department of State took over the foreign activities of this Bureau through a Presidential Reorganization Act:

| | |
|---|---|
| 1941 | $1,410,000 |
| 1942 | 1,403,000 |
| 1943 | 1,423,000 |
| 1944 | 1,450,000 |
| 1945 | 1,550,000 |
| 1946 | 2,330,000 |

And then Mr. Wallace came into the picture, so that for 1947 the Congress appropriated $4,900,000, and during this year the appropriation is $4,943,537—all of this excluding amounts for export control and for materials distribution for which estimates are now pending. For

1949 the committee is recommending $4,500,000 excluding $800,000 addition for the item "foreign trade statistics" which should be transferred to this Bureau from the Bureau of the Census.

There is ample money for this Bureau, and perhaps more than ample if it would go back to the original Bureau set-up. As you are aware Mr. Wallace broke the Bureau up into a number of offices and the Bureau, as such, no longer exists.

We want to foster small business, but we do not want to foster unnecessary job holders. As further proof, I want to refer to the committee's action in increasing the funds for the Antitrust Division of the Department of Justice over the Bureau of the Budget figure.

Now, then, I recommend your reading of page 19 of the committee report, which is as follows:

> One of the major offenders in the Department of Commerce in this respect is the Bureau of Foreign and Domestic Commerce. During the fiscal year 1939 the total average employment in the four classifications listed above was approximately 4, with a total personnel at that time of 853. In 1948 the total employment in these classifications is 156 out of a total employment of 1,730. Again stating these comparisons percentagewise, the total employment in 1948 represents 203 percent of the total employment in 1939; whereas the number of high-salaried employees in 1948 represents 3,805 percent of the number of such class employees in 1939.

What more do you want? Here is a list of employees. Here is a list of the salaries paid.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

The question was taken; and on a division (demanded by Mr. O'KONSKI) there were—ayes 26, noes 41.

Mr. O'KONSKI. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. HARLESS of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee some questions which I should like to have cleared up. I notice on page 3 of the committee report, with reference to the Statistical Division of the CAA, that they have limited the amount to $250,000.

Mr. STEFAN. I know about that. We have been bombarded by employees of that Department who have been talking to Members of Congress regarding that item, and in answer to the gentleman's question, as to aviation statistics, in which the gentleman is interested, we are allowing them a quarter of a million dollars for personnel and supplies and equipment. There is about $200,000 for printing and binding for the CAA, much of which can take care of this operation, so we are supplying them ample funds.

Mr. HARLESS of Arizona. I want it to be clear, then, that the Department would be perfectly justified in using funds from the general printing and binding fund in this particular Division? Is that right?

Mr. STEFAN. No. That is a separate item for the CAA, but they get a part of it. We cannot earmark it here.

Mr. HARLESS of Arizona. That is what I wanted to have clear, that that will not be limited.

Mr. STEFAN. That item is already passed in the bill, but I wanted to give the gentleman the information.

Mr. HARLESS of Arizona. I know the gentleman is air-minded, and he knows of the urgent need for safety records. In the event there are safety statistics that are necessarily curtailed by limitation of the funds, would the gentleman be of the opinion that these safety statistics might be kept by some other division in the Department of Commerce?

Mr. STEFAN. We think that for legitimate statistics a quarter of a million dollars is sufficient. I understand there is $200,000 additional for printing and binding for the CAA, much of which is for this particular office, but if they are legitimate statistics, the committee feels that a quarter of a million dollars is ample.

Mr. HARLESS of Arizona. But they will be able to use funds from the general printing and binding appropriation for this?

Mr. STEFAN. In accordance with the policy of the Department.

Mr. HARLESS of Arizona. I thank the gentleman very much for clearing up that point. There is one other point I wish I had time to speak on, in connection with the preceding amendment. I call your attention at this time to a situation that is developing that will affect every Member of this House, because if you have not already had correspondence on it you are going to have some in the future. That is the recent order of the Department of Commerce with respect to export controls.

Mr. STEFAN. One million five hundred thousand dollars was originally requested to go in this bill, but later it was taken out of the bill and is not in our bill now. I have over a hundred letters from California and a hundred letters from New York protesting against that.

Mr. HARLESS of Arizona. It has been my duty the last week or two to spend a great deal of time on it. I can tell the gentleman now that it is shaping up down there so that there will be a stranglehold on the export commerce of this country if you do not go into it very carefully. We have had members of the Commerce Department before the Committee on Interstate and Foreign Commerce this last week. It is a most serious situation.

Mr. STEFAN. The gentleman understands, does he not, that it is not in this bill?

Mr. HARLESS of Arizona. That is, what I want to make sure of.

Mr. STEFAN. It is not in this bill. It will perhaps come up in the deficiency bill. We did have some hearings on it.

Mr. HARLESS of Arizona. It is one of the most serious things that has ever been before this House.

Mr. STEFAN. Mr. Chairman, I move that further reading of the bill be dispensed with and that amendments be now in order to any point in the remainder of the bill.

The motion was agreed to.

Mr. CLEVENGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on February 22, 1948, newspapers carried the following headlines: "Benes resists pressure of Communists—Red demands increase in Prague"; the next day the papers told us "Czech Communists issue threat of general strike—Czech labor leaders support Communists."

On the 25th of February, the press informed us that "Communists gain power in political shuffle—Reds rule Czechs in bloodless coup." On the 27th we learned that "Tension grows in Finland—pessimism felt in Scandinavia—Reds dominate Prague—Finland fears she will be next."

Then on March 1, we learned "Finnish President supports Red pact—Czechs launch expansion drive—Swedes look to defenses."

Surely these headlines sound familiar. Have we not been through all this before? Substitute "Nazis" for Reds and "Hitler" for Stalin and you have the headlines of a decade ago. In 1938 Europe was a seething hellhole of greed, hatred, and suspicion. Every country was riddled with quislings—those arch-traitors who serve the enemy so well. They were not spies, they did not carry membership cards in the Nazi Party, they were nationals whose specialty was sabotage through the channels of government and communication. They excelled in the art of mental poisoning.

Remember when, in 1938, it was called a phony war, this bloodless match of wits? Then came the massacres. Millions of men, women, and children brutally murdered, hundreds of thousands legally killed in a world-wide debacle whose stench is not yet out of our nostrils.

But here we go again. It is 1948 in the calendar of time, our war dead, buried in the four corners of the earth, are not yet cold in their graves, and today we hear the warning that we are closer to war than we were at the time of Munich. In the handful of nations, which yet remain free, men and women are asking, "What comes next?" They look to the United States for guidance. They look to this Government for signs of strength, courage, and faith. They have been told, and they believe, that the United States Government is the bulwark of democracy, freedom, and liberty.

Well, what is the state of our Government today? How powerful is that strength? How robust is the courage? How deep is the faith? In view of the world situation, is it not practical to cast aside politics and consider the unvarnished truth—that the Federal Government today is in the worst shape it has been for many generations. No Congressman or Senator who has sat through the Appropriations Committee hearings in either House can deny the appalling, the fantastic state of disorganization, inefficiency, criminal waste of money and manpower which exists in department after department, agency after agency.

It is a sordid and discouraging picture with no possible solution other than the complete overhauling of the whole Federal structure. In recent years every attempt that Congress has made to clean house in the grotesque bureaucracy the Roosevelt-Truman administrations have developed has been prostituted by officials whose first loyalty is some political ism. This past week, for instance, the spotlight of publicity has been focused on the State Department. The report of Congressman KARL STEFAN, Republican, Nebraska, chairman of the House Appropriations Subcommittee, conducting hearings on the Departments of State, Justice, Commerce, and the Judiciary appropriations bill for the fiscal year 1949, should be read by every citizen of this country. It is too much to hope that the shocking revelations in the hearings themselves will ever be read by the public. Because of recent world developments, it might be wise to concentrate our attention on the State Department. Let us take a look at the record—no inflammatory oration, no fireworks, just facts:

The committee expressed its apprehension in the rapidly increasing number of international organizations of which the United States Government is a member—both authorized and unauthorized. In many instances the objectives of these organizations overlap the objectives of the United Nations and its subsidiary organizations. The State Department lists 92 major international conferences to which it sends delegates this year. This does not include the scores of United States missions on special assignment and the numerous delegations representing the United States at the seat of international organizations. It is difficult to determine the net value of a large percentage of these international conferences. The hearings indicate that the State Department has a great many employees who like to travel, and it is primarily this group which involves the Department in these endless international organizations and confabs.

The Appropriations Committee further reported that it is greatly concerned over the effectiveness of the State Department, pointing to the duplication of effort between offices and divisions. There are a number of units in the Department which contain as few as six employees, and in instances, a unit consists of one employee and a stenographer. The reason for this is self-evident. An employee can secure a higher salary and classification if he is the chief of a unit, rather than an employee of a larger grouping. An analysis of the State Department personnel for the years 1939 and 1948 reveals a disproportionate increase in employees receiving between $8,000 and $10,000 a year. There were approximately 1,000 employees in the Department in 1939. In 1948 there were 5,900. The jump in high-salaried personnel during the same period was from 47 to 379 or an increase of 806 percent.

Under the present system of pyramided authorities, the committee found that there were few actions which can clear the Department without being referred to anywhere from two to six or more divisions. The hearings revealed that the Department operates under an echelon of 37 interdepartmental and 26 Department committees, many of which are competitive rather than cooperative. The committee report states:

> The present structure is wasteful, costly, and inefficient. More effective work would result if the Department were reduced in size, with overlapping and duplication minimized, and the so-called liaison work and endless conferences substantially curtailed.

The committee has reiterated previous recommendations which have been completely ignored by State Department officials, namely, that the Department get out of the operating phases of activities for which other agencies of the Government are responsible and concentrate on the over-all job of foreign policy. There is no justification, the Congressmen said, for there being located in the Department an Aviation Division with 30 employees, or a Shipping Division with 21 persons, or a Telecommunication Division with 26 workers. These are a few of the glaring examples of State Department encroachment on the work of other governmental agencies.

The House Appropriations Committee held extensive hearings on the security phase of the Department's work and the employment of individuals that are considered poor risks from a security angle. Committee investigators disclosed and reproduced from the Department's files the employment history of 108 former, present, and prospective employees. It was revealed that employees of questionable loyalty remain on the State Department pay roll for many months, in some cases more than a year, while they are being investigated and reinvestigated, because no one in the long chain of case evaluators will take definite action. The key to the State Department's security program rests in the Office of Controls, which is the management office for six major divisions, namely: Visa, Munitions, Protective Services, Foreign Activities, Correlation, and Investigations. Throughout the hearings there was no indication that the Office of Controls, which costs $60,000 annually in salaries alone, makes any contribution to the proper administration and coordination of work in the divisions under its jurisdiction. On the contrary, there is real evidence that it is detrimental to the highest efficency in the divisions it supervises, and that it has systematically hindered the weeding out of inefficient and disloyal employees.

As far as could be ascertained, Mr. Hamilton Robinson, the Director of the Office of Controls, has had no investigative or other kind of experience which would qualify him for his present job. There is no indication in his past history that he has ever been associated with security matters. His testimony points up gross incompetency. Lack of experience would seem to be the rule rather than the exception insofar as this Office is concerned.

In the course of the hearings, the gentleman from Nebraska, Congressman STEFAN, questioned Mr. Robinson about his assistant, a Mr. Stanley Goodrich. Here is what developed:

> Mr. STEFAN. What is the background of Mr. Goodrich?
>
> Mr. ROBINSON. He was a colonel or a lieutenant colonel in the Army.
>
> Mr. STEFAN. What was he before that?
>
> Mr. ROBINSON. I think he was in the paint business, if I am not mistaken.
>
> Mr. STEFAN. In what capacity?
>
> Mr. ROBINSON. In the paint business, sir.
>
> Mr. STEFAN. Yes; a salesman or house painter?
>
> Mr. ROBINSON. I think he was a salesman. I do not think he was a house painter.

The gentleman from Nebraska, Congressman STEFAN, read into the official hearings less than a dozen of the 108 cases reported by investigators. That record would make our war dead turn in their graves. Case No. 1 was born in New York City in 1918. He was employed as an economist and analyst with the Office of Strategic Services—better known as Big Bill Donovan's Cloak and Dagger Boys—and with the State Department since June 1945. Previous to that he worked for the Treasury Department and the War Production Board. He is now employed in the Division of Research and Intelligence. In October 1947 a memorandum recommended that this man be terminated as a security risk. It revealed that he was an active member and officer of the American Student Union. He has been closely associated with several subjects in a Russian espionage case, and has two brothers who are Communist Party members. Confronted with this information, Mr. Hamilton Robinson, Director of the Office of Controls, said that the State Department Personnel Security Board decided that Case No. 1 was not a security risk.

Case No. 3 immigrated to the United States from Hungary in 1938, was naturalized in 1944. Her record shows her to be an active member of the International Workers' Order, which is a well-known Communist-front organization.

Two references on her application for citizenship were members of the IWO and contributors to Communist magazines. She, herself, was a contributor to the Hungarian Communist magazine known as NOK. One reference on her State Department application refused to recommend her, questioning her loyalty, and declaring she is inclined toward communism. A former employer stated that he discharged the subject for being argumentative and inclined toward communism. Another employer stated she was a radical and boasted of being a Communist. Two other witnesses testified that she said communism was a good thing and right for this country. A fifth informant said she was "oversympathetic to communism."

A review was given this case in June 1947. All informants were reinterviewed and reiterated their statements. In October, a State Department investigator advised that an unfavorable security recommendation was being prepared. Despite this record, compiled since 1944, this woman is still employed at the State Department.

Another case deals with a State Department employee who belongs and has admitted membership to five Communist-front organizations. Repeated recommendations have been made for her dismissal. She remains employed in the Department.

Another reveals the case of a man, employed by the Government since 1942. In 1945, he joined the staff of the State Department. A year later, testimony gathered from eight reputable citizens, including six members from the faculty of two great universities, a naval officer and business associate, indicated that this employee was either a Communist or fellow traveler. His past record revealed that he was discharged from a naval school for poor grades and pro-Communist activities. A memorandum dated May 15, 1946 attached to this individual's files reads as follows: "Investigation disclosed evidence of a material nature tending to affect adversely the subject's loyalty to the Government of the United States and its institutions. It reveals that the subject is unmistakably identified with Communist activities." Further Government investigations report this man to be lacking in ability, a disagreeable associate, work below par, mediocre, dull, and slow-thinking, weak as to ability, common sense, and public relations. These are official reports of this individual's supervisors. Four subsequent reports and investigations have been made, and despite the considerable derogatory information obtained, the subject was transferred in August 1947 to another division when his previous position was abolished. After a year and a half of investigation, no conclusion has been reached in this case and the subject remains employed in the Department. And so ad infinitum.

Not only did investigators turn up these cases of men and women actually employed but they made available to the Appropriations Committee, the records of persons who were presently under consideration for future employment by the Department. These records, if anything, were even more unsavory. Applicants for positions as Foreign Service officers, experts in information and education were found to have records as moral delinquents and mental hazards of one kind or another. Several had police records. As Congressmen questioned State Department officials regarding these subjects, their testimony became more evasive, erratic, and unsatisfactory.

Committee investigators reported that, though the State Department files were ostensibly open to them, papers containing important information were withheld. Sharp questioning of Mr. Hamilton Robinson by the gentleman from Nebraska, Congressman STEFAN, revealed that a central control book, containing personnel records, with potent documentation, was not made available to the investigators, despite repeated demands for its release.

According to Mr. Robinson, one of the most important working tools of the Office of Controls is a card index of 300,000 references on individuals and organizations. These cards are the key to information in the Department on subversive activities. Investigators reported that up to December 1947 no uniform method of indexing materials was used in that office, no one seemed to be familiar with the files or the references or symbols in the card index. A test check of the cards indicated that approximately 29 percent of them had insufficient information or faulty reference material. The gentleman from Nebraska [Mr. STEFAN] pointed out that "15,000 military and naval attaché reports on security matters were received and handled by the Division in the past year and that less than 5 percent of them were indexed," thus making the balance of 95 percent of negligible intelligence value.

No enemy of the United States could hope for a better ally than the complete confusion and disintegration of our governmental machinery. When the Nazis stalked Europe, they undermined and overtook the Governments of Poland, Denmark, Norway, Belgium, and France. Now Russia is on the prowl. So far she has pocketed Albania, Estonia, Latvia, Lithuania, Bulgaria, Rumania, Hungary, Czechoslovakia, Poland, and you might as well add Finland. This is no time to play Little Red Riding Hood. Any officers or employees of the United States Government who are suspected in the slightest degree of communism, or affiliation with Communist-controlled organizations or who are so lacking in discretion that they associate themselves with the enemies of this Nation should be forced out of the Federal employ. Let them earn their bread and board in other pursuits, not allied with the welfare of this Nation. Unfortunately, there is no law against their type of treachery. On the contrary they seek protection in the very laws they so despise. They cleverly plant the old cliches in the mind of the public—Red baiting, tyranny, witch hunts. It is an old story. The ending is up to the Congress and the American people.

Mr. SHAFER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have just finished reading Report No. 1433 from the Committee on Appropriations for State, Justice, and Commerce for the fiscal year 1949, and I am shocked at a comment made by the committee concerning the administration of the Office of Alien Property. That Office, as we know, is charged with the responsibility of vesting the properties of the enemy aliens in the United States under the Trading With the Enemy Act. The great responsibilities of that Office are placed upon the Honorable David L. Bazelon, Assistant Attorney General and Director of the Office of Alien Property.

Mr. Bazelon is a personal friend of mine and prior to his becoming a public servant he was engaged in the practice of law in Chicago, Ill. Like many of our public servants, Mr. Bazelon gave up a very successful practice and made many personal sacrifices in order that he might serve his Government.

Six months after assuming the responsibilities of that Office and on Tuesday, December 9, 1947, Mr. Bazelon appeared before the House Subcommittee on Appropriations to testify and justify the request for funds to carry on the activities of that Office for the 1949 fiscal year. At the hearing Mr. Bazelon answered all questions propounded by the chairman and the other members of the committee in an apparently satisfactory manner. The chairman and the members of the committee did not indicate to Mr. Bazelon at that time that they had any criticism of the manner in which the activity was being administered nor did they direct any questions to him with reference to the administration of his Office. However, on Friday, February 27, the report of the committee was made public and it contained the following statement:

> In this connection it may be stated that information brought to the attention of the committee indicates exceedingly poor administration of this activity. It is suggested that the Attorney General take immediate steps to survey the Office of Alien Property both from an administrative and operational standpoint and have the resulting information available for the consideration of this committee during the hearings on the bill for the fiscal year 1950.

This statement has been made without affording Mr. Bazelon with an opportunity to answer such charges or comment upon any of the alleged information which has been brought to the attention of the committee. There is not one iota of evidence contained in the hearing which would substantiate that statement. The criticism is unfair and unfounded. It cannot serve any useful purpose. Since no attempt is made to inform Mr. Bazelon of the nature of the information or its source, there is no opportunity for him to make useful investigation in his own organization nor to take any corrective action, if corrective action is called for.

The derogatory remarks which have been permitted to creep into this report can only serve to impede the progress and to destroy the efficiency and morale of our Government officials. If our committees are to follow this grossly unfair and improper procedure, we cannot expect men who have been successful in private life, such as Mr. Bazelon, to accept positions as public servants. Certainly the compensation awarded them for their services is no incentive.

In view of the difficulty the Government is having in retaining competent administrators, it is, in my opinion, far beneath the dignity of the Congress to criticize publicly these administrators in such an unfair manner.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WALTER: On page 72, line 10, after "referee", insert "appointed," and after "place" where it first appears in line 10 insert "created since June 28, 1946."

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. STEFAN. I want to inform the Members of the Committee that this particular amendment was brought to

the Committee with the full approval of the House Committee on the Judiciary, and so far as I am concerned I accept the amendment.

Mr. WALTER. Mr. Chairman, there are several others, perhaps, who may want to say something about it, but are willing to accept the amendment. I might say in connection with this amendment that it is designed to preserve the status quo of places where referees in bankruptcy sat before the enactment of the referee law on the 28th of June 1946. By the adoption of this language, the House will have shown beyond any question its desire to see that its responsibility is assumed and not passed on to some clerk in the administrative office. The enactment of this language in this amendment will preserve every place where terms of bankruptcy court have been held and will prevent an interference with arrangements that have been proved successful over a period of years. Unless this language is adopted some of you may find that some clerk has decided to abolish a place for holding terms of bankruptcy court. It is very important that this amendment be adopted.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. PRICE of Illinois. I am very happy that the Committee has accepted the gentleman's amendment. I know that without your amendment, a great hardship would be worked, not only on litigants, but on people generally in the legal field who handle these cases. I have a particular instance of my own with reference to my district where without your amendment, a referee was taken from my district in Madison County, a county of over 180,000 people and litigants and attorneys were forced to travel 100 miles to the next city, Springfield, Ill., where they hold terms of court.

Mr. WALTER. This amendment will guarantee to the gentleman's constituency that the present arrangements will not be interfered with.

Mr. PRICE of Illinois. I am glad to hear that. Prior to the war, we had a great number of bankruptcy cases in this referees court at Evansville, Ill. During and since the war we have not had very many. But if the people make the same mistake they did in the twenties, we may have a deluge of bankruptcy cases, and I want to see these people have every convenience possible.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GRAHAM. The gentleman's amendment applies particularly to places where referees in bankruptcy are now sitting and will preserve the status quo without any question. The amendment comes here with the full recommendation of the Committee on the Judiciary.

Mr. WALTER. I thank the gentleman.

Mr. HARRISON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HARRISON. Do I understand the effect of the gentleman's amendment is to provide that the referees in bankruptcy will sit where they are now sitting?

Mr. WALTER. Exactly.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. MILLER of Maryland. Would your amendment take care of the situation where a referee might be in this situation? To be explicit, there are several small towns in my district, one of which has always had a referee in it. But he has not always been in the same town. If the present referee is in one of the small towns some 20 miles away from where the referee had been in 1946, but covering the same territory, of course, would your amendment take care of a case of that sort?

Mr. WALTER. I do not think it would, frankly. The amendment would take care of the situation where the referees are today holding terms of bankruptcy court in a particular place. However, if the referee is the same person, no matter where he sits, then the arrangement could not be disturbed.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. ALLEN of California. Would the gentleman inform me whether his amendment goes to the places at which the referee sits rather than to the particular referee?

Mr. WALTER. It goes to both. I know the gentleman's problem. Today, as I understand it, there are terms of bankruptcy court held in Oakland, Calif., and the terms of the United States court are held in San Francisco. Now because there was a referee sitting in Oakland on the 28th of June 1946, the administrative officer of the court cannot disturb that situation. We talk a lot about bureaucracy. We are continually complaining about the encroachment of the executive branch on our prerogatives. Here is an opportunity for us to demonstrate whether or not we mean it when we say that we intend to regulate the regulators.

Mr. LATHAM. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. LATHAM. Do I understand correctly that your amendment would keep in the present location the referee, who is presently in the post office away from the district court, with free rent and with adequate quarters, and so on?

Mr. WALTER. Precisely. That is one of the reasons why some of us on the Judiciary Committee felt that it was necessary to recommend the language that the Appropriations Committee adopted. During the depression years a great many Federal buildings were erected, and in most of them accommodations were provided for the holding of terms of court. It seems to many of us it would be the height of folly to permit a court to direct a place for holding terms of bankruptcy court at an additional expense to the United States.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HORAN. This subcommittee tries to carry out the intent of Congress when we know what that intent is. In this case there appears to have been some doubt. We do not spell it out correctly, and we are happy to make any contribution in clearing up the intent of this body.

Mr. WALTER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REED of Illinois. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of Illinois: On page 72, line 8, strike out all of lines 8, 9, 10, and 11.

The CHAIRMAN. The Chair would inform the gentleman that is not a proper substitute for the pending amendment. The gentleman may offer this amendment later.

Mr. STEFAN. Mr. Chairman, I ask for a vote on the amendment.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the amendment.

As I understand the situation the only effect it would have would be to take the referee now holding court in Reading, Pa., and transfer that court to Easton, Pa. Easton is on the extreme eastern end of the five counties composing the northwest half of the eastern Pennsylvania district. There are good roads connecting Reading with every other part of the five counties. Reading is in the exact center of the geographical area served. The statistics of the filings of bankruptcy cases show that it is in the center of the case load to be carried. It is the result of a study made by the expert on bankruptcy of the administrative office of the courts. It has the approval of the Conference of Senior Circuit Judges. It is located in the exact center instead of on the farthest easternmost boundary of the area, and in the county in which there are fewer cases filed than in this center county alone. But be that as it may, I think the geography of the situation shows that the amendment ought not to be adopted. You will upset the law that we wrote 2 years ago and it has been the law ever since and there is no objection to it. It has the approval of the constituted authorities, including the Conference of Senior Circuit Judges.

Mr. WALTER. I know that the gentleman did not mean this particular situation.

Mr. HOBBS. I certainly did and I got my information from the gentleman from Pennsylvania.

Mr. WALTER. No; the gentleman did not get that information from me. This matter was discussed in the Committee on the Judiciary. The gentleman from Alabama himself pointed out that there were 18 different situations affected, situations all over the United States.

Mr. HOBBS. Mr. REED, the chairman of our Bankruptcy Subcommittee, was the one who made that statement and read the list of offices that would be abolished, but that statement was made with reference to a wholly different matter. Now, may I address myself to the amend-

ment for just 1 minute? The basic law governing referees is the result of a 10-year fight to remove the last vestige of the iniquitous fee system from our judicial system. We put the referees on a salary basis. We found six referees who were drawing over $100,000 a year. By leveling off such peaks of the "take" and by prescribing that no referee could get over $10,000, we have come to the place where the United States Government will make over a million dollars a year, as estimated by the experts in whom I have explicit confidence.

This is the law, and it was prescribed that the administrative office of the courts should make a careful study; and after conference with the district court judges these bankruptcy districts were set up for referees. No such area was created where the case load did not justify it. We have cut down the number of referees by about half, to where we now have 160 instead of 340. We have saved money. Money will be paid into the Treasury. The system will show a profit to the Federal Government instead of a loss. It costs the Government nothing except during the lag while the case fees are being collected.

So we submit that a careful study like this ought not to be upset. If you will look at the map of these districts you will find Easton, of course, in the eastern extremity, while the place where the experts put it is in the exact center of the bankruptcy district. The case load justifies it also.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JOHNSON of California. Mr. Chairman, I rise to propose a pro forma amendment; namely, to strike out the last three words.

Mr. Chairman, my only excuse for taking the floor in this matter is that I was a referee in bankruptcy at one time out in California, and relinquished the job at the end of my term, and recommended a successor, whom the court appointed.

I concede that the abolition of the fee system was a very good thing. The reason I should like to see adopted the amendment offered by the gentleman from Pennsylvania [Mr. WALTER] is that I am familiar with one case where it would be a strict disservice to abolish the office of referee or to remove the office to another city. The place I refer to is Oakland, Calif. This referee serves a community of over 1,000,000 people. They propose by this bill to eliminate that office and center it all across the bay in San Francisco. I think it would be a very great disservice to the number of people who had the use of the referee's office in Oakland. I do not know whether the average Member of Congress knows, but going through the office of a referee in bankrupty—and I was a referee in a small office comprising about six or eight counties—are a great many cases. In the Oakland office thousands of cases are considered each year. The referee out there was previous to his appointment, an experienced and successful trial lawyer. He has had the job for about 10 years and he receives $10,000 a year. I think it would be very bad for people who get into the unfortunate position of being bankrupts, and their attorneys likewise, to have to go over to San Francisco. Undoubtedly the work in San Francisco would catapult up so high there would be great delay in the disposition of these various estates. Also, there is no space in the Federal Building, so office space would have to be rented at a higher cost than in Oakland.

For that reason and based upon my knowledge of this one case, I hope that the amendment offered by the gentleman from Pennsylvania will be adopted.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Alabama.

Mr. HOBBS. The situation that the distinguished gentleman has recited will be taken care of by the Reed amendment to be offered by the chairman of our Bankruptcy Subcommittee in conjunction with 11 other places that are similarly affected.

Mr. JOHNSON of California. Does the gentleman mean that the office at Oakland, Calif., will be retained?

Mr. HOBBS. If we adopt the amendment that he is going to offer. The only reason that that is not up for consideration now is it was held out of order as a substitute for the Walter amendment.

Mr. JOHNSON of California. I understand that. I do not know anything about the Easton case, but I do know about this one case to which I referred and I think it would be a mistake to eliminate that office or move it.

Mr. HOBBS. We not only know about that case but we know of 11 other cases that would work the same kind of a hardship. The Reed amendment will take care of all of them.

Mr. JOHNSON of California. I thank the gentleman for his contribution.

Mr. STEFAN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved for the chairman of the subcommittee.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I take this time to ask one question of the distinguished gentleman from Pennsylvania who has offered an amendment to the pending bill. The distinguished gentleman from Alabama [Mr. HOBBS] says that the only effect of the amendment offered by the gentleman from Pennsylvania is to provide a referee in bankruptcy at Easton, Pa., which is at the far corner of the judicial district, there being a referee in Reading. I would like to know whether or not that is the fact and if that is the full purport of the amendment offered by the gentleman from Pennsylvania?

Mr. WALTER. No, that is not the fact. In the first place, there has not been a referee in Reading for the last 4 years, nor has there been a case in bankruptcy in 5 years. There has not been a referee in bankruptcy in Easton for 2 years. All of the bankruptcy business in Easton, Pa., is being transacted in Philadelphia. The only purpose of this amendment is to prevent an administrative officer from interfering with situations that have proven satisfactory over a period of years.

Mr. KEEFE. Is it a fact that the gentleman's amendment is applicable to that one situation as charged by the gentleman from Alabama? I understand that an amendment is going to be offered by the distinguished gentleman from Illinois [Mr. REED] that would take care of some 11 or 12 situations that ought to be taken care of. I understand that the gentleman's amendment does not touch that situation at all.

Mr. WALTER. This amendment applies to every place in the United States where on the 28th of June 1946 terms of bankruptcy court were being held. That is, every place in the United States. As a matter of fact, I did not know that the situation at Easton, which happens to be my home town, was affected.

Mr. KEEFE. Does the gentleman mean by "bankruptcy court" the usual transactions before a referee?

Mr. WALTER. That is right.

Mr. HOBBS. Will the gentleman yield?

Mr. KEEFE. I confess I am very much disturbed because of this complete conflict that exists and I want to be sure that a situation that exists in my State is going to be taken care of also.

Mr. HOBBS. I welcome the challenge and I reiterate that the sole purpose of this amendment is to take the referee away from Reading and put him in Easton. The trick is this date that he has inserted, the date of the approval of the Referee in Bankruptcy Salary Act. Therefore, since there was a part-time referee working out of Philadelphia, sitting at that time in Easton but not in Reading, it would have the effect that I stated, and I am glad that the records bear me out, and they do not substantiate what the gentleman from Pennsylvania says.

Mr. KEEFE. It places the average Member of Congress in a rather embarrassing situation when we have two distinguished members of the Committee on the Judiciary endeavoring to interpret an amendment that is offered to this bill, which the chairman of the subcommittee in charge of the bill says he is willing to accept, and a third distinguished member of the Committee on the Judiciary trying to get recognition to offer an amendment and to speak on it which will have some other effect.

Before I vote on this matter I want to be sure that the amendment I am voting on will do the thing that we all have in mind. I do not want to vote for some tricky amendment that is simply going to make provision for taking care of a situation up in Pennsylvania, may I say, and not take care of similar situations that exist all over the United States. I think before we vote on this matter we better know what we are voting on.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, something has been said about embarrassment and something about the chairman of the committee being willing to accept an amendment to the bill. Now, let us keep the record straight because I, as

chairman of the subcommittee, also am embarrassed. I have told this House many times that I would go along with the leadership in fighting against legislation being written in an appropriation bill; that I will do everything I possibly can to consult the legislative committees, wherever I can, or wherever I think they would help me bring into the House or into the committee an appropriation bill which would have the approval of the Members on both sides of the aisle.

If you will look on page 72, you will find language that was not in the bill last year. That language reads:

No part of any appropriation in this title shall be used to pay the cost of maintaining an office or for the salary of a referee at any place other than at a place where terms of a district court of the United States are held.

This is an amendment which was brought to my committee by a member of the Committee on the Judiciary with a message stating that it was the unanimous opinion of that committee that this amendment should be placed in this bill, and for that reason you find this amendment in the bill. I assumed when the gentleman from Pennsylvania took the floor and offered the amendment, that the entire membership of the Committee on the Judiciary was unanimously in favor of that amendment. I thought it was merely an amendment to this amendment which was brought to my committee.

Now, I want to compliment the gentleman from Illinois [Mr. REED] and the gentleman from Alabama [Mr. HOBBS] for bringing into this House a bill placing referees on a salary basis and becoming officials of the United States District Court, because I agree with the gentleman from Alabama that eventually this will result in not only a saving of about $1,000,000 a year to the taxpayers of the United States, but will also result in better justice to those who appear in bankruptcy courts, and the public will not be gouged. Now you are proposing another amendment here today to do something else with these referees. I leave it to the judgment of this committee. Who are more entitled to ask that an amendment be placed in an appropriation bill than members of the committee that writes legislation relating to the judiciary?

Mr. REED of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Illinois.

Mr. REED of Illinois. The gentleman from Nebraska stated that he was approached by a member of the Committee on the Judiciary asking that this amendment be placed in the bill, and that it was the unanimous opinion of that committee that that should be done.

Mr. STEFAN. The gentleman is correct.

Mr. REED of Illinois. Would the gentleman be surprised to know that the first time the Committee on the Judiciary knew anything about this amendment was when it was called to their attention yesterday at a meeting of the committee?

Mr. STEFAN. I am very much surprised, because the chairman of that committee told me not very long ago he knew very little or nothing about it. The gentleman from Illinois knows of my high regard for the members of the House Committee on the Judiciary, and that I frequently consult with them on matters of legislation dealing with the Federal Judiciary and the Department of Justice.

Mr. Chairman, I ask for a vote on the amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished chairman of the Committee on the Judiciary.

Mr. MICHENER. I regret exceedingly to see this disagreement among the members of the Committee on the Judiciary. I learned of this provision in the bill, on yesterday. The full committee discussed the provision. My personal view is that the language in the bill should remain in the bill, although I did not have anything to do with putting it in the bill. The real trouble is that every time you start to cut appropriations anywhere someone is going to lose a referee in his territory, and when that happens—when the Members find that out—everybody starts a fight against the cut that affects his district. That is all there is to this. Those who are trying to change it are trying to keep certain persons in jobs in their districts. I should like to see the bill remain as it is.

The CHAIRMAN. The time of the gentleman from Nebraska has expired. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was rejected.

Mr. REED of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of Illinois: On page 72, strike out all of lines 8, 9, 10, and 11.

Mr. REED of Illinois. Mr. Chairman, my amendment strikes out the entire paragraph which provides that no part of the appropriation shall be used to pay the cost of maintaining an office or for the salary of a referee at any place other than a place where terms of a district court of the United States are held.

When the Referees' Salary Act was passed in 1946, we had in the United States some 330 referees in bankruptcy. These referees received their compensation wholly from fees collected from bankrupt estates. The act of 1946 provided that fees must be collected and turned into the Treasury and that the referees be placed on a salary basis. The number of referees to be appointed, the districts in which they shall serve, and the salaries they are to receive are fixed by the Judicial Conference, composed of the Chief Justice of the United States and the senior circuit judges of each respective circuit. The place at which such referees are to hold court and have their principal office is also fixed under that law by the conference. The referees themselves are appointed by the district judges.

The effect of the provision in the pending bill sought to be eliminated by this amendment will be that 18 referees, located at places where a Federal district court does not hold terms of court, will be legislated out of existence, their salaries stopped, their expenses denied, and their offices closed unless they are moved to places where the district courts now hold court.

Without doubt the intention of the Committee on Appropriations was to reduce expenditures by locating as many referees as possible in Federal buildings and thus reducing the amount of money that is paid for office rent. As a matter of fact, no appreciable reduction would be accomplished and only confusion would result. There are two full-time referees who would be affected by this provision, one in Jamaica, N. Y., and one in Oakland, Calif. The one at Jamaica, N. Y., now occupies quarters in the Jamaica Post Office Building. But inasmuch as the district court holds no terms of court there, his office would have to be vacated under this act, and if he still desired to serve as a referee he would be compelled to move to Brooklyn. In Oakland, Calif., where likewise no Federal district court sits, the referee occupies a rented office. This also would be closed and he would be required to move to San Francisco and secure rented quarters in that city because even now there is no available space in the Federal Building for their resident referee. The fact that rents are higher in San Francisco than in Oakland certainly means no economy here and the Oakland bar, litigants, and public will be put to the inconvenience of crossing the bay to transact bankruptcy business in San Francisco. The other referees affected are in small towns as a rule and serve a large area. The total amount of rent that is paid for all of the office space for all of these part-time referees, some 16 of them, is $5,329 per year.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. REED of Illinois. I yield.

Mr. SHORT. What are their salaries?

Mr. REED of Illinois. The salaries of these part-time referees are as follows:

Yonkers, N. Y., $3,500.
Poughkeepsie, N. Y., $1,500 a year.
Reading, Pa., $3,000.
Ebensburg, Pa., $3,500.
Salisbury, Md., $1,000.
Staunton, Va., $1,500.
Grafton, W. Va., $3,000.
Tupelo, Miss., $1,000.
Joliet, Ill., $3,000.
Dixon, Ill., $3,000.
Edwardsville, Ill., $2,000.
Gary, Ind., $3,500.
Manitowoc, Wis., $3,500.
San Bernardino, Calif., $1,000.
Corvallis, Oreg., $3,500.
La Grande, Oreg., $900.

Those are the salaries of all these part-time referees whose services must be performed either by other referees whose salaries would then have to be raised, or other referees would have to be appointed from the big cities to go into the country districts and perform the duties formerly performed by the resident referee. This, too, means additional mileage and expenses to say nothing of the inconvenience of the public.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. REED of Illinois. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlemen from Illinois?

There was no objection.

Mr. REED of Illinois. Mr. Chairman, there is one other thing I wish to call the attention of the committee to, and that is the provision that has been inserted in this bill is likewise objectionable because it is vague and uncertain. It is vague and uncertain because it says "that no part of this appropriation shall be used to pay the salary or maintain the office of any referee at any place other than at a place where the terms of the district courts of the United States are held." I am sure I do not know how the word "place" would be construed. It is a very vague and uncertain term.

Webster's Twentieth Century Dictionary, 1936 edition, page 1250, defines the word "place":

A particular portion of space considered as separate and distinct from rest of space; a particular locality, spot or location; position; that portion of space which anybody occupied or occupies; as anything in its place; a warm place.

Any particular location considered as distinct from others, relations, or use; region; site; abode; quarters; a building, village, town, city, or country;

Room that may be occupied; reception; ground;

Room made vacant as by the absence of former occupant;

Black's Law Dictionary, 1944 edition, page 1363, gives the following information:

Place: This word is a very indefinite term. It is applied to any locality, limited by boundaries, however large or however small. It may be used to designate a country, state, county, town, or a very small portion of a town. The extent of the locality designated by it must generally be determined by the connection in which it is used. (*Law* v. *Fairfield* (46 Vt. 432); *Henthorne* v. *State* (35 Okl. Cr. 197, 249 pp. 429, 430); *State* v. *White* (111 Kan. 196, 206 pp. 903, 904); *Roche Valley Land Co.* v. *Barth* (67 Mont. 353, 215 pp. 654, 655); *Carlin* v. *City of Chicago* (262 Ill. 564, 104 n. e. 905, 907, ann. cas. 1915B, 213); *Allison* v. *Hern* (102 Kan. 48, 169 pp. 187, 188); *Kansas City Breweries Co.* v. *Kansas City* (96 Kan. 731, 153 pp. 523, 524); *Robinson* v. *State* (143 Miss. 247, 108 So. 903, 905); *Hammell* v. *State* (198 Ind. 45, 152 n. e. 161, 163); *State* v. *Cahalan* (204 Iowa 410, 214 n. w. 612, 613).)

From Forty-eighth Corpus Juris, page 1211:

Place: A. As a noun—1. In general. A very indefinite term; a word of variable meaning, the particular meaning in any given instance of its use depending upon the connection and circumstances of its use. In its primary and most general sense it means locality, situation, or site; an area; an area or portion of land marked off or regarded as marked off or separated from the rest, as by occupancy, use, or character; any portion of space regarded as measured off or distinct from all other space or as appropriated to some definite object or use; a definite point or locality; a portion of space regarded as separate from the rest of space; region; space occupied by, or belonging to, a thing under consideration; space regarded as abode or quarters. It may be applied to any locality, limited by boundaries, however large or however small. Accordingly, among other things, the term may be employed as designating, including, or synonymous with, "archway," "automobile," "barbershop," "booth," "building," "city," "country," "county," "excavation," "farm," "homestead," "hotel," "hotel room," "house," "inclosure," whether covered or not, "interior of a railway station," "livery stable," "parish," "park," "part of an alley," "post office," "building," "receiving house for letters," "restaurant," "room," "steamboat," or "vessel," "street," "tent," "town," "trench," "vehicle," "weed or brush patch," "whole premises," "yard." The extent of the locality designated by the term must, generally, be determined by the connection in which it is used.

A place could mean a county; it could mean a city; it could mean a building; it could mean a part of a building. Here you have this situation in Jamaica, for instance, where you have a full-time referee. There is a Federal post office in Jamaica and if you address your mail you address it to Jamica, N. Y., yet Jamaica, like Brooklyn, is a part of the city of New York. If place means the building in Brooklyn where the district court holds court, then the Jamaica referee will have to move to Brooklyn, and the people of that part of the city of New York that he now serves will not get service in their own locality. If place means city, then obviously he can stay where he is. If these small part-time offices out in the country districts are abolished it means that the people in those country districts must go into the big cities to transact their bankruptcy business. I have in mind for instance my own State. The northern district of Illinois comprises in area about one-third of the State. Its population is about two-thirds of the State. There are three full-time referees in Chicago which lies wholly within the county of Cook. There are 17 other counties in the district that are served by two part-time referees. If this bill is not amended and becomes the law these two part-time referees will be done away with and all the litigants in those 17 counties will be required to be served by referees whose offices are many miles away in the city of Chicago.

Mr. Chairman, the pending amendment will leave the operation of the bankruptcy courts as they have been established by the Federal district and circuit judges. They will be more economical, more practical, more convenient. This is no time to hamper, harass, or embarrass the administration of justice by a synthetic economy that will amount to an extravagance and a hardship to the public.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. REED] has again expired.

Mr. STEFAN. Mr. Chairman, there is a very important rubber bill to follow the consideration of the pending bill. I wonder if we cannot arrive at some time to conclude the debate on this amendment.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes, the last 3 minutes to be reserved for the chairman of the committee.

The CHAIRMAN. The question is on the motion of the gentleman from Nebraska [Mr. STEFAN].

The motion was agreed to.

Mr. MILLER of Maryland. Mr. Chairman, I am deeply interested in seeing this amendment agreed to not only because it happens to vitally affect my district to the large extent of a $1,000 salary but because it happens that I served as a country referee for some 20 years. I think injustice and hardship will result in a number of communities, certainly the district which I represent, if this amendment is not adopted.

One of the things that I think has escaped the attention of the committee is the fact that one of the chief functions of a referee in bankruptcy is to make access to the bankruptcy court easy for people who have to come into that court. They are always unfortunate cases anyway. Many times people have reason to see a referee who cannot afford to take long trips. It would be upsetting an unbroken precedent that has existed since the bankruptcy law was first established many years ago. From that time uninterruptedly my district has had a referee. In the part of Maryland in which I live considerable travel and expense is involved for litigants to go to Baltimore, where the district court sits. We have had as many as three sitting referees in the days when bankruptcy was prolific. Today we have only one and his location is a great convenience to the members of the bar and to litigants and creditors who otherwise might have to make long journeys even to file a petition or have an order signed if there were but a single referee in the whole State. As I recall from the standpoint of money, for example, it would be much more expensive if this referee were removed. I believe the law still requires that the first meeting of creditors be held in the county where the bankruptcy originates. There are nine counties in my district. To reach some of them would require a 200-mile journey from Baltimore on the other side of the bay.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. JENNINGS. There is this additional reason for what the gentleman is proposing and advocating, in bankruptcy proceedings the creditors generally do not get much except the little blue slip that announces the "catastro-fee"; and why have him have to walk, wear out a pair of shoes, and lose all of his patience, and maybe most of his religion?

Mr. MILLER of Maryland. The gentleman is absolutely correct. The cost of a referee moving to and from Baltimore throughout the nine counties of this little district of mine—and it is not a little district geographically—would be more than the $1,000 a year in salary that is involved. We would also trespass on the prerogatives of the courts which have selected the places where referees are needed. It seems to me that if we cannot trust our fine judiciary to select the place where a referee should sit and see that he sits there, we are, indeed, going beyond our function in this bill.

On the basis of long experience as a referee in bankruptcy, I know that the referee should be near the people with whom he has to deal, and I very strongly urge that this amendment be adopted.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

The gentleman from New York [Mr. LATHAM] is recognized for 1½ minutes.

Mr. LATHAM. Mr. Chairman, I think it would be extremely unfortunate if this amendment did not pass.

It certainly would be very serious for my community and for several adjoining communities. The referee in my county serves not only my county but the adjoining county of Nassau, represented by the gentleman from New York, Congressman LEONARD W. HALL, and the next county of Suffolk, represented by the gentleman from New York, Congressman KINGSLAND MACY. Those counties, together with my county of Queens contain about 2,500,000 people. These are the people who use this referee's office.

If you move the office to Brooklyn these people would have to go long distances and at great inconvenience to Brooklyn. They should not have to do this.

The referee has spacious comfortable quarters in the Jamaica post office in Queens County. Down in Brooklyn they have a dilapidated old building about 100 years old filled to capacity. If the office is moved there the Government would actually have to go out and hire for about $5,000 a year, additional quarters for this referee. It would cost more money than the present setup.

Mr. LEFEVRE. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield.

Mr. LEFEVRE. I understood the gentleman from Illinois to say it makes the people of my county have to go to New York City. It would be a great hardship on my people.

Mr. LATHAM. I understand it would be very critical in the gentleman's area.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Virginia [Mr. HARRISON] is recognized for 1½ minutes.

Mr. HARRISON. Mr. Chairman, I rise in an effort to protect a good Republican referee from being abolished by a Republican Congress. Now, if you want to abolish him that is all right; we will put a Democrat in his place at the county seat courthouse.

The referee ought to sit where he can serve the convenience of the people. We have some good Republicans, and this Republican referee is a good referee. I am therefore here to try to save him.

It seems to me that the question of where a referee in bankruptcy should sit should not be determined by where a court is but by where the district judge under the supervision of the judicial counsel may determine they can best serve the interests of the people.

Incidentally this measure will not save a single dollar, because the people must be served and whenever referees are necessary they will be under the supervision of the court.

For the reasons set forth above I urge the adoption of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MCMAHON].

Mr. MCMAHON. Mr. Chairman, I rise in support of the pending amendment because it vitally affects one and a half million people in the County of Queens. It is significant to me as Members have taken the floor they say, "Well, I have eight or nine counties in my district"; "I have three or four counties." But Queens is so large that the county itself has four Representatives. There are a million and a half people in this county. The referee in bankruptcy at Jamaica also serves the people of Nassau and Suffolk. The people of Suffolk, if the pending amendment does not pass, will have to travel 140 miles to get to Brooklyn. Those of you who were in New York during the recent snowstorm will realize the difficulty we had in traveling for most of the winter because of the tremendous snowfall, the resultant nonremoval by the city and the constant freezing creating ice ruts. To move the referee in bankruptcy to Brooklyn would work an undue hardship on the people of Jamaica and the rest of Queens. Therefore I urge that the Committee support this amendment and afford the two and a half milion people of Queens, Nassau, and Suffolk the relief to which they are entitled.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, I rise at this time because the gentleman from Alabama [Mr. HOBBS] has created an impression that this is a personal matter with me. A casual examination of the report of the Judicial Conference will disclose that the referee in bankruptcy is required to sit in my home city of Easton, Pa. I respectfully request those of you Members who had any doubt as to my integrity in this matter to look at the report of the Judicial Conference and you will find that to be the fact.

As to the amendment I offered that would preserve the status quo of situations that existed on the 28th of June 1946, I say to the distinguished chairman of the subcommittee that the Judiciary Committee did agree that that amendment, if adopted, would have taken care of every place in the United States where a referee sat at the time the bankruptcy law was approved. As to the original language which I submitted to the distinguished gentlemen of the Appropriations Committee, the Chairman of the Judiciary Committee and other members of the committee and I discussed this matter. As a matter of fact, the gentleman from Michigan [Mr. MICHENER] called my attention to the situation and after it was explained language designed to meet it was drafted and submitted to the distinguished chairman of the Judiciary Committee, who approved it.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ALLEN].

Mr. ALLEN of California. Mr. Chairman, the District Court for the Northern District of California sits in San Francisco. It has two full-time referees. The population is divided roughly one-half on the San Francisco side of the bay and one-half on the east side of the bay, from which I come.

Each of the officers has existed for 20 years or more; each has given a very satisfactory and convenient service to the members of the bar and the litigants. There is no saving involved in abolishing the position at Oakland and transferring it to San Francisco. Each referee rents his quarters and each would have to be provided with rented quarters, as is the case now.

It is a great convenience to the attorneys on the East Bay side to have a referee situated in their midst, a great convenience to the people and a situation that has existed satisfactorily for a number of years.

Mr. Chairman, I ask that the amendment now pending be supported.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in support of the amendment and the sentiments just expressed by my colleague the gentleman from California [Mr. ALLEN]. I think that we should give the litigants in this county a break. They would have to go to San Francisco, where they would lose a great deal of time crossing the bay, and at great expense to themselves and the attorneys involved. I can see no reason why the situation in crowded metropolitan districts, where we have centralized the Department of Justice, should not be continued. I ask that the amendment be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. LOVE].

Mr. LOVE. Mr. Chairman, I rise in support of the amendment. The present system is certainly a matter of convenience and I cannot see how any substantial saving can be made by the proposed change in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman and Members of the House, I wish you would give me your ears for a moment. This amendment offered by the chairman of the bankruptcy subcommittee of the Committee on the Judiciary will not cost anyone 1 cent, but, to the contrary, will save a considerable sum of money. In the first place, it all comes out of the costs taxed in bankruptcy cases, after the lag which will be necessary to collect the fees from the litigants. But, aside from that, it is copybook stuff to know that the shortest distance between two points is a straight line, and that the nearer you put courts to the people the more convenient attendance is and the less expense. So much for that.

In the second place I want to say this, that far from being unanimous on the part of the Committee on the Judiciary, we never heard of the amendment which was offered to and adopted by the Appropriations Subcommittee, until after the pending bill, so amended, was reported to the House.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Just one second. I want to finish this statement and then I will be glad to yield.

Mr. WALTER. I was talking about the amendment that was voted down. That was the one we discussed.

Mr. HOBBS. I realize that you showed that to me, privately, in the Committee on the Judiciary, and again on the floor, back of the rail yesterday, but each time I told you I was opposed to it. However, that was not the amendment now printed into the bill as reported by the Appropriations Committee which you gave the gentleman from Nebraska [Mr. STEFAN] and told him it had unanimous approval of the Judiciary Committee. I confidently believe that you were almost, if not absolutely alone, in your approval of that. I do not believe you, or anyone else, consulted with a single one of the seven members of the Subcommittee on Bankruptcy about that amendment and I am quite sure that none of us would have approved that amendment if he had been consulted. There are 27 members of the Judiciary Committee—find one of them who agrees with the gentleman from Pennsylvania [Mr. WALTER] if you can.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, this matter is too important to be juggled around here in committee, because notwithstanding the prosperity that is apparent in the United States, we had 13,000 bankruptcy cases in 1947, and the estimate for the fiscal year 1948 is that it will jump up to 20,000.

As I told you before, I am chagrined and embarrassed, as chairman of the committee which makes appropriations for the Federal judiciary. When I am given an amendment from the House Committee on the Judiciary, with an indication that it comes to me unanimously, I am prone to accept it. Notwithstanding that, the committee went into this matter carefully. We discussed it. But I feel, Mr. Chairman, in view of the situation existing in the legislative committee, the House Committee on the Judiciary, that some settlement of this very important matter should be made in that committee and not in the Committee on Appropriations or on the floor of the House at this time. Therefore, I assume the responsibility as chairman of this committee, and I believe I speak for the minority as well as the majority, of saying that we will accept the amendment offered by the gentleman from Illinois [Mr. REED], and I ask for a vote on it at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. REED].

The amendment was agreed to.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 74, line 23, after the word "law.", insert a new section 502:

"That no part of the appropriations contained in this act shall be used for the purpose of converting any coal-heating units to oil or natural gas in any federally owned or rented buildings in or outside the District of Columbia, or for the installation of oil heating units in any new construction."

Renumber section 502.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes after the gentleman's time has expired.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HESELTON. Mr. Chairman, I am hopeful the committee may see fit to accept this amendment, having discussed it with Members on both sides, but I just want to explain briefly why I think it is necessary.

This bill contains a substantial appropriation for the Federal airport program. I discussed that feature with the Assistant Administrator for Airports. He advised me it would be almost impossible to give the full information as to the building program, but he thought approximately 60 buildings are involved, most of them relatively small. The function of the Administrator is solely to determine whether the plans submitted are appropriate and reasonable. I do not think any particular stress has been laid on the wisdom of conservation of oil.

I have also discussed the item covering the boiler at the Washington National Airport. I am told it is heated partially by oil and partially by coal. It is intended to provide heat for five new hangars. The work has actually been completed. There have been changes twice since 1944, largely dependent upon fuel conditions. The authorities do not feel that this would be of any great moment, relatively speaking. While I can agree with them on that, on an over-all basis, I still think that when individuals are urged to conserve and when some homes and buildings are actually cold, it is incumbent upon the Federal Government through its agencies to set the example of conservation. That is exactly what this amendment is intended to do.

Secondly, for those who may think we are out of the woods on this thing, let me call your attention to the fact that over the last week end, parts of New England had a fall of between 9 and 12 more inches of snow. That brought it up to a total of 85.5 inches in the Boston area. This is the only winter since 1873 there has been that much snow in that area. They had 131 inches in other parts of that State. That was true all over New England. That definitely is depleting the stocks we have.

Finally, here is an article that I think is of some moment on this point. It comes from the New York Journal of Commerce of yesterday and is headlined "East's Oil Stocks Dangerously Low."

It reads:

Atlantic coast heating-oil stocks are at dangerously low levels, necessitating continued high production and consumer conservation.

The Petroleum Regional Advisory Committee concluded its report by saying that consumers must continue to save every possible drop of oil if hardship is to be avoided throughout the remainder of the heating season.

The sole objective of this amendment is to make it necessary for the agencies which contemplate conversions or new installations to come back to our committee and justify it in terms of their ability to obtain the supplies in the face of the depleted supplies for our industries and our homes. I hope the committee may see fit to accept the amendment. It can do no harm and it may do a world of good.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Texas.

Mr. WORLEY. I am not exactly clear on the purpose of the gentleman's amendment. What buildings are affected by the amendment?

Mr. HESELTON. They would be buildings erected under the airport program, certainly. There are also several other construction items, which I have not detailed, warehouses that are being rented all over the country, and the like of that.

Mr. WORLEY. Does your amendment mean that an institution or one of the buildings would not be permitted to use oil or gas under any circumstances?

Mr. HESELTON. No, sir. It simply would mean that they could not go ahead as they did at the Boston Marine Hospital and convert from coal to oil. That is what they did in December, making it utterly impossible for us to arrange any reconversion back to coal when we have an ample supply of coal. Secondly, if they plan an installation, that is, a new installation, all we are asking them to do and all my amendment asks them to do is to be sure that they are not taking away from the short supplies of oil which go to heat the homes and industries of your people.

Mr. WORLEY. Would that be a permanent policy?

Mr. HESELTON. Only for the fiscal year 1949.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. HARRIS. Would that prevent a Federal airport building now under construction from installing gas equipment for heating purposes in gas areas?

Mr. HESELTON. I would have to say, "Yes."

Mr. HARRIS. That would be a very dangerous thing to do in areas where you have no coal or other fuel besides gas.

Mr. HESELTON. If the gentleman presses the point, I will ask unanimous consent to take out natural gas and just leave oil.

Mr. HARRIS. I would certainly ask you to do that. In my area we do not have any coal and we have only natural gas. The airport building now under construction certainly could not have any heat if this amendment were adopted.

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to delete the words "natural gas", after the word "oil" in my amendment.

Mr. STEFAN. Mr. Chairman, will the Clerk read the amendment as it is proposed to be modified?

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 74, line 23, after the word "law", insert

a new section 502, "no part of the appropriations contained in this act shall be used for the purpose of converting any coal heating units to oil in any federally owned or rented buildings in or outside the District of Columbia or for the installation of oil heating units in any new construction."

And renumber section 502.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MILLER of California. Mr. Chairman, reserving the right to object, may I inquire of the chairman of the committee if this amendment is adopted would this force the installation of coal-burning equipment all through the West where we have no coal and where we use oil and oil is the convenient fuel for us to use?

Mr. STEFAN. Mr. Chairman, I suggest that the gentleman direct his question to the author of the amendment.

Mr. HESELTON. I think it would, unless the proponents of such construction come to this committee and make a clear showing that they can obtain oil more conveniently and more economically.

Mr. MILLER of California. I am very sympathetic to the gentleman's situation in New England at the present time, but you would impose upon the people of the West a condition that is uneconomical and more expensive. They would have to transport coal out to the West to use for fuel.

Mr. JOHNSON of California. I wish the gentleman from California would include in his question the matter of natural gas. That is what we use as a fuel in my section.

Mr. BROOKS. Mr. Chairman, reserving the right to object, may I ask the gentleman further what would be the effect of his amendment on a situation in my locality where they use oil and gas and they might desire to use something like butane to heat a public building?

Mr. HESELTON. The amendment refers only to oil and not to butane. Butane is a petroleum product.

Mr. BROOKS. It is a derivative of petroleum.

Mr. HESELTON. Exactly, and this only applies to oil.

Mr. BROOKS. Then it would not cover butane?

Mr. HESELTON. Absolutely not.

Mr. BROOKS. In my community we use only oil and gas heat. You would rule out completely any use, for instance, of oil heat although that would be convenient and the normal method of heating.

Mr. HESELTON. If it is a new unit and unless you have adequate supplies, I would say it would be a very foolish undertaking in the face of a shortage nationally to equip a hospital with an oil-burning unit.

Mr. BROOKS. Of course, we have an adequate supply down our way.

Mr. HESELTON. Then that is the answer.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts to modify the amendment?

There was no objection.

The CHAIRMAN. The gentleman from Nebraska [Mr. STEFAN] is recognized.

Mr. STEFAN. Mr. Chairman, this amendment is not new to the membership of this House. A similar provision is in the deficiency bill. It is also in the independent offices bill. I notice the gentleman has limited it somewhat, so that perhaps we can use gasoline and gas in the administration buildings in airports. The gentleman might limit it to all east of the Mississippi River. I do not see how this committee can be called upon to pass judgment on what kind of fuel shall be used in one installation or one piece of construction. I feel that this amendment does not belong in this appropriation bill.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished gentleman from Texas.

Mr. RAYBURN. Does not the gentleman feel that this amendment, even though it appears innocent, might cause a great deal of confusion and a great deal of inconvenience, where people cannot get coal without hauling it hundreds and hundreds of miles?

Mr. STEFAN. Of course, the distinguished gentleman is correct.

Mr. RAYBURN. I think it is very far-reaching to offer an amendment like this without committee hearings and consideration.

Mr. STEFAN. I agree with the distinguished gentleman from Texas that there should be more hearings before the proper legislative committee. Although it looks rather innocent for one fiscal year, it might have a serious effect.

I request that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 69, between lines 20 and 21 insert "Salaries of criers: For salaries of criers as authorized by the act of December 7, 1944 (28 U. S. C. 9), and acts of March 3, 1911, and March 3, 1891, as amended (28 U. S. C. 224 and 547), $468,600."

Mr. STEFAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. The question is on the motion of the gentleman from Nebraska.

The motion was agreed to.

Mr. HOBBS. Mr. Chairman, the amendment which I offer at this point would simply insert into the Judiciary section of this bill an appropriation recommended by the budget agency for the courts, which is the Administrative Office of the United States Courts. The main purpose which I have in mind is to correct again a misapprehension which seems to exist in the minds of some members of the Appropriations Committee. The gentleman from Missouri [Mr. CANNON] a couple of years ago stated that all these criers do is to come into court once a day when court opens and say, "Oyez! Oyez! Oyez! God save the United States and this Honorable Court," when as a matter of fact and truth, I read from the law:

Each district judge may appoint a crier for the court in which he presides, who shall perform the duties also of bailiff and of messenger.

The history of it is that prior to the Economy Act of 1932 this was a regular practice and had been for years. In the Economy Act of 1932, however, it was killed. It has been restored by positive law. It is now, by limitation on an appropriation bill, killed again. It is suggested that in lieu of these triple-duty criers, deputy marshals under civil service, be substituted. That would cost twice as much. Yet they talk about economy. Under civil service you get a man whom you cannot fire and it costs you twice as much. It is a shame for us to leave a judge on the bench with no one even to bring him a book or a glass of water.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so happy to yield to the distinguished gentleman from Pennsylvania.

Mr. WALTER. Is it not a fact that these criers perform other duties, answer the telephone, receive communications from lawyers while the judges are engaged in writing opinions with their law clerks and stenographers?

Mr. HOBBS. That is true. They also run to the library for books at the call of the judge when he is on the bench when the lawyer gives him a citation. In that way it facilitates the administration of justice.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so glad to yield to the distinguished chairman of the Civil Service Committee.

Mr. REES. Is the gentleman suggesting that he wants to have these appointments made outside of Civil Service? Is that it?

Mr. HOBBS. That is not it. They are simply bailiffs and messengers of the courts. Their job is not of the importance to warrant civil-service examinations and status.

Mr. REES. Why cannot a deputy marshal announce the opening of court? What is the necessity for spending all this money for that?

Mr. HOBBS. Of course, a deputy marshal could open court. But that is the least of the duties of the criers. By law they must also perform the duties of bailiff and of messenger.

Mr. REES. We would save about $400,000.

Mr. HOBBS. No; you would not save a penny. On the other hand it would cost twice as much. That is what we are talking about now. At the present time they use an assistant marshal. The pay of the lowest assistant marshal is at least as much or more than the maximum salary fixed for this office, this messenger. It is $1,800 a year, fixed by law. As far as that is concerned, do not deny the courts, when you have only eight-tenths of 1 percent of the budget of this Nation

for the whole judicial system, do not deny them the messengers they need for their convenience, and the multiplication of the service the judge renders.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The gentleman from Nebraska [Mr. STEFAN] is recognized for 5 minutes to close the debate.

Mr. STEFAN. Mr. Chairman, no Member of the House knows better than I do how jealously the gentleman from Alabama [Mr. HOBBS] guards the dignity of our courts.

Our committee has gone into this matter very carefully and we know something about the subject of criers in our courts. I do not want to abolish the work of the criers. What we are trying to do here is to add more dignity to our courts by putting into service deputy marshals on a per diem basis when the court is in session. Should the courts later feel that they do not have a sufficient number of these deputy marshals, they can always come back and request additional funds.

I recommend the reading of page 49 of our hearings on the Judiciary, the report of the Committee on Economies in Judicial Administration. This is signed among others by the junior Federal judge in my district in Nebraska.

Mr. Chairman, I have discussed this matter with judges all over the country. I have had the privilege of visiting many courts in order to see how your tax dollar is being administered and spent in our Federal courts. Taking it all in all, I have a great regard for our Federal judges. Some of them are the finest men I have ever met in my life and I am very happy to have them sitting on the Federal bench dispensing justice for mankind.

Now, let us see what the duties of these criers are. I asked one distinguished judge what his crier does. Incidentally, many judges do not ask for them. They do not want them, and would rather have deputy marshals, but some of the judges do request these criers. What did this judge say his crier does? What are his duties?

While the aid I receive from my crier is not well defined, it is of a varied and important character. In a very real sense he is the guardian of my chambers, as well as the protector of the personal safety of my secretary, my law clerk, and myself. His official station, most generally, is in the outer room of my office suite. He acts, as it were, as a receptionist to the persons who call to see me or someone of my staff. He receives callers, courteously ascertains their wishes, and arranges that they may see the persons who can attend to their needs.

In addition to this, he runs many of my errands. He takes care of my bank deposits and cashes my checks. If I wish to make a neighborhood purchase, he goes to the store and procures the article I wish. When I send out for my luncheon, as I frequently do, he crosses the street and returns with my food. He arranges it on one side of my table, and when I have eaten he carries away and washes the dishes.

That is from an eminent judge.

Upon occasions when I wish to secure rail accommodations and pullman reservations, my crier will go to the ticket office and procure them. If I should be at my appointment and want some papers from the court, or should I overlook something at my appointment when I go to court, he will travel from one place to the other and carry the things that I desire.

I will leave it to your judgment. If we can save $468,000 here and make the duties of a deputy marshal just a little more dignified than they are under the present system of criers, we will be rendering a great service to the judiciary of this country.

Mr. Chairman, I hope the amendment is voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to state at this time that I shall offer a motion to recommit this bill, when it is reported to the House, with instructions to report back the bill with two amendments, one dealing with the Foreign Service, merely restoring the $2,000,000 taken from the Foreign Service of the State Department, and the other restoring the $6,000,000 taken from the informational and educational program, known as the Voice of America.

Mr. STEFAN. Mr. Chairman, I move that the commitee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. CURTIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H. R. 5607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. STEFAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. GARY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GARY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GARY moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendments:

On page 6, line 7, strike out "$42,500,000" and insert in lieu thereof "$44,665,830."

On page 21, line 15, strike out "$28,000,000" and insert in lieu thereof "$34,378,000."

On page 21, line 16, strike out "$2,500,000" and insert in lieu thereof "$3,450,000."

Mr. STEFAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 41, noes 78.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

### EXTENSION OF REMARKS

Mr. GARY asked and was given permission to extend his remarks in the RECORD and include an article appearing in the January 1948 Alumni Bulletin of the University of Richmond entitled "Hold That Crimson Tide."

### RUBBER ACT OF 1948

Mr. RIZLEY. Mr. Speaker, I call up House Resolution 488, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this resolution makes in order the consideration of the bill (H. R. 5314) to strengthen national security and common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes. This bill was reported unanimously by the Committee on Armed Services.

During the late war, in order that we might have an adequate rubber supply,

we spent a lot of money building many plants so that we could make synthetic rubber. These plants were built in various and sundry places throughout the United States.

It was by developing the process of synthetic rubber production that we were able to obtain and maintain a sufficient supply of rubber to our national defense, and supply our war needs.

I hope and pray, of course, like everybody else, that we will not get into another world war. I do not even want to think about our getting into another world war. But if we do, petroleum products and rubber will be two of the most critical materials needed for our defense. I know the membership of this House wants to do whatever may be necessary to be sure we will not be caught short, and assure adequate supplies of rubber.

The Committee on Armed Services has given careful study to this bill. It is not a partisan bill. I think I am correct in saying there was not a dissenting vote in the Committee on Armed Services when the question of reporting the bill came up. We were so advised when the bill came to the Committee on Rules, and the Rules Committee reported the bill unanimously, so I see no need of taking further time under the rule. The Rules Committee has afforded the committee sponsoring the bill adequate time to explain the bill to the membership, and I am sure there is no objection to granting the requested rule.

Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, if the gentleman from Oklahoma is ready to move the previous question on the rule, we on this side will use no time on the rule.

Mr. RIZLEY. I have no further requests for time, Mr. Speaker, and move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SHAFER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 5314, with Mr. BARRETT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. SHAFER] is recognized for 1 hour, and the gentleman from Georgia [Mr. VINSON] is recognized for 1 hour.

Mr. VINSON. Mr. Chairman, the time on the minority side will be yielded by the distinguished gentleman from Texas, Mr. LYNDON B. JOHNSON.

Mr. SHAFER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this legislation, known as the Rubber Act of 1948, is brought to the House for consideration after long study and extensive hearings by the Organization and Mobilization Subcommittee of the Armed Services Committee.

You will recall that 1 year ago we passed House Resolution 118 which later, after amendment by the Senate concurred in by the House, became Public Law 24. Among other things, it provided that Congress make a thorough study of means of obtaining a technologically advanced and rapidly expandible domestic rubber-producing industry. This legislation is brought to the House as the result of that study.

First of all, Mr. Chairman, this legislation is to insure our national security. This must be kept in mind at all times during the consideration of this bill today. If it were not for this being a security measure, I would be the last to support it. No one in this House dislikes Government controls more than I but in this disordered world we must put national security and the safety of every American home and family ahead of the private interests of a few.

During the course of hearings spokesmen for the rubber industry endorsed the objective of this legislation. Harvey S. Firestone, Jr., president of the Firestone Tire & Rubber Co., testified before our committee to this effect:

> I favor the maintenance of a substantial synthetic rubber-producing industry in the United States, and I favor the continuation of present controls of rubber consumption until our Government has had the opportunity to acquire a rubber stock pile of sufficient size to meet the requirements of national security. I wish to repeat, our synthetic rubber industry is the best paid-up insurance policy this country ever had. It is vital to our national security and to our economic independence that we maintain this synthetic rubber industry.

J. P. Seiberling, president of the Seiberling Rubber Co., was quite emphatic in his view that the Government ought to consider national security first and foremost in any legislation. He said:

> I think that until this Government emergency stock pile is completed and the Government is sitting in an easy position, very definitely, the Government ought to continue this unified control and ownership of these properties.

John L. Collyer, president of the B. F. Goodrich Co., had this to say:

> If a problem of rubber for vital military security did not currently exist, B. F. Goodrich would strongly recommend to Congress that the United States Government withdraw its participation from all phases of the rubber business, including stock piling of rubber and the ownership and operation of any and all rubber-producing facilities * * *. Government, industry, and the American people recognize, however, that rubber is a strategically indispensable material for our Nation's military security.

A. L. Viles, president of the Rubber Manufacturers' Association, the trade association of hundreds of rubber manufacturers throughout the Nation, had this statement to make to our committee:

> The rubber-manufacturing industry, after thorough investigation and study, concludes that a continued Government rubber-control program is essential to national security. It asserts that this is the only reason for continued Government interference in the normal activities of industry. Therefore, it believes that all actions taken with respect to the program must be consistent with national security objectives.

Allen T. Grant, president of the Charles T. Wilson Co., of New York, an importer of natural rubber, but, nevertheless, a thoughtful and intelligent observer and a student of the synthetic-rubber problem, had this to say:

> I would like to stress that I am a firm believer in the preservation of a sound and strong synthetic industry, which was so aptly described by Mr. Firestone as one of the best paid-up insurance policies we have.

George M. Tisdale, vice president of the United States Rubber Co., testified:

> We are all agreed that it is to the national interest to maintain in use or stand-by an aggregate actual capacity of 600,000 long tons of GR-S type rubber.

Robert S. Wilson, vice president of the Goodyear Tire & Rubber Co., said, when asked by my distinguished colleague from Texas [Mr. JOHNSON] if he thought national security dictates continued operation of the synthetic-rubber plants, "That is what we believe; yes, sir."

That, Mr. Chairman, is exactly the kind of legislation we have written into this Rubber Act of 1948. It is legislation first and foremost to protect our Nation against another such condition as existed at the time of Pearl Harbor, when the Japanese Fleet ruled the Pacific Ocean and we were caught with less than a year's supply of natural rubber on hand for all our varied industrial and war uses. Through that experience, Mr. Chairman, we learned that we have an economy that really runs on rubber, and we must, for our own national good, be sure that we never jeopardize our economy like that again.

When your committee began its studies almost a year ago, we announced that we desired the advice of Government agencies, members of the rubber-manufacturing industry, and others in preparing this legislation. At that time we recognized certain problems that had to be solved, such as:

First. How much synthetic rubber should be produced annually in this country and, as a corollary to that, how great a quantity of rubber should we be capable of producing in stand-by plants.

Second. How we will assure production and consumption of the required amount of synthetic rubber.

Third. What method should we adopt in disposing of Government-owned plants, if it is determined that these plants are to be sold or leased to private industry.

Fourth. What steps must we take to assure technological development in the production and use of synthetic rubber.

Fifth. What protection against foreign imports of natural rubber products should be established.

Sixth. What must be done regarding specialty type synthetic rubber.

Seventh. What effect will a synthetic rubber program have upon the world market.

These problems and many others had to be solved. We requested all interested parties to prepare recommendations on the subject. We particularly pointed out to members of the rubber manufacturing industry since this legislation affected them more directly than any others, that, if possible, they should present their united views to the subcommittee. We especially desired the opinions of the small manufacturer of rubber products.

Our hearings and studies developed differences of opinion on many problems and unanimity on others. It was generally agreed that for national security reasons we must maintain a domestic rubber-producing industry. The size to be maintained in actual operation has been recommended all the way from over 300,000 long tons a year down to 100,000. The committee determined that a minimum production and consumption of 225,000 tons a year would satisfy the requirement of keeping in operation a diversity of production processes and allow for geographic dispersal for security reasons.

Statistical studies by Government and industry of requirements in a future emergency showed that we would require in existence a production capacity of about 600,000 tons. The proposed bill carries provisions for such production capacities.

Another point on which there is general agreement is that we must assure the consumption of what has to be produced, until such time as the quality of chemical rubber is improved so that it is equal or better than natural rubber in a majority of rubber products, especially in tires for trucks and heavy rolling equipment. The committee examined various ways in which this could be accomplished, including tariffs, import quotas, subsidies, complex certificate schemes, and specification control in products. There was rather general agreement that the continuation of specification control, which has proved to be workable during the war and reconversion period, was desirable.

Wartime patent pooling and exchange of technical information which is still in effect is a most complex subject. The committee finally concluded that more rapid advancement in technology would be possible under the traditional competitive private patent system and thus has recommended the negotiation of a termination of wartime agreements.

The greatest area of disagreement throughout the hearings was how the rubber-producing facilities could best be operated to provide the greatest national security and an equitable industry position for all consumers of chemical rubber. As written, the bill states a policy against disposal to private industry, but provides for possible eventual disposal with adequate safeguards, including final approval by the Congress through concurrent resolution.

This bill is legislation that stands on its own; it does not extend any complex emergency or wartime statutes. It is felt that H. R. 5314 is a practical bill that will provide for our national security in rubber. It establishes a national policy with regard to chemical rubber; it protects the consumer of rubber products; it assures fair distribution of chemical rubber to all compulsory users; it assures technological progress; and it does not prevent the eventual turning over of the entire industry to private persons. It is a departure from the accepted peacetime method of operation of private enterprise, but it is felt that national security, at this time, requires this. Perhaps individual members of the rubber manufacturing industry may take exception to certain sections; but in the overall consideration of the legislation your subcommittee had to be guided by the paramount issue, our national security. The bill is broad enough for liberal interpretation, and capable of amendment as the international situation clears itself. But until such time as we have acquired an adequate stock pile of natural rubber and until chemical rubber can compete fully with natural rubber it is felt that the Government cannot require the consumption of chemical rubber without protecting the compulsory consumers.

Section 2 of the bill establishes a policy of maintaining in the United States a rapidly expandible rubber-producing industry of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of chemical rubber to meet the essential civilian, military, and naval needs of the country. It makes certain that these Government-owned rubber-producing facilities will be maintained in constant readiness for any possible emergency, and to assure their availability the bill establishes a congressional policy of retaining the ownership of the facilities at this time.

Section 3 of the bill gives the President the power to exercise allocation, specification, and inventory controls over natural and chemical rubber. This section repeats the phraseology of Public Law 24. It permits the President to require, by regulation, the use of chemical rubber, in such specific percentages as he sees fit, of both general-purpose rubber and special-purpose types of chemical rubber. It should be noted that for the first time the President is clearly given the power to require the use of chemical rubber. Existing law, Public Law 24, has been interpreted so as to provide only for the limited use of natural rubber, which is an indirect way of requiring the use of chemical rubber. The section has one noticeable proviso, namely, that the President must require the use annually of minimum amounts of general-purpose chemical rubber and special-purpose chemical rubber. However, the President may determine percentages about these amounts. Thus, he can maintain the present percentages of rubber order R-1, increase them if he deems it necessary, or reduce them, but to no lower percentages than will result in the consumption of established minimums.

If you will take the bill, I will go through it section by section as rapidly as possible, explaining the report.

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Section 4 (a) of the bill permits the President to impose import restrictions on rubber products, so that manufacturers required to consume chemical rubber will not have to compete with all natural-rubber products.

Section 4 (b) permits the President to exempt from required chemical-rubber usage products manufactured for export exclusively.

Section 5 (a) establishes tonnages of 600,000 long tons of general-purpose chemical rubber and 75,000 long tons of special-purpose chemical rubber as the rated production capacity to be maintained continuously in the United States, either in active operation or in standby condition.

Section 5 (b) provides that at least 45,000 long tons of the special-purpose chemical rubber referred to in section 5 (a) shall be of a type suitable for use in pneumatic inner tubes. This will assure the availability, in an emergency, of a domestic source of rubber for inner tubes.

Section 5 (c) provides that the production capacity referred to in section 5 (a) may include privately owned capacity, as well as facilities owned by the Government. This section will permit the inclusion of any new chemical-rubber-producing facilities constructed by private persons in the total capacity of the Nation, and consequently may allow the discontinuance of certain Government facilities as they become obsolete because of technological progress.

Section 5 (d) requires the actual production per year in the United States of a minimum of 200,000 long tons of general-purpose chemical rubber and a minimum actual production per year of 25,000 long tons of special-purpose chemical rubber—such as butyl, neoprene, and so forth. This production may include the output from facilities owned by private persons, as well as from Government operations. Thus, if private industry builds or acquires chemical-rubber-producing facilities which will satisfy the requirements of sections 5 (a)

and (b), and are within the definition of chemical rubber, they may eventually supplant entirely the Government's rubber production. This, then, protects the required consumer and should encourage private industry to produce better and cheaper chemical rubber.

Section 5 (e) gives the President the power to determine what plants are to be operated and what plants are to be placed in stand-by. It permits the President to consider geographic dispersal of plants, as well as diversity of manufacturing processes, both essential to the national security.

Section 5 (f) is inserted to assure that there will always be available at least one alcohol-butadiene plant. This is essential from a raw-material-diversification position and for other reasons, such as possible priority demands on aviation fuel and possible new processes producing cheap alcohol.

Section 6 (a) and (b) stress the importance of research and development for the improvement of quality and production processes in chemical rubber. Since the Government is at present producing chemical rubber, and may continue to do so for some time, it is necessary in the interests of national security that the Government continue programs of research and development. The results of Government-financed research will benefit the consumer of rubber goods, as well as the private manufacturer. Costs of the research and development may be paid from direct congressional appropriations and thus need not be included in the Government's selling price of chemical rubber. This will permit an orderly, efficient research and development program, not dependent upon the volume of Government sales.

Section 7 (a) gives the President authority to produce and sell chemical rubber through such Government agency as he may designate.

Section 7 (b) permits the agency designated by the President pursuant to section 7 (a) to produce and sell the amounts of chemical rubber determined to be necessary to satisfy the mandatory tonnages prescribed in section 3. It also permits the President to authorize production for voluntary use. This latter provision makes possible the production of additional quantities of chemical rubber over and above the required usage to satisfy the demands for small amounts of chemical rubber in segments of the manufacturing industry which prefer to use these types of rubber in certain products. This will satisfy a preference for chemical rubber which is to be encouraged.

Section 7 (c) gives authority to the operating agency to make necessary capital expenditures from time to time in order to keep rubber-producing facilities up to date and in condition to operate at maximum efficiency.

Section 7 (d), subsection (a), permits the continued operation of Government-owned rubber-producing facilities by lease, by contract, or through operating agents. Thus, there need not be any change in the present methods of operating plants with private persons acting as agents for the Government.

Subsection (b) permits temporary leasing, not to exceed 1 year, of certain facilities not needed in current rubber-producing operations, provided the facilities leased are not used to produce chemical rubber. For example, at present a large power plant in Pennsylvania and another in Texas are under lease to local utility companies in order to increase the amount of power in those areas while the utility companies construct new facilities.

Subsection (c) allows the operating agency to grant to private persons certain property rights if such grants in no way interfere with the production of chemical rubber. For example, it would permit a private company to run a water line through Government property or it would permit the erection of a power line over Government land.

Subsection (d) permits disposal of obsolete equipment. This does not allow sale of complete rubber-producing units, but does provide for sale of such things as worn-out motors, valves, boilers, pipes, and so forth. No disposal under this subsection shall reduce the designated rated capacity of any facility.

Section 8 (a) authorizes the President to place in stand-by condition the facilities not required to be in operation but necessary to support the tonnages stated in section 5 (a).

Section 8 (b) authorizes the maintenance of stand-by facilities either by direct Government maintenance or by contract with private persons. This section also provides that cost of facilities in stand-by, including placing in stand-by, maintenance, and reactivation, may be by congressional appropriation. This will permit stand-by costs to be paid by direct appropriation. Thus they need not be included in the Government selling price of chemical rubber if it is deemed desirable.

Section 9 (a) prohibits the disposition by sale or lease of any Government-owned chemical-rubber facility except as provided in section 7, unless such disposition is approved by the Congress. This section offers the Congress an opportunity to scrutinize carefully any disposal, at such time as the Congress determines that disposal of any or all of the facilities is desirable.

Section 9 (b) provides a further safeguard in the disposal of the chemical-rubber facilities by requiring that no proposal for sale or lease of any facility, except as provided in section 7, shall be submitted to the Congress unless accompanied by a recommendation of the President, after consultation with members of the National Security Resources Board, a majority of whom have found that the proposed disposition will facilitate and advance national security.

Section 10, general: This section applies to administration. In this connection the Committee on Armed Services is of the unanimous opinion that the practice of appointing industry advisory committees to work in cooperation with the Government should be continued, and the committee strongly recommends the establishment of industry advisory committees in administering the Government rubber program. In the past these advisory committees have contributed greatly to the efficient administration of the chemical-rubber program, and their value to the Government cannot be overestimated. They may be reasonable and fair avenues for the expressions of industry with respect to policy matters that may arise in the administration of the Government rubber program.

Section 10 (a) authorizes the President to issue such rules and regulations as may be necessary to administer the act.

Section 10 (b) provides for Presidential delegation of authority to such Government agencies as he may designate to carry out the provisions of the act. This section also provides that the powers and authority conferred in section 12 may be delegated, along with other powers.

Section 10 (c) directs the President to consolidate, insofar as practicable, all of the Government rubber operations.

Section 10 (d): Should the President decide to consolidate any of the Government rubber operations, this section provides the authority to transfer to any existing or new agency property, personnel, and records. It also provides for the transfer of any available funds. Furthermore it provides that transferred personnel shall be exempt from civil-service laws and the Classification Act of 1923. This provision is necessary in view of the fact that many employees of the Reconstruction Finance Corporation are not under civil service. Rubber operations are highly specialized, requiring trained personnel for efficient administration.

Section 10 (e) requires that all Government agencies in the rubber program make an annual report to the President and to the Congress.

Section 11, as amended, deals with patent pooling, patent licensing, and exchange-of-information agreements to which the Government is a party, entered into in connection with its rubber program.

Section 11 (a) does not purport to alter by legislation any contractual rights under such agreements. It does, however, authorize the President to contract for their modification or release, with or without consideration, in order to achieve the purposes of the act. It should be emphasized that the provisions of section 11 (a) are permissive and are not mandatory. Section 11 (a) (1) authorizes the President, insofar as it is practicable and consistent with the purposes of the act, to take appropriate action to release in whole or in part any or all of the parties to the December 19 agreement from their respective obligations to continue to disclose private information and to give patent rights with respect to patents based on inventions conceived and reduced to practice after the modification or release date. But the Government shall retain all the benefits of such agreement which shall have accrued at the time any such agreement is modified or released.

Section 11 (a) (2) also authorizes the President, insofar as practicable and consistent with the purposes of the act, to take appropriate action in order to make available, both to the Government and to the public, information and patent ben-

efits now or hereafter exchanged under any patent pooling, patent licensing, and exchange-of-information agreements.

Section 11 (b) assures the Government the benefits to which it is entitled under its various agreements, and should information not be disclosed the development becomes public property if any effort is made to restrict the use of such development by suit on a patent based on information which should have been made available under any of the various agreements. Thus section 11 (b) provides a defense in patent-infringement suits if it can be established that the suit is based upon subject matter which the plaintiff should have disclosed under a Government agreement, or where the plaintiff without justification delayed reducing the invention to practice and thus prevented the invention from falling among the information or patent benefits inuring under a Government agreement.

Section 11 (c) permits a person who is sued for breach of confidence in the use of technical information in connection with the operation of a Government-constructed rubber plant to defend on the ground that the plaintiff was required by a Government contract to disclose such information but failed to do so.

Section 11 (d) assures the operating agency the benefits of the act of 1910, as amended. This act, in brief, permits the United States to use an invention without license from the owner and the remedy of such owner is by suit against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture. Thereby Government's freedom from injunction is extended unquestionably to the operating agency.

Sections 12, 13, and 14, general: In connection with the granting of the powers of allocation, specification, and inventory control, it is necessary to cover additional matters incident to the effective administration of the bill. Sections 12, 13, and 14 deal with such matters. Since the proposed act stands on its own and is not dependent on title III of the Second War Powers Act, as in the case of Public Law 24, they are repeated here substantially in the language of title III (secs. 2 (a), 3, 4, 5, and 6). Generally similar provisions are embodied in other acts such as the Federal Trade Commission Act, the Federal Communications Act, and the Securities and Exchange Act.

Section 12 gives the President the right to obtain information, require reports, and make investigations necessary to the enforcement or administration of the provisions of this bill. Without such power, intelligent and effective administration could not be accomplished. In addition, this section provides the power to administer oaths and issue subpenas, provides for witness fees, attendance of witnesses, and penalties for perjury.

Section 13 provides penalties for violation of the proposed act.

Section 14 confers jurisdiction on the district courts of the United States.

Section 15 exempts persons from liability for damages for default under any contract, directly or indirectly resulting from compliance with any rule, regulation, or order issued under the proposed act. This provision is required in fairness to persons who, in rare instances, find themselves obliged to break contractual relations by reason of the regulations issued under the proposed act.

Section 16 exempts the functions exercised under the act from the Administrative Procedure Act, except section 3 of that act, which requires the publication of rules, opinions, and orders, and section 10, which provides judicial review to any person adversely affected or aggrieved by action taken under the proposed act. Exemption from the other provisions of the Administrative Procedure Act is desirable by reason of the time-consuming requirements imposed by that statute, which militate against efficient day-to-day operations. This provision is inserted since it is not clear that this result was accomplished by section 5 of Public Law 188, Eightieth Congress (Second Decontrol Act).

Section 17 is the customary separability clause and preserves the validity of the remaining provisions of the bill in the event one provision is held unconstitutional.

Section 18 defines special terms used in the bill that may not be widely known or have universal acceptance.

Section 19 provides for the authorization of necessary appropriations for the purpose of the bill, and, pending such appropriations, authorizes expenditures in order to carry out the provisions of the act.

Section 20 gives the effective date of the proposed act, April 1, 1948.

The proposed legislation has been approved in principle by various Government departments and agencies, including State, Army, Navy, Air Force, Commerce, Agriculture, Munitions Board, National Security Resources Board, War Assets Administration, and the Reconstruction Finance Corporation.

It should also be noted that the proposed legislation carries out, substantially, the request of the President in his message of February 7, 1947, that the Congress draft legislation for the purpose of maintaining a chemical-rubber industry in the United States.

The proposed legislation stands on its own; it does not extend any complex emergency or wartime statutes. It is felt that H. R. 5314 is a practical bill that will provide for our national security in rubber. It establishes a national policy with regard to chemical rubber; it protects the consumer of rubber products; it assures fair distribution of chemical rubber to all compulsory users; it assures technological progress; and it does not prevent the eventual turning over of the entire industry to private persons. In the over-all consideration of the legislation the committee had to be guided by the paramount issue—our national security. The proposed legislation is broad enough for liberal interpretation, and capable of amendment as the international situation clears itself. But, until such time as we have acquired an adequate stock pile of natural rubber, and until chemical rubber can compete fully with natural rubber, it is felt that the Government cannot require the consumption of chemical rubber without protecting the compulsory consumers.

Passage of the proposed legislation is necessary in view of the fact that existing authority to produce and sell chemical rubber ceases on March 31, 1948.

The proposed legislation was unanimously approved by the Armed Services Committee, and its prompt passage is urged.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Louisiana.

Mr. BROOKS. Mr. Chairman, I want to pay tribute to the gentleman from Michigan, the chairman of the subcommittee, for his steadfast and faithful work in the management of this bill. I was on the subcommittee, and I witnessed his work in the months that lie behind us. He has been most persistent and most consistent and most faithful in the performance of his duties in pushing this bill through. I think he deserves a vote of gratitude of the House for his interest in this synthetic-rubber program.

Mr. SHAFER. I thank the gentleman very much. I assure the gentleman, however, that I had a great amount of help in the program from men whom I will later pay tribute to, including John Russell Blandford, the committee counsel.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from California.

Mr. JOHNSON of California. I also want to compliment the gentleman on the very fair hearings held on this bill. I also wish the House to know that I agree with every one of his arguments, and I am going to adopt those arguments as my own in behalf of this bill.

Mr. SHAFER. I thank the gentleman very much.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Has the gentleman resolved all the objections of the various branches of industry concerning this measure?

Mr. SHAFER. The principal objection of industry to this bill was what they thought was the lack of a termination date. We had originally written into the bill a provision making possible a review of this program at any time, by the President, within 5 years. But, because of misinterpretation, we have fixed a definite termination date, June 30, 1950.

Mr. PHILBIN. As of June 1950?

Mr. SHAFER. As of June 30, 1950.

Mr. PHILBIN. Let me also commend the gentleman for the splendid hearings he has given the matter and the splendid manner in which he has presented this matter.

Mr. SHAFER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the gentleman from Michigan has very fully and very adequately described the provisions of H. R. 5314, and it is not necessary, in my judgment, to further discuss the bill section by section.

I should like to say at the outset, however, that in the six terms that I have served as a Member of this body I know of no legislation—certainly no legislation that has come from the committee of which I have been a member—that has received more thorough consideration than this bill to provide for the continued operation of our synthetic rubber industry. I personally feel I owe a debt of gratitude to the able gentleman from Michigan [Mr. SHAFER] and the members of the majority for the fair manner in which they conducted the hearings, for the thoroughness with which they went into this problem, and the diligence and earnestness exercised over a period of several months.

I should like to emphasize to the Membership the policy which really underlined this legislation and to touch very briefly upon the background of that policy. I hope the Members of Congress from time to time will read the hearings, and certainly the report, on this, one of the most important industries in this Nation.

Our subcommittee was charged with deciding what we should do with the chemical rubber industry. To put it as simply as I can, we went into this war with a very limited amount of natural rubber.

During the war we found it necessary to construct 51 synthetic rubber plants. Except for the production from those plants, we well might not have been the victor. Today we have declared 13 of those plants surplus and most of them have been sold by the War Assets Administration. Sixteen of those plants have been placed in stand-by condition in case we should need them in a future emergency. So the thing that we are here to talk to you about actually is the 22 plants that are in operation.

We were presented various recommendations from all the members of the rubber manufacturing industry. The most frequent may be broadly described as an insistence that, in the name of free enterprise, the Government get out of the synthetic rubber business and as quickly as possible.

Many witnesses were examined. As the hearing progressed, we found that some witnesses, a very few, but some, who talked about free enterprise actually wanted something else altogether. They did not want the Government to step completely out. What they wanted was for the Government to step out of their end, the producing end, while still keeping control over the consuming end. They suggested that we were to sell the plants on what to my notion was a rather fantastic proposition. They had a method of selling them that went by a rather intriguing name. They called it the write-off, the peel-off, the walk-away plan. The Government would write off its investment, it would peel off the plants one at a time over a protracted period, and then give the purchaser the right to walk away if he did not like his investment. It was fantastic because no private business would consider such a method of sale, particularly if that private business was as efficient and self-sustaining as the Government's chemical-rubber industry.

We had a total investment of a little over $700,000,000 in the synthetic-rubber industry, and for the 2 years from September 1945 to September 1947, the Government made a net profit of $109,000,000 out of those plants they had in operation.

But the Government was to stay in the business. We would not manufacture any chemical rubber but we would require every user of rubber to consume synthetic rubber. Obviously, only the larger companies could manage the write-off, peel-off, walk-away deal. The smaller ones would be compelled under that type of plan to buy from their competitors.

Bear in mind that not a single witness recommended the abandonment of the synthetic-rubber program. They all agreed that synthetic rubber is an imperative of national defense. The committee's decision, therefore, was how best to keep this instrument of national defense with fairness to all components of the rubber industry, our free competitive system, and the Nation's taxpayers.

It was the view of all the witnesses that we must continue stock piling natural rubber. It is so declared in the declaration of policy in section 2 of this legislation. Reading further in this declaration, we say that we must keep the synthetic rubber industry in first-class operating condition, ready for any national emergency.

At this point I should like to read you a section from the Baruch report that was written 10 months after we entered World War II:

> Of all the critical and strategic materials, rubber is the one that presents the greatest threat to the safety of our Nation and the success of the Allied cause. Production of steel, copper, aluminum, alloys, or aviation gasoline may be inadequate to prosecute the war as effectively as we would wish, but at the worst we are still assured of sufficient supplies of those items to operate our armed forces on a very powerful scale. But if we fail to secure quickly a large, new rubber supply, our war effort and our domestic economy both will collapse. Thus, the rubber situation gives rise to our most critical problem.

Our committee felt that the most important consideration of any government is its own security. That, incidentally, was the opinion of the rubber people who testified. So we declared in this bill that security will be best served by the Government continuing this program and continuing to operate these 22 plants. We also declared there are no compelling reasons of security that have been submitted to change the method of operation. This legislation does not foreclose the possibility that security could be better served in some other way. To me the possibility seems quite remote that it could be, but the bill does cover that possibility. You will find in section 7 and again in section 9 the provisions that govern lease or sale. It has been determined that our chemical-rubber industry may be maintained by producing a minimum of 225,000 tons a year. This minimum is required in order that all the suppliers of the various components shall be maintained. So we provide that plants that are not essential to that minimum may be sold off. However, the committee felt we wanted that power to sell abundantly safeguarded. Therefore it is provided that such sale or lease must first be recommended by a majority of the National Security Resources Board. That Board must make a positive finding that the disposal will facilitate and advance the cause of national defense, and I underline for the benefit of the Members, the words "positive finding." The committee experienced considerable difficulty in getting some to make that recommendation. That is the first safeguard. The second is that prior to any such sale, a concurrent resolution must be passed by the Congress approving such sale. Congress is one agency responsible for the national security. Our feeling was that any step which might impair our national security should first pass the collective judgment of the Congress. As I have said, witnesses unanimously recommended that a quota system be continued requiring the use of synthetic rubber and an annual production of 225,000 tons was deemed a wise minimum. The amount of natural rubber used will depend of course upon the demand for such products. So this bill leaves to the executive department the determination of the ratio between natural and chemical rubber providing a minimum amount of 225,000 tons of chemical rubber is used.

In summary, the philosophy of this legislation is like this: maintenance of the chemical rubber industry is vital to the national security. It is scarcely less important than the atomic energy industry. To maintain consumption of a minimum of 225,000 tons government allocation is required whether those plants are publicly or privately operated. However, the proposed plan of private operation—the write-off, peel-off, and walk-away plan—combined with the system of forced consumption would make possible the use of these Government-built facilities as an instrument of unfair competition. For the protection of smaller companies and the protection of the investment of the taxpayers and for the paramount protection of the national security of this Nation, Government operation of the plants seems preferable to selling them to one or two potential buyers in an industry already dominated by five giant enterprises. We believe this bill is drawn to protect free competition in the rubber industry. We believe it is the most vital cornerstone in our national defense structure.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. JOHNSON of California. I compliment the gentleman on his very able argument. I think it ought to appear in the RECORD and I will state it right here that the retention provisions in this bill are alone due to the cross-examination by Mr. Johnson of Texas during the hearings of witnesses who appeared before the committee. I agree with the position that the bill takes. The gentleman from Texas is the one who by persistent examination of all witnesses brought out the various factors that led us to believe

that the provisions of our bill are the right ones to retain with reference to the synthetic plants. I concur in the argument made by the gentleman from Texas at this time, as I do not expect to speak on the bill, and I wish again to tell him that I appreciate his efforts tremendously in the committee in the examination of the various witnesses.

Mr. JOHNSON of Texas. I thank the gentleman.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. MURDOCK. I agree with the gentleman that this is one of the most important bills we have had under consideration, involving our national defense, as it did our national security during the war. Would the gentleman explain a little about the relation between the amount of synthetic rubber produced from petroleum and from agricultural alcohol? How many plants are kept in operation involving each of those processes? Can the gentleman tell us that?

Mr. JOHNSON of Texas. No; I do not have the information by plant breakdowns. I do know that we are presently operating 22 plants. I believe we provide that at least one of those is an alcohol plant.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. SHORT. Most of the synthetics are produced from butadiene and styrene, which are byproducts of coal and are not from alcohol that comes from grain. However, you can get the ingredients of synthetic rubber from agricultural products, and that is under experimentation at the present time.

Mr. MURDOCK. I thank the gentleman, but did we not during the war have at least one plant producing synthetic rubber from alcohol?

Mr. JOHNSON of Texas. I do not have the plant break-down, but it is my impression that we had three such plants.

Mr. CRAWFORD. Will the gentleman yield?

Mr. JOHNSON of Texas. I yield.

Mr. CRAWFORD. I will say to our friends from the farming districts particularly and the gentleman from Arizona [Mr. MURDOCK], to take alcohol from agricultural products through the fermentation process at the present time when we need grain so badly for food supplies, and when grain prices are so high, would bring into operation a cost much higher per pound of rubber than you have by taking it from petroleum products as at the present time. So the alcohol plants have not been in operation in recent months.

Mr. MURDOCK. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Texas [Mr. JOHNSON] has expired.

Mr. SHAFER. Mr. Chairman, I ask unanimous consent that the chairman of the committee, the gentleman from New York [Mr. ANDREWS], may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ANDREWS of New York. Mr. Chairman, I wish to make a few general remarks with respect to H. R. 5314, the so-called Rubber Act of 1948.

Since March of 1947, Hon. PAUL W. SHAFER, chairman of the subcommittee that prepared H. R. 5314, ably assisted by Hon. DEWEY SHORT, Hon. CARL VINSON, Hon. LYNDON JOHNSON, Hon. STERLING COLE, Hon. CARL DURHAM, Hon. C. W. BISHOP, and other members of the subcommittee, have spent long hours, studying and analyzing the entire synthetic rubber problem. The subcommittee made an extensive investigation of many of the Government-owned synthetic rubber producing facilities. They conducted hearings as they went to the various cities where these industries were located. At all times they had to consider the problems of industry and the problems of the American consumer; but above all, they had to constantly bear in mind the problems of national security. What they have presented to the House represents in my opinion, a sincere, carefully analyzed answer to these problems. I would not care to let this opportunity pass without paying special tribute to these gentlemen for a job exceptionally well done.

In this connection I feel that it is only proper that we should also recognize the extremely valuable contributions made in this long study by such persons as John Russell Blandford, staff consultant, Mr. John Caswell of the Office of Materials Distribution, Department of Commerce, who acted as liaison between the committee and the Department of Commerce; Mr. J. P. Brown, Counsel for the Office of Materials Distribution, Department of Commerce, and Mr. Leonard Ralston, Chief Counsel of the Office of Rubber Reserve, Reconstruction Finance Corporation, all of whom devoted many hours to this subject. I wish to also express my appreciation to Mr. John R. Steelman, Assistant to the President, for his cooperation in analyzing and providing constructive comments on the proposed legislation. In addition, the committee is grateful for the many helpful suggestions made by the Munitions Board and other agencies of the Government.

Nor should we overlook the many valuable suggestions made by industry. I believe that a careful study of the hearings will indicate that this bill is based upon the facts, as they were disclosed to the subcommittee. Honest men with honest motives may differ with some of the provisions of the bill; nevertheless, it represents the impartial judgment of a committee whose principal duty is to safeguard the national defense.

I again commend these gentlemen and all others who participated in bringing this highly important legislation to the floor.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I first wish to express my appreciation to the chairman of the subcommittee, the gentleman from Michigan [Mr. SHAFER], for permitting me to participate in this program which is before us this afternoon. I shall support this bill. There may be a few amendments that the conferees will want to put into the bill after it clears through the other body and back to the conference committee, and then to the House, but altogether I think the committee is making a very fine presentation today. While it may not, in the form as here presented, completely satisfy the members of the industry out in the field—and by that I mean those who produce petroleum products and those who produce the synthetic rubber in the various grades and those who take the synthetic rubber and convert it into manufactured rubber goods—they do have a chance to effectuate amendments in the other body and those amendments can go to the conference committee, and a very satisfactory bill, in my opinion, will come forth, that will be practical, will meet the national emergency and take care of the industry and the desires and responsibilities of those who make up the Congress of the United States. So there is not a thing in this bill that disturbs me in the least, because provisions unacceptable can be eliminated from the bill as it goes through the legislative machinery.

I have great faith in the synthetic-rubber industry of this country as it has been operated by agencies of the Government during the war period, and as it is now being operated by industry that runs the plants for the Government agencies under operating agreements. In my opinion an excellent job has been performed. The people of this country have the rubber, and they have the rubber goods at a reasonable price. When you can go out and buy a first-class, high-grade 16 x 20 tire or 650 x 20 tire that will run from 25,000 to 40,000 miles at from $9.75 to $12.50, you are getting good service for your money in this man's day and age; and the synthetic-rubber industry operated by the agencies of the Government and by the rubber industry which carries on under these operating agreements are giving the people these rubber goods. So I do not see that the public of this country has any great kick coming at this particular time under the program that is now being operated.

I can fully understand how the Defense Committee which has brought this bill to the House feels its responsibility with respect to national defense. The Far East, from which we draw our big supply of natural rubber, is not in a healthy state at the present time.

I do not believe any man knows how long we can draw crude rubber from that area. I am particularly pleased with the provisions of this bill which provides that we must maintain in stand-by and operating condition, installations that will produce not less than 600,000 tons of GRS rubber per year, and not less than 75,000 tons of butyl rubber per year. I am also pleased with that portion of the bill which provides that not less than 200,000 of the 600,000 tons and not less than 25,000 of the 75,000 tons shall be used by our people under what might be termed the direction of government; because, if there is anything in the world we need in this country to satisfy our people outside of food it is rubber, it is the products of petroleum in the form of gasoline or motor fuel, and fuel oil, and

all the goods which come from our metals. Here in this effort you have the petroleum industry, the great chemical industries of this country, the great plastic industries of this country, the great rubber-producing industries of this country, and the rubber goods manufacturing industries all tied together. I see no way you can separate them. We will move on into the synthetic or liquid fuel from oil shale and lignite coal; and that great and new basic industry comes into this picture and further ties together these industries. I shall support this bill, to get it on its way, and I hope the House will do likewise.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I think we are here today discussing what is probably one of the most important problems connected with our national defense, second only to the development of atomic energy. Most of us who served in the House during the last World War remember the situation which we were in in 1929. It was my privilege to begin serving on the subcommittee which handled such matters from a military standpoint. We faced great difficulties. We all recall the so-called Baruch report, which has been referred to here by the gentleman from Texas [Mr. JOHNSON], warning this country of what we faced not only from the standpoint of our military but also what might be an economic collapse of our whole economy here on the home front. It will be recalled that when Pearl Harbor came on we had around 600,000 tons of rubber. Due to the foresight of certain of our leaders and such men as Mr. Baruch, there was initiated a synthetic-rubber program which proved itself in taking care of and carrying on the greatest war ever waged by any nation. It also sustained and carried out on the home front an economy which was kept going thereby.

Later on the Congress after observing what the situation was in regard to the stock piling of strategic material wisely adopted Public Law 520, which was passed by the Seventy-ninth Congress. That and various other reasons are assigned for the present legislation. May I quote from that act:

> The Secretary of War and the Secretary of Navy shall submit to the Congress not later than 6 months after the approval of this act, and every 6 months thereafter, a written report detailing the activities with respect to stock piling under this act, including a statement of foreign and domestic purchases and such other pertinent information on the administration of the act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

Mr. Chairman, in my opinion, this is one of the best and most important parts in carrying out our national defense program that the Congress has ever adopted. During the last 12 months we have been endeavoring to build up our stock pile of rubber and although we have made much more effort than was made in 1946 and prior to that time, we have not had the success that I had hoped we would have in building up stock piles under this act. We have accumulated during the last 12 months around 22,000 tons of rubber.

Mr. Chairman, this is somewhat alarming to me. At the present time we have in our stock piles in this country, and this is pretty general knowledge, around 200,000 tons or more. That is one reason why the committee felt it necessary to carry out a program to protect and keep this synthetic industry going because if we do not, in my opinion, we will not only face difficulties from the national defense standpoint but we will face difficulties in the way of a price rise which would be similar to the one we all remember in 1922 and 1923 when rubber went to over $1 per pound. Today that would be disastrous to our economy in this country because I am sure every individual realizes already the high price of automobiles and the high price of things that go into the manufacture of that almost necessary commodity in carrying on our economic life here in America.

The gentleman from Michigan [Mr. SHAFER] has made a very fine explanation of the details of the bill, and the gentleman from Texas [Mr. JOHNSON] has likewise made a very fine explanation of it. I will therefore not attempt to explain the details of the legislation. I am glad to note here today that there is very little objection to what I feel is one of the most important pieces of legislation that will come before the Congress in its present session.

Mr. JOHNSON of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, as a representative of a district that embraces nearly one-third of the rubber manufacturing industry in the United States, I have followed with closest interest the progress of rubber legislation in the House.

I am not familiar with all the technical aspects of this problem, as they relate to national security. But as one who has lived in Akron, Ohio, the rubber capital of the world, all my life, I do know this industry. I have first-hand knowledge of its special creative talents and of the exceptional vitality that enabled it to pick up the challenge of national defense in World War II and to discharge its wartime obligations to the Nation in an exceptional degree.

By reason of this background, I am sensitive to the long study and hard work that the Armed Services Committee has devoted to a solution to the rubber problem as it relates to security.

But before this issue reaches a vote, I am compelled to register the vigorous objections that the rubber manufacturing industry has directed at this legislation.

Before the impression is gained that H. R. 5314 has the general approval of the industry—even though it carries a termination date—I wish to call attention to the vigorous messages of protest that I have received from my district.

I have learned that neither the Government nor the rubber industry have had an opportunity to express their views in public hearings on H. R. 5314.

But to me personally the industry has voiced direct and unanimous protest to many provisions of this bill. Their opposition is directed in particular at the policy clause on the grounds that it bluntly espouses the doctrine of Government control over industry.

In contrast, I point to a somewhat similar bill now before the Senate Banking and Currency Subcommittee on rubber, S. 2187. In its purpose clause, the Senate bill lays down a clear-cut statement of policy that expresses faith in private initiative, a statement voicing confidence that national security is best served by a dynamic, highly competitive industry unfettered by Government red tape and regulation.

The rubber manufacturing industry indorsed this clause. It carries the indorsement, expressed in public hearing of the Munitions Board, of the National Security Resources Board. It has the approval of the rubber trade, the rubber reclaiming industry, and a number of other Government agencies involved in the rubber problem; namely, the Department of State, the Office of Rubber Reserve and the Department of Commerce.

The bill before the House today declares that—

> In order to make certain that Government-owned rubber-producing facilities are held in constant readiness against a possible emergency, it is essential, notwithstanding any other provisions of this act or any other provisions of the law, that the Government, in the interests of national security, retain its rubber-producing facilities, except as authorized in section 7 of this act.

This, I assert, is the philosophy of statism. It is foreign to the American way. It is repugnant in its assumption of dependence of a strong vital industry upon the artificial props of bureaucratic control.

I contend that this assumption cannot be squared with the record of the one American industry that was stock piled and geared for the war from which we have just emerged, with a record of an industry that has led all others in reconversion to peacetime production.

I want to recall to the House that I warned of the implications of this act in an extension of remarks which I had inserted in the RECORD of February 24. The committee has amended the bill to provide a termination date—removing my first objection.

My foregoing remarks have been directed at the philosophy expressed in the purpose clause of H. R. 5314.

I sincerely hope that my objections to this bill will be given serious consideration when the measure comes to the attention of the other body.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I want to compliment the distinguished chairman of the subcommittee and the subcommittee for the concise and comprehensive manner in which they have handled this very complex problem. Six of these synthetic-rubber plants are located in my district.

Mr. Chairman, I would like to take this short time to explain the problem in which one of these plants now finds

itself. I have in my district a plant for the manufacture of a product known as neoprene. This plant is owned by the Government but operated by the Du Pont Co. The Du Pont Co. developed neoprene in 1932. In 1940 they started planning additional facilities and decided on Louisville as the location. In 1941 they built a plant in Louisville. The war came along, and early in 1942 the need for synthetic rubber in large quantities was apparent. Du Pont then sold their plant to the Government at their invested cost. The plant was greatly expanded by the Government, and has been run by Du Pont for the account of the Government.

I agree with everything that the gentleman from Texas had to say that these plants that require subsidy or require aid should be run for the account of the Government. Neoprene, however, is a product that will take care of itself under free competition, in competition with not only natural rubber, but all other synthetics. It needs no subsidy. It needs no protection. War Assets declared it surplus, and the proper jurisdictional board and the Du Pont Co. arrived at a price in December last. However, the Administrator, and rightly, I think, knowing that this legislation was pending, held it up until the Congress would act. Now, this legislation precludes the sale of that plant to private industry. As I have said, Du Pont wants no help, it wants no subsidy, and the people of my district want them to own the plant. They will also guarantee to keep it in operating condition, and as relates to present tonnage, they will be ready to go into the production of similar tonnage on a 120-day notice.

There is a bill on this subject in the other body which permits that, and I take this time in the hope that the conferees will bear this point in mind when the bill goes to conference.

This is a very comprehensive, concise, and well-written bill. National defense and security is of the utmost importance. I would not think of attempting to amend this bill to accomplish my purpose. I merely want to point out that I know it is the feeling of the committee that if national security can be safeguarded and even improved, at the same time releasing any portion of this industry to private hands, that the committee would desire to do so, and I feel in connection with this one product, Neoprene, that that can be accomplished. They do not need any help. Neoprene represents only about 5 percent of the synthetic rubber consumption of this country. It is a Du Pont patent, just as Victrola belongs to RCA or as Frigidaire belongs to General Motors; so Neoprene belongs to Du Pont. It does not enter into the transportation field. It is not a GRS product. It does not go into tires. It is a special product that is resistant to oil and to sunlight. It is used for the outer layer of garden hose, for instance. It has great sealing qualities, used in gaskets and similar uses of that kind. If it is returned to private enterprise, the plant will be kept up-to-date, modernized, and the research continued. There are two existing plants for the manufacture of this Neoprene; one in New Jersey, owned and operated by Du Pont, and one in Louisville, owned by the Government and operated by Du Pont. Already the New Jersey plant is becoming more efficient than the Louisville plant because Du Pont has every incentive, in a free-enterprise system, to spend the money to modernize that plant. On the other hand, if they want to change a valve or change something around at Louisville, that money is for the account of the Government and appropriations of Government funds have to be made available for it. So, Mr. Chairman, I ask the committee that when these bills go to conference they give consideration to that fact.

Mr. JOHNSON of Texas. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I take this opportunity to tell you a little about the work of this subcommittee. As a member in whose district is the largest synthetic rubber set-up in this Nation I saw them work out in the field getting first-hand information to bring in their report and this bill for your consideration. I may say that I favor the bill wholeheartedly and think the committee has done an outstanding job.

During the months that the subcommittee had this question under consideration, the subcommittee, headed by its distinguished chairman, the gentleman from Michigan [Mr. SHAFER], and my colleague from Texas [Mr. JOHNSON], joined by the distinguished gentleman from Michigan [Mr. CRAWFORD], who, though not a member of the subcommittee, was so interested in the subject that he came down there himself, visited the synthetic rubber set-up in Jefferson County at Port Neches. I want to tell you briefly what they found and what they did.

They found there five great refineries that supplied the basic products to the synthetic rubber plant at Port Neches, that is located in the center of the refining area. Not one of the great refineries is more than 10 miles away, so that each one that supplies the base stock can pipe it directly into that plant. The synthetic rubber plant itself is operated by the Neches Butane Products Co., which is a nonprofit corporation organized under the laws of Texas, and is staffed through the cooperative effort of the refineries and chemical plants of the area, who contributed their skilled men and industrial leaders to set up that plant without a dime of profit to them on the operation. There are two synthetic rubber plants, one operated under lease to the Goodrich Rubber Co. and the other under lease to the Firestone Rubber Co., and these plants process the products of the butane plant into its final stages.

When the committee came down there they were met by the representatives of the five great refineries, the Texas Co., the Gulf Co., the Atlantic Co., the Pure Oil Co., and the Magnolia Refining Co., which is a Socony Vacuum subsidiary; and by representatives of the butane plant and each of the rubber plants. They went into a closed-door hearing in which the scientific men explained to them the operations of that plant, how much they could supply in case of emergency, what the capacity of the plant was, and how it was treated, and the plan of its operation all the way through. Then they took them through those plants, that they might see for themselves that set-up.

These men by their questions and their activities in viewing and appraising that plant throughout the day showed their extreme interest in getting to the bottom of the questions involved in the investigation. I can say to those gentlemen who came down there that they did a service to the Congress of the United States, because after they left I heard any number of people who came in contact with them and saw their activities express great approval of that kind of investigation by our Congress, by representatives of it, men who would go down there and without any spirit of partisanship, but working together as Members of Congress and Representatives of the people, go to the bottom and recommend laws for the successful continued operation and preservation of a great war-born industry, essential to our security and of great peacetime value to our economy.

Finally let me say this, that the synthetic rubber set-up there, and I assume the same is true perhaps throughout our country, is a fine example of the cooperation between industrial leaders and their Government to do a great job. When we were confronted with the rubber shortage following Pearl Harbor, and you will remember we had no synthetic rubber industry at all at that time, the scientific men and engineers from our great chemical plants and oil refineries and others pooled their knowledge and their resources of skill and patents and their trained and skilled men, and built the synthetic rubber industry from the very beginning. That chemical rubber industry is one of the miracles of the war, in my opinion.

When we went through that great plant and walked in the control room, we saw a panel board filled with a thousand instruments, it seemed. We were told that some of the processes are so delicate that if the temperature varied only a few degrees inside those great retorts, or if the pressure varied but a few pounds, it might seriously affect the quality of the product. We were then told that the engineers, scientists, and men who designed that great plant had to start without even a blueprint and design every bit of it. Not only God was with us, but the knowledge of our great scientists and industrial leaders with their know-how. They did such a fine job that they produced that great plant which has been working marvelously ever since. That is what these gentlemen found who went on the ground and studied this problem of the continued operation of our great synthetic rubber industry. They saw that although this is an industry born of the war, it is a great peacetime industry and has resulted in the producing of better automobile tires in most respects than we had before the war, and has kept the prices down. Scientific men have told me down there that they have hopes that with a little further experimentation they may be

able to produce automobile tires that will last as long as your car and perhaps not have to be inflated at all. That is one of the possibilities that has come out of the marshalling of the brains and knowledge of private industry in the doing of a great task.

I think those who have cooperated so well in this job need to be complimented. Remember that the continuation of this present operation in its present form, so long as the emergency exists, is essential, because if you sold these plants to private industry or if you shut them down even in a stand-by condition for too long a time and their great staffs are dissipated and go back to other fields of employment, it will take months to assemble them again in case of emergency. I think the committee has done a marvelous job.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT] a member of the committee.

Mr. SHORT. Mr. Chairman, at this late hour at the end of a hard and busy week I have no desire or disposition to trespass upon the time or impose upon the patience of Members, but because of this highly important subject I am constrained to say only a few words.

After returning from Europe the Near East and north Africa last fall I was expected to join the subcommittee which visited these synthetic plants in Texas, Kentucky, and Ohio. But because of the serious illness of my father, I was denied that privilege. However, I have followed the hearings more or less, and I might say more rather than less, though I have been chairman of another subcommittee considering petroleum which is closely allied to this one.

I want to state to the Members of the House now that when the Japs struck at Pearl Harbor we had 533,000 long-tons of rubber in this country in our stock pile and about 100,000 tons afloat in shipment to our country. I am sorry to say to you that we have less than half that amount at this hour. I could say a lot more but I do not want to reveal secrets. It is something that should alarm every Member of this House.

Now the reason we are passing this bill unanimously out of the subcommittee and out of the full committee and the reason there is no opposition to it is for two reasons: One, the Government spent $700,000,000 building synthetic plants, which saved our necks. America is a nation on wheels. Rubber is a strategic and critical war material. Without it in peacetime our domestic economy would be wrecked, not only your passenger cars and trucks and busses on the highways, but tractors on the farm, and in modern mechanized warfare rubber is almost as indispensable as is oil. We are continuing this program at least until June 30, 1950, after our taxpayers have invested $700,000,000 in it in order to be assured and guaranteed that with the greatly troubled and unsettled conditions that hang over us like a pall today we will not be caught short as we were on December 7, 1941.

That is the first thing and the big thing. National security or national defense is the peg on which we hang this bill. The second thing is, we will protect the little fellow, every individual consumer in this country, because today you can buy synthetic for about 18 cents a pound. Natural rubber will cost you twenty-one or twenty-two cents a pound. Synthetic rubber is almost as good as natural rubber when it comes to tires for automobiles and heavy rolling equipment. It is becoming better all the time, as the gentleman from Texas [Mr. COMBS] pointed out. We will not only protect and defend our Nation by the enactment of this legislation but we will guarantee to the individual consumer in America, all these citizens in the gallery, as good or a better product for as low or a less price than they paid before the war.

Speaking on that point, automobile tires or rubber is about the only commodity that I can think of that you can buy as cheaply today as you bought before the war. Why? You can call it socialistic and all that. We believe in private enterprise. There is nothing in this bill that denies private enterprise anything. If private industry can purchase these plants and manufacture rubber more cheaply than the Government, they are welcome to do it. There is nothing to prohibit them doing that, but we are interested that they use 225,000 tons a year, and that they maintain stand-by plants with a capacity for production of 600,000 tons per year which is the minimum requirement for the national security of this Nation. That is all we are doing.

In closing may I say, sir, I want to add with those gentlemen who have preceded me my compliments and tribute to the chairman and his colleagues on this subcommittee, who worked so long and faithfully, since May of last year. Of course I am prejudiced. I love PAUL SHAFER as I love a brother, but I know that with the ablest assistance of Russell Blandford, our committee member of the professional staff, they have brought forth a bill that has met with universal approval, notwithstanding some minor objections. Of course, you cannot satisfy everyone.

This subcommittee under the untiring and long labors of PAUL SHAFER, who heard all arguments, finally decided this complex issue. PAUL SHAFER, a friend of private enterprise, has worked unceasingly to protect our country and help everybody who buys a tire. They have brought forth a bill that has met with approval of the representatives of government, of industry, and I think of the general public.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JOHNSON of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I shall not detain the Committee. I am happy to see the spirit of cooperation and unanimity expressed here on the floor and I have the same feeling of appreciation for the work of the committee that has already been better expressed than I can express it.

I recall, Mr. Chairman, that at the outbreak of the war when we found ourselves so short of rubber there was consideration by a number of committees as to what we should do by way of creating a synthetic-rubber industry. I recall that we brought an eminent chemurgist before one of the committees of the House and he pointed out the possibility of agricultural products being used for the production of synthetic rubber. I think it was Dr. Hale, formerly of the University of Michigan and of the Dow Chemical Co. It was one of the best presentations I have heard. I am not a scientist myself.

It has been satisfactorily explained to me by the gentleman from Missouri [Mr. SHORT] and the gentleman from Michigan [Mr. CRAWFORD] this afternoon why we are paying little attention now to agricultural material for synthetic rubber with present high prices of grain and world-wide hunger. At first I thought that we ought to have more agricultural, replaceable products used instead of using nonreplaceable petroleum, but as time passed during the war and we saw how hungry the world was and how short of food grains it was and all that sort of thing, it became apparent that we must get our main supply of synthetic rubber from petroleum and not attempt to use the expensive grain for the production of alcohol. I am happy to be informed now by the committee that there are stand-by plants that can be called into use.

Today, as the gentleman from Michigan [Mr. CRAWFORD] said, we cannot expect to use grain which the world needs for food in this program, and it may be a good many years to come before there will be a surplus; but, Mr. Chairman, remember there was an agricultural surplus, so-called, at one time; at least we had a surplus, and we may again have a surplus. I believe that the chemurgist has the idea that we can, by the use of industrial alcohol in the production of synthetic rubber and synthetic motor fuels, take good and proper care of any possible surplus that may develop in agricultural products in the future. That would be a safety valve so we need not limit production.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. DURHAM. I may say to the gentleman that the committee went into that matter quite fully. The bill provides, I may say to the gentleman, that one of these alcohol plants actually be operated. Also, we are much concerned about the future scientific work in research on new uses of farm products and naturally we want to keep one of these plants in operation for research work.

Mr. MURDOCK. I thank the gentleman.

Mr. JOHNSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield.

Mr. JOHNSON of Illinois. I may say there are two bills pending, one introduced by me in this body and another bill in the other body at the request of the Department of Agriculture on this very subject. For the past 10 years, ever since I have been in Congress, I have been interested in synthetic fuels. These bills provide for the maintenance by the Government of the alcohol plant at Muscatine, Iowa, that it be not sold. It

has been declared surplus. This bill would let it be turned over to the Department of Agriculture for use in connection with the regional laboratory at Peoria in connection with research in synthetic liquid motor fuels. No one knows when the time may come—it can come within a 2-year period—when we will have very great surpluses of grain, when the needs of the people of Europe have been fully met. That can come about in a couple of years, and do not forget it.

Mr. MURDOCK. I thank the gentleman.

In the urgency of war we had to look after our national defense with all the means we had at hand. Of course, petroleum was the thing to use at that time and is now the thing to use under the circumstances, but we must train ourselves to be in readiness under all conditions so that our national defense may be further supplied by surplus agricultural commodities. One way to do that is to get ready in peacetime.

Mr. JOHNSON of Illinois. Back in 1942 if we had not had some foresighted people down here in the War Production Board who bought large amounts of alcohol and large stock piles of other things and built these alcohol plants, we might have lost the war on account of a lack of rubber because we did not have the alcohol facilities to make rubber.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Missouri.

Mr. SHORT. Since the gentleman from Iowa served on the old Military Affairs Committee, I trust he will tell of the chaotic state we were in when Big Bill Jeffers brought order out of chaos, when we had come dangerously near losing the war.

Mr. MARTIN of Iowa. I thank the gentleman for bringing that up. I had in mind referring back a bit to the history behind this bill.

First of all, I want to compliment the committee for its great devotion to this matter. It has been one of our major problems.

Back in 1939 I had the privilege of serving on the conference committee between the House and Senate on Public Law 117 of the Seventy-sixth Congress. At that time we had no stock-pile legislation at all, and we had no supply of rubber except what we got from the Far East. Ninety-five percent of our rubber supply at that time was secured from the Dutch East Indies, and, as you know, that involved shipping over a long and dangerous sea lane.

On July 21, 1941, the committee investigating the stock-pile program, on which committee I was then serving, brought out some rather startling and amazing findings regarding our helplessness so far as the national defense was concerned, particularly as to rubber. Ninety-five percent of it came from British Malaya and the Netherlands East Indies. As the gentleman from North Carolina [Mr. DURHAM] stated here today, our supply on hand at that time was inadequate. We also were at the mercy of other interests so far as the price of rubber was concerned. May I read you one short sentence here out of that report in 1941:

> The price of rubber is regulated by the international rubber cartel composed nearly 100 percent of British and Dutch interests.

Mr. Chairman, at that time we had a schedule of purchases to buy more than two-thirds of the world's entire production for the following 12 months. That is also shown in the committee and minority report of 1941.

What good did those orders do? Did we fight the World War II with these supplies that were on order but undelivered to us? We found that the blueprints did not shoot. We found that undelivered orders for rubber did not help win the war. We could not get delivery over those long sea lanes. That is why I feel so relieved at the great development of our domestic production of rubber that has taken place. In my opinion, next to the atomic bomb development of World War II, the development of synthetic rubber is the greatest accomplishment we have had industrially growing out of the late war.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from Ohio.

Mr. BENDER. Is it not a fact that 49½ percent of the rubber that was used last year was synthetic rubber manufactured by our own American industries?

Mr. MARTIN of Iowa. That is a very interesting contribution and I thank the gentleman for it.

It means a great deal to us to have this development grow as strongly as it has, but it could not have attained the place it now occupies if it had not been for the attention of this committee which helped build a system guaranteeing an adequate rubber supply for the national defense. In my opinion, one of the greatest stock-pile assets we can build in any product or in any item is a good dependable domestic source of supply If it were not for this development of synthetic-rubber production capacity in our Nation today, I would be terribly alarmed at the figure given by the gentleman from North Carolina [Mr. DURHAM] and by the gentleman from Missouri [Mr. SHORT] concerning the very small natural-rubber stock piles that have been acquired. One of the greatest problems I have witnessed and one of the most vital points in our national defense is the matter of acquiring adequate stock piles of strategic and critical materials. I would recommend to every Member of the House that he take a copy of the hearings and a copy of the report on the bill H. R. 5314, which we now have under consideration, and put them in his permanent library, because you will have occasion to refer back to them. I have such a compilation of documents dating back to 1939, not only concerning rubber, but other strategic and critical materials, especially minerals and wool. I think it behooves us to follow this committee's recommendation very conscientiously and carefully in the great work they are doing. I want to commend the chairman and the committee particularly for their great work in the interest of our Nation in our hour of need.

I can make no better statement of the ideals that should control and guide the work of the Committee on Armed Services than the statement made by the committee itself on page 3 of the committee report, House Report No. 1409, accompanying this bill now under consideration, as follows:

> However, it was also agreed * * * that the United States must never again be dependent upon a foreign source for all of its rubber. It was agreed, and it is even a stronger belief today, that the United States must maintain and develop a chemical-rubber policy and program.

More power to the committee in the great task of building an adequate national defense for our great Nation.

Mr. SHAFER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the committee has done a good job here, and I shall not take all of the time allotted to me. But, I do want to ask the chairman a question or two. We need not be reminded that responsibility for the defense of the country rests with the Congress. Is it the intent of this legislation that the Congress, and not any administrative agency, foreign country, or international body shall determine our rubber policy, and that our American synthetic rubber industry shall be preserved as a vigorous going concern?

Mr. SHAFER. That is right.

Mr. CURTIS. Does this measure retain in the Congress the right to determine the future of our synthetic rubber industry and take advantage of future scientific progress?

Mr. SHAFER. That is correct.

Mr. CURTIS. The rubber industry certainly is one that is essential to the welfare of this country, and no department of government or no international agency should determine the future of that great industry in this country. We are indebted to this committee for legislation that definitely retains the control of this potent industry in the hands of the Congress of the United States.

This synthetic industry is a monument to an outstanding Nebraskan, William Jeffers.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.*, That this act may be cited as the "Rubber Act of 1948."

DECLARATION OF POLICY

SEC. 2. It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stock piles of natural rubber which are to be acquired, rotated, and retained pursuant to the Strategic and Critical Materials Stock Piling Act (Public Law 520, 79th Cong., approved July 23, 1946), a technologically advanced and rapidly expandible rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of chemical rubber to meet the essential civilian, military, and naval needs of the country. It is further declared to be the policy of the Congress that the security

interests of the United States represent by far the most important consideration in dealing with the Government-owned rubber-producing facilities. There are no compelling security reasons why the Government-owned rubber-producing facilities should be sold or leased, except as authorized in section 7 of this act, to private persons.

In order to make certain that the Government-owned rubber-producing facilities are held in constant readiness against a possible emergency, it is essential, notwithstanding any provisions of this act or any other provisions of law, that the Government, in the interests of national security, retain its rubber-producing facilities, except as authorized in section 7 of this act.

AUTHORITY TO EXERCISE CERTAIN CONTROLS OVER NATURAL RUBBER AND CHEMICAL RUBBER

SEC. 3. To effectuate the policies set forth in section 2 of this act, the President is authorized to exercise allocation, specification, and inventory controls of natural rubber and chemical rubber, and products containing natural rubber and chemical rubber, notwithstanding any changes in the supply or estimated supply of natural rubber or chemical rubber; and he shall exercise such controls by issuing such regulations as are required to insure (a) the consumption in the United States of general-purpose chemical rubber in a specified percentage of the combined total estimated annual consumption of natural rubber and general-purpose chemical rubber consumed within the United States, and (b) the consumption in the United States of any or all types of special-purpose chemical rubber in specified percentages of the combined total estimated annual consumption of natural rubber, general-purpose chemical rubber, and special-purpose chemical rubber consumed within the United States. Such percentages shall be established so as to assure the production and consumption of general-purpose chemical rubber and special-purpose chemical rubber in quantities determined by the President to be necessary to carry out the policy of section 2 of this act, and the provisions of Public Law 520, Seventy-ninth Congress, approved July 23, 1946: *Provided*, That the minimum percentages established by the President shall result in a total annual tonnage consumption of chemical rubber of at least the amounts specified in section 5 (d) of this act, and that any mandatory consumption in excess of the quantities specified in section 5 (d) of this act shall not be more than is deemed by the President to be necessary in the interest of national security and the common defense.

IMPORTATION AND EXPORTATION

SEC. 4. (a) The President may impose such import restrictions on finished and semifinished rubber products as he deems necessary to assure equality with like or similar products produced within the United States in accordance with regulations issued under this act.

(b) The President may exempt from the regulations of this act finished and semifinished rubber products manufactured in the United States exclusively for export outside the United States.

DOMESTIC RUBBER-PRODUCING CAPACITY

SEC. 5. (a) There shall be maintained at all times within the United States rubber-producing facilities having a rated production capacity of not less than 600,000 long tons per annum of general-purpose chemical rubber and not less than 75,000 long tons per annum of special-purpose chemical rubber.

(b) Of the 75,000-long-ton rated-production capacity for special-purpose chemical rubber, specified in section 5 (a) of this act, at least 45,000 long tons shall be of a type suitable for use in pneumatic inner tubes.

(c) The facilities specified in section 5 (a) of this act may include facilities owned in whole or in part by the Government and in whole or in part by private persons.

(d) Facilities in operation by the Government or private persons shall produce annually not less than one-third of the rated production capacities specified in section 5 (a) and (b) of this act.

(e) The facilities to be maintained in operation by the Government and those to be maintained in adequate standby condition shall be determined from time to time by the President.

(f) At least one facility for making butadiene from alcohol shall be maintained in operation or in adequate standby condition.

RESEARCH AND DEVELOPMENT

SEC. 6. (a) To effectuate further the policies set forth in section 2 of this act with respect to a technologically advanced domestic rubber-producing industry, continuous and extensive research is essential. The powers, functions, duties, and authority of the Government to undertake research and development in rubber and allied fields shall be exercised and performed by such departments, agencies, officers, Government corporations, or instrumentalities of the United States as the President may designate, whether or not existing at the date of enactment of this act.

(b) The cost of undertaking and maintaining the research and development authorized in section 6 (a) of this act, may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this act.

OPERATION OF RUBBER-PRODUCING FACILITIES BY THE UNITED STATES GOVERNMENT

SEC. 7. (a) The powers, functions, duties, and authority to produce and sell chemical rubber conferred in section 7 (b) of this act shall be exercised and performed by such department, agency, officer, Government corporation, or instrumentality of the United States as the President may designate, whether or not existing at the date of enactment of this act.

(b) The department, agency, officer, Government corporation, or instrumentality of the United States designated by the President pursuant to section 7 (a) of this act, shall have the powers, functions, duties, and authority to produce and sell chemical rubber, including the component materials thereof, in amounts sufficient to assure the production of chemical rubber as required by the President in section 3 of this act: *Provided*, That the President may authorize such production of chemical rubber, including the component materials thereof, as may be necessary to satisfy voluntary usage of chemical rubber, including the component materials thereof.

(c) The aforesaid powers, functions, duties, and authority to produce and sell include all power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to do all things necessary and proper in connection with and related to such production and sale, including but not limited to the power and authority to make repairs, replacements, alterations, improvements, or betterments to the rubber-producing facilities owned by the Government or in connection with the operation thereof and to make capital expenditures as may be necessary for the efficient and proper operation and maintenance of the rubber-producing facilities owned by the Government and performance of said powers, functions, duties, and authority.

(d) Nothwithstanding the provisions of section 9 of this act, the aforesaid powers, functions, duties, and authority to produce and sell include the power and authority in such department, agency, officer, Government corporation, or instrumentality of the United States to (a) lease for operation for Government account all or any part of the Government-owned rubber-producing facilities in connection with the performance of said powers, functions, duties, and authority to produce and sell; (b) lease, for a period not exceeding 1 year, Government-owned rubber-producing facilities for private purposes if such lease contains adequate provisions for the recapture thereof for the purposes set forth in section 7 (b) of this act and if such lease prohibits the production in the leased facilities of chemical rubber or component materials for use in the production of chemical rubber for private purposes; (c) grant permanent easements or licenses for private purposes in, on, or over land comprising part of the Government-owned rubber-producing facilities if such grant provides that such easement or license shall not interfere with the use at any time of the rubber-producing facilities involved; and (d) sell or otherwise dispose of obsolete or other property not necessary for the production of the rated capacity of the particular plant to which such property is charged.

STAND-BY FACILITIES

SEC. 8. (a) To effectuate further the policies set forth in section 2 of this act, the President is authorized to place in adequate stand-by condition such rubber-producing facilities as he shall determine necessary to maintain the continued existence of rubber-producing facilities capable of producing the tonnage of chemical rubber required by section 5 (a) of this act.

(b) Rubber-producing facilities placed in stand-by condition by the President pursuant to section 8 (a) of this act may be maintained by such department, agency, officer, Government corporation, or instrumentality of the United States, whether or not existing on the date of enactment of this act, as the President may designate: *Provided*, That nothing contained in section 8 (b) of this act shall preclude such department, agency, officer, Government corporation, or instrumentality of the United States from entering into contracts with private persons for the maintenance of stand-by facilities: *Provided further*, That the cost of placing facilities in stand-by condition, maintaining such facilities in adequate stand-by condition, and, when necessary reactivating such facilities, may be paid from such sums as the Congress, from time to time, may appropriate to carry out the provisions of this act.

DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

SEC. 9. (a) No disposition by sale or lease of any Government-owned chemical rubber-producing facilities shall be made until approved by a concurrent resolution in Congress.

(b) No proposal for the disposition by sale or lease of any Government-owned chemical rubber-producing facility shall be submitted to the Congress for approval by concurrent resolution, unless it shall provide adequate safeguards for national security and consumers of chemical rubber, including, but not limited to, a recommendation by the President, after consultation with the National Security Resources Board, stating that the proposed disposition by sale or lease has been considered by the members of the National Security Resources Board and that a majority of said members have found that the requirements of national security and common defense will be facilitated and advanced by such proposed disposition.

ADMINISTRATION

SEC. 10. (a) The President may issue such rules and regulations as he deems necessary and appropriate to carry out the purposes of this act.

(b) The President may exercise any or all of the powers, authority, and discretion conferred upon him by this act, including but not limited to the powers and authority conferred in section 12 of this act through such departments, agencies, officers, Government corporations, or instrumentalities of the United States, whether or not existing

at the date of the enactment of this act, as he may direct.

(c) The President, whenever practicable, shall consolidate all of the powers, functions, and authority contained in this act in one agency, officer, Government corporation, or instrumentality of the United States, whether or not existing at the date of enactment of this act.

(d) The President may transfer to the departments, agencies, offices, Government corporations, or instrumentalities of the United States, or to any of them, which he directs to exercise the powers, authority, and discretion conferred upon him by this act, such rubber-producing facilities, personnel, property, and records relating to such powers, authority, and discretion, as he deems necessary; and he may so transfer all appropriations or other funds available for carrying out such powers, authority, and discretion. To the extent deemed necessary for the discharge of the responsibilities under this act, any personnel authorized to be transferred may be employed and their compensation fixed without regard to the civil-service laws and the Classification Act of 1923, as amended.

(e) Each department, agency, officer, Government corporation, or instrumentality of the United States to whom the President may delegate any powers, authority, and discretion conferred by this act shall make an annual report to the President and to the Congress of operations under this act.

(f) The President shall report to the Congress within 5 years from the effective date his recommendations for revisions of this act, particularly as to any changes in the mandatory annual tonnage consumption, and the rated production capacity of rubber-producing facilities which must be maintained in the United States.

PATENT POOLING AND USE OF TECHNICAL INFORMATION

SEC. 11. (a) To effectuate further the policies of this act, the President is authorized to take such action as may be appropriate with respect to patent pooling, patent licensing, and exchange of information agreements sponsored by the Government as a part of the wartime chemical-rubber program, insofar as practicable and consistent with the purposes of this act, to—

(1) effectuate cessation of further accumulations of patents or technical information to such pools or under such agreements;

(2) for the advancement of the rubber-producing industry, make available to and preserve for the Government, and others, information, and unrestricted, unconditional patent licenses and immunities under the patents, now or hereafter covered by or exchanged under such pools or agreements or developed under operating agreements or arrangements with or sponsored by the Government;

(3) maintain and encourage the competitive development of technology for the advancement of the chemical-rubber industry.

(b) No person, corporation, or legal entity shall be liable for the infringement of any patent or for any claim for damages thereunder where there was failure to disclose the subject matter covered by any claim of said patent as required by any patent pooling, patent licensing, or exchange of information agreement sponsored by the Government, or where there was unjustifiable or purposeful delay in actual or constructive reduction to practice of the invention set forth in a claim of said patent as contemplated in any such agreement; and any such patent, any claim of which shall be found to fall in one of the above categories on an action for infringement, damages, or declaratory judgment, shall be invalid.

(c) No person, corporation, or legal entity shall be liable for any alleged violation of trust with regard to the use of technical information in the operation of a Government-constructed facility for the production of chemical rubber or its components or the use or sale of the products thereof, where there was failure to disclose the subject matter entrusted as required by any patent pooling, patent licensing or exchange of information sponsored by the Government.

(d) Any department, agency, office, Government corporation, or instrumentality of the United States as the President may designate to perform the powers, functions, duties, and authority referred in section 7 (b) of this act, shall be entitled to the benefits of the Act of June 25, 1910 (36 Stat. 851), as amended July 1, 1918 (40 Stat. 705), or any similar act.

INFORMATION, REPORTS, SUBPENAS, WITNESSES, AND TESTIMONY

SEC. 12. (a) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, any person and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this act.

(b) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to section 12 (a) of this act, the President may administer oaths and affirmations, and may require by subpena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof, or physical evidence, in obedience to any such subpena, or in any action or proceeding which may be instituted under this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment, or to any penalty or forfeiture, for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and, upon conviction thereof, shall be fined not exceeding $1,000 or be imprisoned not exceeding 2 years, or both.

PENALTIES

SEC. 13. Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any provision of this act or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

JURISDICTION OF THE UNITED STATES COURTS

SEC. 14. (a) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction of violations of this act or any rule, regulation, or order or subpena thereunder, and of all civil actions under this act to enforce any liability or duty created by, or to enjoin any violation of this act or any rule, regulation, order, or subpena thereunder.

(b) Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the alleged violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpenas for witnesses who are required to attend a court in any district in any such cases may run into any other district. No costs shall be assessed against the United States in any proceeding under this act.

EXCULPATORY CLAUSE

SEC. 15. No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this act or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 16. Functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act except as to the requirements of sections 3 and 10 thereof.

SEPARABILITY

SEC. 17. If any provision of this act or the application thereof of any person or circumstance is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

DEFINITIONS

SEC. 18. For the purposes of this act—

(1) The term "natural rubber" means all forms and types of tree, vine, or shrub rubber, including guayule and natural rubber latex, but excluding reclaimed natural rubber;

(2) The term "chemical rubber" means any product of chemical synthesis similar in general properties and applications to natural rubber, and specifically capable of vulcanization, produced in the United States, not including reclaimed chemical rubber;

(3) The term "general-purpose chemical rubber" means a chemical rubber of the butadiene-styrene type generally suitable for use in the manufacture of transportation items, as well as any other type of chemical rubber equally or better suited for use in the manufacture of transportation items as determined from time to time by the President;

(4) The term "special-purpose chemical rubber" means a chemical rubber of the types now known as butyl, neoprene, or N-types (butadiene-acrylonitrile types) as well as any chemical rubber of similar or improved quality applicable to similar uses, as

determined from time to time by the President;

(5) The term "rubber-producing facilities" means facilities, in whole or in part, for the manufacture of chemical rubber, and the component materials thereof, including, but not limited to, buildings and land in which or on which such facilities may be located and all machinery and utilities associated therewith;

(6) The term "rated production capacity" means the productive capacity assigned to any rubber-producing facilities at time of authorization of construction or as thereafter amended in authorizations of additional construction or alterations thereto and used in published reports and in the records of the Office of Rubber Reserve, Reconstruction Finance Corporation, or successor agency, or privately owned plants, as determined by the President;

(7) The term "component materials" means the material, raw, semifinished, and finished, necessary for the manufacture of chemical rubber;

(8) The term "stand-by condition" means the condition in which rubber-producing facilities, in whole or in part, are placed when determined to be not needed for current operations, but are maintained so as to be readily available for the production of chemical rubber or component materials;

(9) The term "person" means any individual, firm, copartnership, business trust, corporation, or any organized group of persons whether incorporated or not, and any Government department, agency, officer, corporation, or instrumentality of the United States; and

(10) The term "United States" includes the several States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 19. (a) There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

(b) Until such time as appropriations herein authorized are made, any department or agency may, in order to carry out its functions, powers, and duties under this act, continue to incur obligations and make expenditures in accordance with laws in effect on March 31, 1948.

EFFECTIVE DATE

SEC. 20. This act shall become effective on April 1, 1948.

With the following committee amendments:

On page 10, line 23, after the word "one", add the word "department."

On page 11, line 2, strike out the word "offices" and insert in lieu thereof the word "officers."

On page 12, line 5, strike out the words "sponsored by" and insert in lieu thereof the words "entered into with."

On page 12, strike out all of lines 9, 10, and 11 and insert in lieu thereof the following:

"(1) Effectuate cessation of further accumulation of technical information or rights to patents under the agreement dated December 19, 1941, as supplemented June 12, 1942, between the Government and others."

On page 12, line 21, strike out the words "or sponsored by."

On page 13, line 6, strike out the words "sponsored by" and insert in lieu thereof the word "with."

On page 13, line 21, strike out the words "sponsored by" and insert in lieu thereof the words "agreement with."

On page 13, line 23, strike out the word "office" and insert in lieu thereof the word "officer."

On page 20, line 7, after the word "and", add the words "except for the provisions of section 13."

The committee amendments were agreed to.

Mr. SHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: On page 11, strike out all of lines 20 to 25, inclusive.

The amendment was agreed to.

Mr. SHAFER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: On page 20, line 25, strike out the period after "1948", insert a comma in lieu thereof, and insert after the comma "and shall remain in effect until June 30, 1950."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BARRETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5314) to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes, pursuant to House Resolution 488, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the committees in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to revise and extend his remarks.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a letter from the AMVETS regarding the cut in the Veterans' Administration.

VETERANS' ALLOWANCES AND COMPENSATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may have until midnight Saturday night to file a conference report and statement on the bill (S. 1393) to raise the ceilings on wages and allowances payable to veterans undergoing training on the job, and for other purposes.

May I state that I expect to call the conference report up for action on Monday next.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore granted, I may be permitted to address the House for 45 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. JENISON asked and was given permission to extend his remarks in the RECORD in two instances and include therein an article and an editorial.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and include a radio speech he recently made.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

Mr. ROSS asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech by the late Honorable William E. Borah, of Idaho, in opposition to antilynching legislation. The Public Printer estimates that the cost of printing will be $284. Mr. Speaker, I hope that every Republican Member of the House reads this great speech.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr BUCHANAN, Mr. KING, and Mr. HOLIFIELD (at the request of Mr. KARSTEN of Missouri) were given permission to extend their remarks in the RECORD and include extraneous matter.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—LIQUIDATION OF TEMPORARY ARRANGEMENTS FOR DISPOSING OF SURPLUS WAR PROPERTY (H. REPT. NO. 558)

The SPEAKER laid before the House the following message from the Presi-

dent of the United States, which was read and referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

*To the Congress of the United States:*

In accordance with the Government's settled policy of eliminating temporary war agencies as soon as practicable, I recommend that the Congress now provide for the liquidation of the temporary arrangements for disposing of surplus war property and for the completion of the remaining disposal activities within the permanent Federal establishment. At the same time, the Congress should provide for a number of improvements in the permanent system for procurement, use, and disposal of Government property.

For a number of years the Federal Government has needed a better system of property management. The present arrangements, which have been developed under piecemeal legislation dating as far back as 1870, are inadequate to meet the present requirements of the Government. That legislation contains many obsolete provisions and does not provide for the central leadership and direction necessary to coordinate the complex activities concerned with the procurement, use, and disposal of Government property.

The Congress has considered basic revisions in the Government's system of property management in the past. The Seventy-seventh and Seventy-eighth Congresses devoted much attention to this subject. This work was interrupted, however, by the more urgent need for emergency legislation to provide for the disposal of surplus war property.

The Surplus Property Act of 1944 was enacted for this purpose. The War Assets Administration and its predecessor agencies have been responsible for the disposal of surplus war property at home. The Department of State has been responsible for disposing of surplus property located abroad.

The Surplus Property Act was not designed to be permanent property-management legislation. Rather, its purpose was to achieve a number of special objectives which would make the disposal of the huge war surpluses a constructive force in demobilization and reconversion.

An effective job has been done in achieving these objectives. Disposal operations have been carried on without the uncontrolled dumping of surplus stocks which would have created hazards to business and employment. Many thousands of veterans have been assisted in establishing or improving their own business, professional, and agricultural enterprises. The competitive position of small business has been protected and strengthened. State and local governments and schools throughout the country have received substantial benefits. Our surplus property abroad has been disposed of in a manner which would make the greatest contribution to world recovery efforts.

The critical period in disposing of war surpluses is now drawing to a close. By June 30, 1948, the total amount of war property declared surplus, both at home and abroad, will have reached nearly $40 billion, in terms of original cost. By that date, it is expected that all but about $6 billion in property will have been disposed of.

Of the original $40 billion total, property costing about $11 billion was located abroad, of which about $600 million will be left next June. This small remaining inventory, which is widely dispersed, can be liquidated most efficiently by transferring responsibility for its disposal from the Department of State to the owning agencies—primarily the Departments of the Army and Navy. Where appropriate, the disposal of this property would continue to be conducted so as to assist our international programs.

About $29 billion, of the $40 billion total, represented property located in the United States and its Territories and possessions.

The greatest number of buyers has been interested in consumer and producer goods which constitute the main types of surplus personal property useful in a peacetime economy. It is estimated that on June 30 only about $500 million of a total of almost $10 billion of such goods will remain. Much of this small remainder will have limited sales appeal and all of it will face increasingly stiff competition from the record output of our industries. As inventories of surplus goods decline, unit costs of disposal will necessarily rise. Furthermore, disposal costs are held at high levels by the rigid priority and preference provisions of the present law. Unless the law is changed, we will soon reach the point at which it will cost the Government more to dispose of these goods than it receives from their sale. We should therefore simplify the disposal procedure and make possible reduced costs by providing for the elimination of these cumbersome provisions when the remaining quantities of this property are no longer of sufficient size to justify their maintenance.

The same considerations apply to aircraft, aircraft components, electronic equipment, and other miscellaneous items, of which about $1.2 billion, mainly aircraft components, are expected to remain on June 30 from a total of nearly $10 billion. No useful purpose would be served by retaining the present priority and preference provisions of the law for these items, for which there is very limited demand.

A different situation exists with respect to surplus real property. Of a total of somewhat more than $9 billion of such surplus there will remain on June 30 a substantial amount—some $2.6 billion of property awaiting disposition and an additional $1.1 billion under lease. A long-range program will be required for the ultimate disposition of this property. Removal of preferences and priorities applying to this type of property would not result in substantial economies but would, on the other hand, confuse a large number of current negotiations for the orderly sale of important assets.

The War Assets Administration has served well as an emergency agency for the disposal of surplus war property. It would not be suitable, however, to maintain a large independent agency to liquidate the remaining personal property and to deal with the longer-range disposal of real property. The War Assets Administration, therefore, should be terminated at the end of this fiscal year and the remainder of the war-surplus-property-disposal program transferred to a permanent agency.

At the same time that these actions relating to surplus war property are taken, we should improve our permanent system for the procurement, use, and disposal of property. The problem of providing for orderly liquidation of the surplus-war-property program and the problem of establishing a new and better system for administering the property-management functions of the Government are intimately related. Both should be considered together.

Efforts to achieve permanent improvement should be directed toward two main objectives. First, such procurement, disposal, and other property-management functions as can best be performed at a central point should be consolidated in a single Government agency. Second, adequate provision should be made for the coordination throughout the Government of those property-management activities which are not to be performed by this central agency.

Government supply activities with respect to personal property, such as procurement and warehousing, are now centralized to a considerable extent in the Bureau of Federal Supply of the Treasury Department. Certain exemptions from these central supply activities are made, as in the case of the National Military Establishment, for reasons of national security. Moreover, some items are purchased for the Government not by the Bureau of Federal Supply but by other agencies with special competence. Appropriate exceptions for such cases as these should, of course, be continued.

At the present time, Government procurement and disposal functions are not in the same agency. They should be brought together. Common direction of purchasing and disposal activities will permit the establishment of an efficient system to insure that equipment no longer needed by one agency is made available to other agencies and to prevent the purchase of new equipment when surplus equipment is already available.

Furthermore, the centralized services concerned with personal property are closely related to centralized services concerned with real property, and they should be brought together in the same agency. At the present time, central services with respect to real property are primarily the responsibility of the Public Buildings Administration of the Federal Works Agency.

Taking all these considerations into account, I am convinced that the Federal Works Agency should be made the central property-management agency of the Government, by transferring to it the Bureau of Federal Supply and the remaining war-surplus-disposal functions of the War Assets Administration. Placing the

Bureau of Federal Supply and the surplus-disposal functions of the War Assets Administration in the same agency will make possible common direction of purchasing and disposal operations, thus presenting obvious opportunities for economies. Placing the Bureau of Federal Supply in the same agency with the Public Buildings Administration will facilitate the procurement of utility services, the operation of repair shops, and the provision of other common services affecting both real and personal property.

To improve the administration of those property-management activities which are not centralized, each executive agency should be required by law to maintain an adequate inventory control of its property, to shift property which has served its original purpose to other uses within the agency when appropriate, and to report to the Federal Works Administrator any property no longer needed. Furthermore, the Federal Works Administrator should be given authority to establish a uniform system of identifying and classifying property, to make surveys of Government property-management activities, and to prescribe uniform policies.

To accomplish these objectives, I recommend that the Congress enact legislation for the following purposes:

1. To terminate the War Assets Administration and transfer to the Federal Works Agency the function of liquidating the remaining domestic surplus war property. The priorities and preference requirements of the Surplus Property Act applying to personal property should be eliminated in the near future. Those applying to real property should continue in effect until December 31, 1949.

2. To transfer the responsibility for liquidating the remaining surplus war property abroad from the Department of State to the owning agencies.

3. To transfer the Bureau of Federal Supply and its functions to the Federal Works Agency.

4. To provide on a permanent basis for the orderly and economical procurement, use, and disposal of Government property, under the central leadership and direction of the Federal Works Administrator. It is especially important that the Federal Works Administrator be given responsibility for developing improved methods, and that sufficient flexibility be provided in the law to permit the adoption of new methods without delay.

I have requested the Federal Works Administrator to submit to the appropriate committees of the Congress proposed legislation to carry out this program.

The enactment of such legislation will abolish our largest remaining war agency and provide for an orderly liquidation of the present war-surplus-disposal program. It will establish an improved system for managing the Government's property, and mark a major advance toward the development of a central service agency for the Federal Government. These steps will make an important contribution to the efficient and economical conduct of the Government.

HARRY S. TRUMAN.

THE WHITE HOUSE, *March 5, 1948.*

PRIVILEGE OF THE HOUSE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 5, 1948.

The honorable the SPEAKER:
*House of Representatives.*

SIR: From the District Court of the United States for the District of Columbia, I have received a subpena duces tecum, directed to me as Clerk of the House of Representatives, to appear before said court on the 8th day of March 1948 at 10 o'clock a. m., as a witness in the case of the *United States* v. *George Marshall* (No. 367-47 Criminal Docket), and to bring with me certain and sundry papers therein described in the files of the House of Representatives.

The subpena contains 39 paragraphs descriptive of the papers in question. A limited number of paragraphs are specific in their description and such papers may readily be identified. The greater number are general, lack specific description, embrace a voluminous quantity of records, and in some instances papers which are not part of the file at all. Such of the papers as may be identified as being under the control of the House are the files of the Committee on Un-American Activities and as such are under the unqualified control of the House.

Your attention and that of the House is respectfully invited to a resolution of the House adopted in the Forty-sixth Congress, first session (CONGRESSIONAL RECORD, p. 680), upon the recommendation of the Committee on the Judiciary, as follows:

"*Resolved,* That no officer or employee of the House of Representatives has the right, either voluntarily or in obedience to a subpena duces tecum, to produce any document, paper, or book belonging to the files of the House before any court or officer, nor to furnish any copy of any testimony given or paper filed in any investigation before the House or any of its committees, or of any paper belonging to the files of the House, except such as may be authorized by statute to be copied and such as the House itself may have made public, to be taken without the consent of the House first obtained."

And to a resolution adopted by the House in the Forty-ninth Congress, first session (CONGRESSIONAL RECORD, p. 1295), from which the following is quoted:

"*Resolved,* That by the privilege of this House no evidence of a documentary character under the control and in possession of the House of Representatives can, by the mandate or process of the ordinary courts of justice, be taken from such control or possession but by its permission.

"That when it appears by the order of a court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House."

These resolutions result from the issuance of subpena duces tecum upon the Clerk of the House to produce certain original papers in the files of the House.

Permission to remove from their place or file or from the custody of the Clerk, any papers was denied by the House but court afforded facilities to make certain copies of papers to be secured from the House. This seems to be the uniform procedure in the case of subpenas duces tecum served upon the Clerk of the House of Representatives to produce original papers from the files of the House.

The subpena in question is herewith attached and the matter is presented for such action as the House in its wisdom may see fit to take.

Very respectfully yours,

JOHN ANDREWS,
*Clerk of the House of Representatives.*

[Duces Tecum—Defendant]

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES VS. GEORGE MARSHALL, NO. 367-47, CRIMINAL

The President of the United States to John Andrews, Clerk of the House of Representatives, P-42 United States Capitol, Washington, D. C.

You are hereby commanded to attend the said court on Monday the 8th day of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in Schedule A attached hereto and made a part hereof consisting of 4 pages, which documents are in the files of the Committee on Un-American Activities, and not depart the court without leave thereof.

Witness, the Honorable Chief Justice of said Court, the 4th day of March A. D. 1948

HARRY M. HULL,
*Clerk.*

By MARGARET L. BONWELL,
*Deputy Clerk.*

CHARLES A. HORSKY,
*Attorney for George Marshall.*

Let this writ issue:

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*Justice.*

MARSHAL'S RETURN

Summoned the above-named witness ----
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JOHN B. COLPOYS,
*United States Marshal.*

By ——— ———,
*Deputy.*

SCHEDULE A

1. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Federation for Constitutional Liberties.

2. Letter dated January 2, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

3. Copy of letter dated January 3, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

4. Letter dated January 7, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

5. Copy of letter dated January 10, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

6. Letter dated January 19, 1946, from George Marshall, chairman, to Congressman JOHN S. WOOD, together with statement enclosed entitled "Answer to the Un-American Committee" (statement of executive board dated January 18, 1946).

7. All letters, actions letters, releases, statements, newspaper clippings of or concerning the National Federation for Constitutional Liberties which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

8. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Federation for Constitutional Liberties and George Marshall which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

9. Transcript of the testimony of George Marshall before a Subcommittee of the Committee on Un-American Activities on April 8, 1946, given at United States Courthouse, New York City, and before the said committee on April 11, 1946, at Washington, D. C., together with the exhibits offered and marked in evidence in connection with said testimony, including but not limited to, exhibits Nos. 1–46, inclusive.

10. Copy of letter dated January 31, 1946, from Ernie Adamson, counsel, to Corliss Lamont.

11. Copy of letter dated February 11, 1946, from KARL E. MUNDT, member of the committee, to Corliss Lamont.

12. Copy of letter dated November 14, 1945, from Ernie Adamson, counsel to Mrs. L. C. Shuttleworth, 1445 Outlook Avenue, New York, N. Y.

13. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel to Carl Dreher, Bald Hill Road, Wilton, Conn.

14. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin, 40 Monroe Street, New York, N. Y.

15. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.

16. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Committee to Combat Anti-Semitism, Room 601, 22 East Seventeenth Street, New York, N. Y., together with copy of petition by said national committee, referred to in said letter.

17. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

18. Copy of letter dated March 22, 1946, from Ernie Adamson, counsel, to Mr. Stanley B. Moss, c/o Moss and Arnold, 7 East Forty-fourth Street, New York, N. Y., together with copy of New York Times advertisement referred to therein.

19. Copy of letter dated between February and August 1946, from JOHN S. WOOD, chairman, to all Members of Congress enclosing copy of report of Committee on Un-American Activities and summarizing its work and policy.

20. Letter dated July 17, 1946, from Clyde Doyle, Representative from California, to Ernie Adamson, counsel.

21. Copy of letter dated July 18, 1946, from Ernie Adamson, counsel, to Clyde Doyle, Representative from California.

22. Copies of letter sent by KARL E. MUNDT, member of the committee, to Gov. Thomas L. Bailey (Mississippi) and approximately 99 others on or about January 20, 1945, relating to a suitable and working criterion to determine what does and what does not comprise an un-American activity, together with the data sheet mailed therewith and all replies received thereto, and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms un-American and/or subversive.

23. Copies of all letters sent by or on behalf of the committee or by any members thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American or subversive, or relating to an analysis of letters received purporting to define un-American activities or propaganda; together with all letters received from the Brookings Institution in connection therewith.

24. The report or memorandum submitted to the committee by the Brookings Institution between January 3, 1945, and April 15, 1945, relating to or entitled "Suggested Standards for Determining Un-American Activities," and other data and material submitted in connection therewith.

25. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT, committee member, by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

26. Stenographic transcript of all meetings of the House Committee on Un-American Activities or any subcommittee of the same from January 3, 1945 to February 6, 1946 at which the definition or content of the phrase "un-American or subversive propaganda activities" was considered, discussed or acted upon.

27. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945 and August 11, 1946 at which investigation of the National Federation for Constitutional Liberties was considered, referred to, acted upon, or its propaganda activities were discussed.

28. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between January 3, 1945 and August 1, 1946, which refer to or discuss the National Federation for Constitutional Liberties, and also all such releases and statements between such dates relating to or discussing the investigation of organizations, groups or individuals which issue propaganda or influence or attempt to influence public opinion.

29. Press release on or about June 22, 1945 by the House Committee on Un-American Activities or its chairman dealing with the definition by said committee of the words "un-American" and/or "subversive".

30. Transcripts of committee meetings or executive sessions after 11:15 a. m. April 8, 1946 and August 1, 1946 at which the committee considered and/or acted upon the refusal of George Marshall to produce documents and/or to answer any questions.

31. Telegram from Joseph Sweat, director, American Committee for Spanish Freedom, to John S. Wood, chairman, dated December 20, 1945. Copy of telegram in reply from Ernie Adamson, counsel, to Joseph Sweat dated December 26, 1945.

32. Minutes and transcripts of meetings and executive sessions, not limited to but including, committee action on or about February 21, 1945 relating to a request to the Brookings Institution to analyze the replies to MUNDT's letter of January 20, 1945 concerning a working criterion of what comprises an un-American activity, and to suggest standards for determining un-American activities.

33. Document or documents of the Special Committee on Un-American Activities dated March 29, 1944, citing and/or listing associations, organizations, including the National Federation for Constitutional Liberties, and publications as Communist fronts or other party line publications, respectively.

34. Copy of letter from John S. Wood, chairman, to President Harry S. Truman on or about September 25, 1945, enclosing a resolution requesting the personnel records of agencies being terminated, together with the resolution, and the minutes and transcripts of all meetings at which this resolution and this subject was acted upon or discussed.

35. Plan or report of three-man subcommittee, including Representative MUNDT, prepared on or about June 1, 1946, dealing with the expansion of the committee's staff to approximately 18 or 20 people on a monthly budget of about $12,500 under a director, and its separation into three divisions.

36. Each and every item listed under the column "publication" in connection with the committee record of Clifford (T.) M'Avoy, as contained in extension of remarks of Hon. HADWEN C. FULLER, dated August 2, 1946, appearing at 92 CONGRESSIONAL RECORD, Appendix, 5230 (Aug. 12, 1946).

37. Each and every item listed under the column "source" in connection with the committee record of Corliss Lamont as put into the RECORD during congressional debate by Representative J. PARNELL THOMAS on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7593.

38. Each and every item of source material in connection with the committee record of Clyde R. Miller, as contained in the speech of Hon. J. PARNELL THOMAS, dated February 19, 1946, appeared at 92 CONGRESSIONAL RECORD A838.

39. Each and every item listed under the column "source" in connection with the committee record of Michael J. Quill, as contained in the extension of remarks of the Hon. J. PARNELL THOMAS, dated February 27, 1946, appearing at 92 CONGRESSIONAL RECORD A1007.

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 5, 1948.

Hon. JOSEPH W. MARTIN, Jr.,
*The Speaker, House of Representatives, Washington, D. C.*

DEAR MR. SPEAKER: I enclose herewith a supena duces tecum which was served upon me on February 27, 1948, calling for my appearance, as a witness for the defense, before the District Court of the United States for the District of Columbia, at 10 a. m., March 8, 1948, in the case of the *United States* v. *George Marshall*, who was cited for contempt by the House of Representatives, and to produce documents from the files of the Committee on Un-American Activities which are set forth in schedule A, attached to the subpena.

I am informed that as Clerk of the House Committee on Un-American Activities, I cannot produce these documents without the express approval of the House of Representatives.

I therefore respectfully request that I be instructed by the House as to what action I should take in response to this subpena.

Sincerely yours,
ROBERT E. STRIPLING,
*Clerk and Chief Investigator.*

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DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* GEORGE MARSHALL, NO. 367–47, CRIMINAL

The President of the United States to Robert E. Stripling, individually and as clerk of the House Committee on Un-American Activities, 226 Old House Office Building, Washington, D. C.

You are hereby commanded to attend the said court on Monday the 8th day of March 1948, at 10 o'clock a. m. to testify on behalf of the defendant, and bring with you the documentary material described in schedule A attached hereto and made a part hereof consisting of 4 pages, and not depart the court without leave thereof.

Witness, the Honorable Chief Justice of said Court, the 27th day of February A. D. 1948.

[SEAL] HARRY M. HULL, *Clerk.*
By MARGARET L. BOSWELL,
*Deputy Clerk.*

CHARLES A. HORSKY,
*Attorney for George Marshall.*

SCHEDULE A

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3. Copy of letter dated January 3, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

4. Letter dated January 7, 1946, from George Marshall, chairman, to Ernie Adamson, counsel.

5. Copy of letter dated January 10, 1946, from Ernie Adamson, counsel, to George Marshall, chairman.

6. Letter dated January 19, 1946, from George Marshall, chairman, to Congressman JOHN S. WOOD, together with statement enclosed entitled "Answer to the Un-American Committee" (statement of executive board dated January 18, 1946).

7. All letters, action letters, releases, statements, newspaper clippings of or concerning the National Federation for Constitutional Liberties which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

8. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Federation for Constitutional Liberties and George Marshall which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

9. Transcript of the testimony of George Marshall before a subcommittee of the Committee on Un-American Activities on April 8, 1946, given at United States Courthouse, New York City, and before the said committee on April 11, 1946, at Washington, D. C., together with the exhibits offered and marked in evidence in connection with said testimony, including but not limited to, Exhibits Nos. 1–46, inclusive.

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11. Copy of letter dated February 11, 1946, from Karl E. Mundt, member of the committee, to Corliss Lamont.

12. Copy of letter dated November 14, 1945, from Ernie Adamson, counsel, to Mrs. L. C. Shuttleworth, 1445 Outlook Avenue, New York, N. Y.

13. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to Carl Dreher, Bald Hill Road, Wilton, Conn.

14. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin, 40 Monroe Street, New York, N. Y.

15. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.

16. Copy of letter dated December 27, 1945, from Ernie Adamson, counsel, to National Committee To Combat Anti-Semitism, room 601, 22 East Seventeenth Street, New York, N. Y., together with copy of petition by said national committee, referred to in said letter.

17. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee To Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

18. A copy of letter dated March 22, 1946, from Ernie Adamson, counsel, to Mr. Standley B. Moss, care of Moss & Arnold, 7 East Forty-fourth Street, New York, N. Y., together with copy of New York Times advertisement referred to therein.

19. Copy of letter dated between February and August 1946, from John S. Wood, chairman, to all Members of Congress enclosing copy of report of Committee on Un-American Activities and summarizing its work and policy.

20. Letter dated July 17, 1946, from Clyde Doyle, Representative from California, to Ernie Adamson, counsel.

21. Copy of letter dated July 18, 1946, from Ernie Adamson, counsel, to Clyde Doyle, Representative from California.

22. Copy of letter sent by KARL E. MUNDT, member of the committee, to Gov. Thomas L. Bailey (Mississippi) and approximately 99 others on or about January 20, 1945, relating to a suitable and working criterion to determine what does and what does not comprise an un-American activity, together with the data sheet mailed therewith and all replies received thereto, and all further correspondence with the same individuals in connection therewith and such additional correspondence received from other individuals and/or organizations pertaining to the establishment of the working criterion above set forth as to the definition of the terms "un-American" and/or "subversive."

23. Copies of all letters sent by or on behalf of the committee or by any members thereof to the Brookings Institution between January 3, 1945, and April 15, 1945, relating to a working criterion for determining what constitutes un-American propaganda or activity, or relating to standards for determining what constitutes un-American activities, or relating to the definition of the terms "un-American" or "subversive," or relating to analysis of letters received purporting to define un-American activities or propaganda; together will all letters received from the Brookings Institution in connection therewith.

24. The report or memorandum submitted to the committee by the Brookings Institution between January 3, 1945, and April 15, 1945, relating to or entitled "Suggested Standards for Determining Un-American Activities," and other data and material submitted in connection therewith.

25. Memorandum of six paragraphs sent to the committee or to KARL E. MUNDT, committee member, by the American Civil Liberties Union during February 1945, relating to un-American activities, and letter accompanying same.

26. Stenographic transcript of all meetings of the House Committee on Un-American Activities or any subcommittee of the same from January 3, 1945, to February 6, 1946, at which the definition or content of the phrase "un-American or subversive-propaganda activities" was considered, discussed, or acted upon.

27. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945, and August 11, 1946, at which investigation of the National Federation for Constitutional Liberties was considered, referred to, acted upon, or its propaganda activities were discussed.

28. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between January 3, 1945, and August 1, 1946, which refer to or discuss the National Federation for Constitutional Liberties, and also all such releases and statements between such dates relating to or discussing the investigation of organizations, groups, or individuals which issue propaganda or influence or attempt to influence public opinion.

29. Press release on or about June 22, 1945, by the House Committee on Un-American Activities or its chairman dealing with the definition by said committee of the words "un-American" and/or "subversive."

30. Transcripts of committee meetings or executive sessions after 11:15 a. m. April 8, 1946, and August 1, 1946, at which the committee considered and/or acted upon the refusal of George Marshall to produce documents and/or to answer any questions.

31. Telegram from Joseph Sweat, director, American Committee for Spanish Freedom, to JOHN S. WOOD, chairman, dated December 20, 1945. Copy of telegram in reply from Ernie Adamson, counsel, to Joseph Sweat dated December 26, 1945.

32. Minutes and transcripts of meetings and executive sessions, not limited to but including, committee action on or about February 21, 1945, relating to a request to the Brookings Institution to analyze the replies to MUNDT's letter of January 20, 1945, concerning a working criterion of what comprises an un-American activity, and to suggest standards for determining un-American activities.

33. Document or documents of the special Committee on Un-American Activities dated March 29, 1944, citing and/or listing associations, organizations, including the National Federation for Constitutional Liberties, and publications as Communist fronts or other party-line publications, respectively.

34. Copy of letter from John S. Wood, chairman, to President Harry S. Truman on or about September 25, 1945, enclosing a resolution requesting the personnel records of agencies being terminated, together with the resolution, and the minutes and transcripts of all meetings at which this resolution and this subject was acted upon or discussed.

35. Plan or report of three-man subcommittee, including Representative MUNDT, prepared on or about June 1, 1946, dealing with the expansion of the committee's staff to approximately 18 or 20 people on a monthly budget of about $12,500 under a director, and its separation into three divisions.

36. Each and every item listed under the column "publication" in connection with the committee record of Clifford (T.) McAvoy as contained in Extension of Remarks of Hon. HADWEN C. FULLER, dated August 2, 1946, appearing at 92 CONGRESSIONAL RECORD 4942 (August 12, 1946).

37. Each and every item listed under the column "source" in connection with the committee record of Corliss Lamont as put into the RECORD during Congressional debate by Representative J PARNELL THOMAS on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7543 (June 26, 1946).

38. Each and every item of source material in connection with the committee record of Clyde R. Miller as contained in the speech of Hon. J. PARNELL THOMAS, dated February 19, 1946, appearing at 92 CONGRESSIONAL RECORD A838.

39. Each and every item listed under the column "source" in connection with the committee record of Michael J. Quill as contained in the Extension of Remarks of the Honorable J. PARNELL THOMAS, dated February 27, 1946, appearing at 92 CONGRESSIONAL RECORD A1007.

The SPEAKER laid before the House the following communication, which was read by the Clerk:

MARCH 5, 1948.

Hon. JOSEPH W. MARTIN, Jr.,
*The Speaker, House of Representatives, Washington, D. C.*

MY DEAR MR. SPEAKER: I enclose herewith a subpena duces tecum which was served upon me on February 27, 1948, calling for my appearance, as a witness for the defense, before the District Court of the United States for the District of Columbia, at 10 a. m., March 15, 1948, in the case of the *United States* v. *Richard Morford*, who was cited for contempt by the House of Representatives, and to produce documents from the files of the Committee on Un-American Activities,

which are set forth in schedule A, attached to the subpena.

I am informed that, as clerk of the House Committee on Un-American Activities, I cannot produce these documents without express approval of the House of Representatives.

I, therefore, respectfully request that I be instructed by the House as to what action I should take in response to this subpena.

Sincerely yours,

ROBERT E. STRIPLING,
*Clerk and Chief Investigator.*

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[Duces tecum—defendant]

DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA HOLDING A CRIMINAL COURT FOR SAID DISTRICT

THE UNITED STATES *v.* RICHARD MORFORD, NO. 366-47, CRIMINAL

The President of the United States to Robert E. Stripling, individually and as clerk of the House Committee on Un-American Activities, 226 Old House Office Building, Washington, D. C.

You are hereby commanded to attend the said court on Monday, the 15th day of March 1948, at 10 o'clock a. m., to testify on behalf of the defendant, and bring with you the documentary material described in schedule A attached hereto and made a part hereof consisting of three pages, and not depart the court without leave thereof.

Witness, the honorable chief justice of said court, the 27th day of February A. D. 1948.

[SEAL] HARRY M. HULL,
*Clerk.*

By MARGARET L. BOSWELL,
*Deputy Clerk.*

CHARLES A. HORSKY,
*Attorney for Richard Morford.*

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SCHEDULE A

1. Letter dated November 19, 1945, from Corliss Lamont to Ernie Adamson, counsel.

2. Letter from Corliss Lamont to Ernie Adamson, counsel, dated November 27, 1945.

3. Letter dated November 27, 1945, from Corliss Lamont to John S. Wood, chairman of the House Committee on Un-American Activities, and similar letters of the same date to John E. Rankin, J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, the members of the House Committee on Un-American Activities.

4. Letter dated December 6, 1945, from Corliss Lamont to JOHN S. WOOD, chairman.

5. Letter dated December 9, 1945, from Corliss Lamont to JOHN S. WOOD, chairman.

6. Letter dated December 9, 1945, from Corliss Lamont to John E. Rankin, member of the House Committee on Un-American Activities, and similar letters of the same date to J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, the other members of the committee.

7. Copies of letter dated December 9, 1945, from Corliss Lamont to Sam Rayburn, Speaker of the House, sent to John S. Wood, chairman, and John E. Rankin, J. Parnell Thomas, J. Hardin Peterson, Karl E. Mundt, J. W. Robinson, Gerald W. Landis, John R. Murdock, Herbert C. Bonner, members of the committee.

8. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to Carl Dreher, Bald Hill Road, Wilton, Conn.

9. Copy of letter dated December 14, 1945, from Ernie Adamson, counsel, to American Civil Liberties Union.

10. Copy of letter dated December 20, 1945, from Ernie Adamson, counsel, to Mr. and Mrs. Robert Lippin, 40 Monroe Street, New York, N. Y.

11. Letter dated January 10, 1946, from Corliss Lamont to JOHN S. WOOD, chairman.

12. Copy of letter dated January 19, 1946, from KARL E. MUNDT, member of the committee, to Mr. Norman W. Schur, chairman, National Committee to Combat Anti-Semitism, 22 East Seventeenth Street, New York, N. Y.

13. Letter dated February 8, 1946, from Corliss Lamont to JOHN S. WOOD, chairman, and similar letters of the same date to JOHN E. RANKIN, J. PARNELL THOMAS J. HARDIN PETERSON, KARL E. MUNDT, J. W. ROBINSON, GERALD W. LANDIS, JOHN R. MURDOCK, HERBERT C. BONNER, members of the committee.

14. Letter dated February 19, 1946, from Corliss Lamont to KARL E. MUNDT, member of the committee.

15. Minutes of all meetings of the House Committee on Un-American Activities or any subcommittee thereof between January 3, 1945, and February 6, 1946, at which investigation of the National Council of American-Soviet Friendship, Inc., was considered, referred to, acted upon, or its propaganda activities were discussed and transcripts of any testimony taken about or concerning the National Council of American-Soviet Friendship, Inc., during that period.

16. Transcript of the testimony of Corliss Lamont before the committee on February 6, 1946.

17. All releases and statements issued by or on behalf of the House Committee on Un-American Activities, whether to the press or otherwise, between November 13, 1945, and August 3, 1946, which refer to or discuss the National Council of American-Soviet Friendship, Inc.

18. All publications and documents relating to the National Council of American-Soviet Friendship, Inc., submitted to the House Committee on Un-American Activities between January 1, 1946, and March 15, 1946, by Corliss Lamont and by Richard Morford, together with all statements submitted to the committee by said individuals, in connection with their appearances before said committee.

19. Transcripts of committee meetings or executive sessions after 11:15 a. m., March 7 to June 13, 1946, at which the committee considered and/or acted upon the refusal of Richard Morford to produce documents and/or to answer any questions.

20. Letter from Carl Dreher to Ernie Adamson of December 19, 1945.

21. Letter from Frederic G. Melcher, president, Publisher's Weekly, to JOHN S. WOOD of December 11, 1945.

22. Letter from John Rothschild to JOHN S. WOOD or the committee of December 17, 1945.

23. Minutes and transcripts of hearings of the committee at which Corliss Lamont appeared and concerning National Council of American-Soviet Friendship held on January 23, 1946, and January 24, 1946, a. m.

24. Minutes and transcript of meeting and executive session of committee on February 6, 1946.

25. Minutes and transcripts of committee meetings or executive sessions between November 27, 1945, and December 3, 1945, relating to the National Council of American-Soviet Friendship, Inc., including but not limited to action of the committee directing or instructing the chairman to request access to the books and records of said council.

26. Report of an investigator of the committee referred to by Congressman THOMAS during congressional debate on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7593 (June 26, 1946), which report contained references to Corliss Lamont.

27. The evidence referred to by Congressman RANKIN during congressional debate on June 26, 1946, appearing at 92 CONGRESSIONAL RECORD 7595 (June 26, 1946), which allegedly establishes an alliance between the National Council of American-Soviet Friendship, Inc., and the traitor who tried in the United States and Canada to steal the secrets of the atomic bomb.

28. All card records and all compilations, and all documentary material upon which said records and compilations are based, concerning the National Council of American-Soviet Friendship, Inc., and Corliss Lamont and Richard Morford which the House Committee on Un-American Activities had in its possession on or before August 1, 1946.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SARBACHER (at the request of Mr. GILLETTE), indefinitely, on account of illness in family.

EXTENSION OF REMARKS

Mr. HESELTON asked and was given permisison to extend his remarks in the Appendix of the RECORD and include a speech made at Yale University February 13, 1948, by the gentleman from Maine [Mr. HALE].

Mr. HESELTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain communications.

The SPEAKER. Under the previous order of the House the gentleman from Massachusetts [Mr. HESELTON] is recognized for 30 minutes.

THE FUEL-OIL SITUATION

Mr. HESELTON. Mr. Speaker, I shall not take anything like 30 minutes and hope I can finish in 3 or 4 minutes.

I simply want to express my regret again that we did not this afternoon take protective action against unnecessary waste of heating oil anywhere in this country. It seems crystal clear to me that a gallon saved anywhere becomes a gallon available elsewhere. I recognize, however, the fears of those who do have the oil in ample supply that we might have been going too far, and I want to say that, after having discussed the matter with some of my colleagues from Texas and Oklahoma, I propose to redraft the amendment so that it will be confined exclusively to some 24 States which are now in trouble, have been in trouble, and probably will be in trouble again next winter.

With reference to the presentation of these amendments to the Committee of the Whole House I feel compelled to continue to do so. There has been some criticism about presenting the amendments on the floor and the suggestion made that they more properly should be placed before the Committee after full hearings. Obviously it is utterly impossible for a Member of Congress who is not a member of the Appropriations Committee to do that. I have tried however, to substitute a procedure of communications to the chairmen of subcommittees prior to the conclusion of their hearings when bills are reported out without such a restriction in them. It seems to me that in fairness at least to my constituents and to the constituents of other Members who are affected by this problem I should present an

amendment on the floor for the consideration of the Committee. If the Committee sees fit to reject the suggestion that is their entire privilege. If they approve it, as did the committees under the chairmanship of the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. WIGGLESWORTH], I think they set a fine precedent which other committees might well follow.

However, if a committee declines to accept the responsibility, undoubtedly the House will not force it upon them. All that can be done is to make the record clear that the opportunity was created and that the committee refused to accept the responsibility. I am glad that when we are faced with further shortages, as we certainly will be, no one will be able to charge the members of the subcommittees on Independent Offices and Deficiencies with any responsibility. So far as the other two appropriation bills are concerned, I can imagine that the agencies involved can well interpret the debate and the vote as an open invitation to convert to oil as much as possible and to install oil-burner equipment to the limit. If that is the result, the owners of heating units in homes, hospitals, churches, schools, industries, transportation systems, and other like groups, will find themselves facing tough competition for scarce and high-priced heating oils next winter. And the farmers, dependent upon other oils and gasoline from the Rockies east, as well as in the South, are going to have the same kind of competition with their own Federal Government, which has given so much free advice to everyone else about the need for conservation. I could understand resistance to the idea of Federal conservation, if it came from those who want to continue these shortages to keep these skyrocketing prices frozen or who want to build a false claim of justification for another increase. But I have yet to hear a Federal official who has not expressed a profound concern about the increased cost of living. One might comment that actions speak louder than words or by their deeds you shall know them.

In connection with the bill which will be before us next week, the Labor-Social Security bill, I would like to read from a letter which points out clearly the type of thing that has happened, the type of thing that could happen again, and the type of thing that I predict will happen unless this House is willing to act affirmatively in prohibiting it. This is a letter from Otis L. Anderson, medical director, chief, hospital division of the Federal Security Agency. It reads as follows:

FEDERAL SECURITY AGENCY,
UNITED STATES PUBLIC HEALTH SERVICE,
*Washington, D. C., March 5, 1948.*

Hon. JOHN W. HESELTON,
*House of Representatives,*
*Washington, D. C.*

DEAR MR. HESELTON: I have your letter of March 4, 1948, making inquiry regarding the conversion of the heating plant at the United States Marine Hospital, Boston, Mass., from coal- to oil-burning equipment. The work was undertaken during July 1947 by the Public Buildings Administration, which agency is charged with the construction, remodeling, and maintenance of marine hospitals, on recommendation of this office.

The contract covered the conversion of three boilers, two of which were completed by December 4, 1947. Because of the fuel-oil shortage, this office recommended that the conversion of the remaining boiler be omitted, and the Public Buildings Administration is now in the process of obtaining a proposal from the contractor for its omission.

During the months of January and February 1948, the daily average consumption of oil was 1,378 gallons and 1,275 gallons, respectively. The quantity estimated for use during a full heating season is 359,625 gallons.

The oil used is Bunker C, No. 6, which is a heavy oil appropriate for industrial boilers but not adapted for household use. The Public Buildings Administration has advised that the cost of reconverting the two oil-fired boilers would be approximately $18,000, and it would require about 6 months' time.

The conversion of heating plants at other hospitals operated by the Public Health Service is not contemplated.

Sincerely yours,

OTIS L. ANDERSON,
*Medical Director,*
*Chief, Hospital Division.*

I want to remind you that this service operates some several dozen such hospitals. It makes a partial acknowledgment of mistakes in this letter. But can you guarantee, after reading this letter, that it will not decide to continue the conversion of the remaining boiler or to contract for the conversion of other boilers out of 1949 funds? I know you will agree with me that it is a tragedy that these two units will burn up 359,625 gallons in calendar 1948, more than a third of a million. If I had my way, they would start now, using funds to be appropriated to them, in reconverting those two boilers to coal. But I doubt if I could get such an amendment adopted and think it might be better to concentrate on trying to prevent other instances.

I heartily recommend a careful reading of the progress report of the Committee on Interstate and Foreign Commerce on petroleum and the European recovery program now available as House Report No. 1438.

I commend for your particular consideration the following sentences:

In the total energy balance of these countries, oil has always played a much less prominent role than it has in the United States. In view of the uncertainties as to supply, it appears that this may not be the time for encouragement of any large-scale conversion in European countries from coal to oil. This would appear true, for example in France, in the conversion of railway power from coal to oil; in Greece, in the allocations of gas oil and fuel oil to industrial use; in Portugal, in the conversion of the fishing fleet to motorboats and oil-burning trawlers; in Holland, in conversion to motorboats and tugs on the inland waterways; in Italy, in expansion of motorships; and in various countries in the expansion of highway transportation.

The executive branch makes some suggestion that part of the European oil deficit, especially insofar as it is caused by the use of oil as fuel in industry, can be made up by increased supplies of coal, from European production or imports. In this connection it is noted that European requirements for coal from the United States are stated to drop from 3,417,000 metric tons per month in second quarter 1948 to 231,000 metric tons in fiscal 1952.

The committee has not undertaken to ascertain whether additional coal production in European countries could be programed under the recovery plan, nor whether adequate imports from the United States may be feasible.

REDUCTION IN REQUIREMENTS

The State Department estimated European requirements appear to have been predicated on the assumption that less essential European uses, as motor-vehicle use, would continue to be restricted, and that large-scale coal-to-oil conversion planned in many European countries would not be carried out. It appears that many foreign countries now ration gasoline for private motoring and some ration some or all of the other petroleum products. It also appears that foreign commercial and industrial oil consumption is not to be subjected to the same restrictions.

If we can take such a practical, realistic attitude toward these problems overseas, why should we remain blind to the same sort of an inexcusable practice in our Federal Government which could be stopped, without any harm to anybody except those who are counting on keeping these shortages in existence to justify exorbitant prices for fuel oils?

Mr. Speaker, may I say that the Bunker C, No. 6 oil is also appropriate for the heating of hotels, apartments, and large industries, and has been desperately needed by those buildings in Massachusetts and the Northeast and Midwest this year. This is exactly the sort of flagrant practice that should be stopped.

The above is a perfect example of closing the door too late. Eighteen thousand dollars and 6 months. Think that over.

Mr. Speaker, I suggest we can make certain this is not contemplated or undertaken by the passage of a restrictive amendment. Would it not read better if the letter said, "No conversion of heating plants will be undertaken in fiscal 1949?"

Let me close by saying that there has been some suggestion that the situation has been cleared up not only in the East but in the Midwest. I understand there have been very heavy snowstorms in the Midwest this past week. I further report that before the Committee on Interstate and Foreign Commerce there appeared Dr. Wilburn C. Schroeder, Chief, Synthetic Fuels Branch, Bureau of Mines. I inquired if we could anticipate a shortage in gasoline. He said that we must. I asked him if it would be worse than it was last year. He said that on every bit of evidence now available it will be worse. I asked him where that would be most apparent and he said it would be most apparent in the great States in the Midwest which are concerned with the production of food in this country in large measure. In other words, it would affect the Dakotas, Kansas, Iowa, Nebraska, Ohio, Illinois, and Indiana. I think in terms of that prediction we might pay a little bit more attention to the conservation of fuel oil by the Federal Government, for it can do the best job possible among all users of fuel oil if it is given

the order to do so by us. I am not responsible primarily to the farmers of the Midwest, but I do not like to have them forced to face such a situation if we can do anything to prevent it. I rather think they may have just cause to complain about what will seem to them, perhaps, comparative indifference to their difficulties. Consequently I repeat that, in spite of any criticism that has been or will be made of an effort to get the Federal Government to practice what it preaches, to get it out of the oil heating and conversion business for at least 1 year, I shall offer this revised amendment to every appropriation bill which does not contain it, and if it appears of sufficient importance as to any item, I shall seek the opportunity of submitting a motion to recommit with a roll call, if possible, so that we may have a full vote of the entire membership.

I want to conclude these remarks by including an analysis of the reduction announced on February 16, which shows clearly the timid, inadequate result of that revision. I can assure you that in many instances when you read the word "none," those governments offered to the American people substantial quantities of petroleum and petroleum products, which offer was declined by our Government. Your opportunity to undo that damage will come, I hope, next Tuesday or Wednesday when House Joint Resolution 323 comes before us for a vote. If that is the case, I must inform the membership that I have been requested by many of my colleagues to protect their right to a record vote by asking for a roll call. I think theirs is a fair request, and I shall make it. I hope that, whether you are for or against the resolution, you will help me give them that opportunity.

*Revised allocation of kerosene—Reduction announced Feb. 19 compared with reduction announced Feb. 10* [1]

[In barrels]

| Country | Announced Feb. 19 | Reduction |
|---|---|---|
| Argentina | | None |
| Australia | | 50,000 |
| Belgium | 8,000 | None |
| Brazil | | None |
| British Honduras | 2,000 | None |
| China | 85,000 | None |
| Costa Rica | 3,500 | None |
| Cuba | | None |
| Denmark | | None |
| El Salvador | 1,500 | None |
| Eire | | None |
| France | | None |
| Guatemala | 2,000 | None |
| Honduras | | 2,000 |
| Italy | | None |
| Mexico | | None |
| New Zealand | 20,000 | None |
| Norway | 7,000 | None |
| Panama, Republic of | 7,000 | None |
| Paraguay | | None |
| Philippines | 60,000 | None |
| Portugal | 30,000 | None |
| Sweden | 25,000 | 25,000 |
| United Kingdom | 55,000 | 25,000 |
| Netherlands | | None |
| Iceland | | None |
| British West Africa | 25,000 | None |
| Switzerland | 6,000 | 4,000 |
| French West Africa | 10,000 | None |
| Subtotal | 347,000 | 106,000 |
| Reserve | 147,000 | |
| Total | 494,000 | 106,000 |

[1] Reduction in varying percentages in exports to 5 countries. No reduction in exports to 24 countries.

*Revised allocation of gas oil and distillate fuel oil—Reduction announced Feb. 19 compared with reduction announced Feb. 10* [1]

[In barrels]

| Country | Announced Feb. 19 | Reduction |
|---|---|---|
| Argentina | | None |
| Australia | 95,000 | 5,000 |
| Belgium | 175,000 | None |
| Brazil | | None |
| British Honduras | 2,500 | 500 |
| China | 100,000 | None |
| Costa Rica | 10,000 | None |
| Cuba | | None |
| Denmark | 120,000 | None |
| El Salvador | 3,500 | None |
| Eire | | None |
| France | 300,000 | None |
| Guatemala | | None |
| Honduras | | None |
| Italy | | None |
| Mexico | 75,000 | None |
| New Zealand | 35,000 | None |
| Norway | | None |
| Panama, Republic | | None |
| Paraguay | | None |
| Philippines | 135,000 | None |
| Portugal | 10,000 | None |
| Sweden | 250,000 | None |
| United Kingdom | 1,000,000 | None |
| Netherlands | 60,000 | None |
| Iceland | | None |
| British West Africa | 20,000 | None |
| Switzerland | 50,000 | None |
| French West Africa | | None |
| Subtotal | 2,441,000 | 5,500 |
| Reserve | 353,500 | |
| Total | 2,794,500 | 5,500 |

[1] Reduction in varying percentages in exports to 2 countries. No reduction in exports to 27 countries.

*Revised allocation of residual fuel oil—Reduction announced Feb. 19 compared with reduction announced Feb. 10, 1948* [1]

[In barrels]

| Country | Announced Feb. 19 | Reduction |
|---|---|---|
| Argentina | | None |
| Australia | | 25,000 |
| Belgium | 70,000 | None |
| Brazil | | None |
| British Honduras | | None |
| China | | None |
| Costa Rica | 20,000 | None |
| Cuba | 200,000 | None |
| Denmark | 60,000 | None |
| El Salvador | 40,000 | None |
| Eire | | None |
| France | | None |
| Guatemala | 55,000 | None |
| Honduras | | None |
| Italy | | None |
| Mexico | 250,000 | None |
| New Zealand | | None |
| Norway | 25,000 | None |
| Panama, Republic | 25,000 | None |
| Paraguay | | None |
| Philippines | | None |
| Portugal | 19,000 | None |
| Sweden | 60,000 | None |
| United Kingdom | | None |
| Netherlands | | None |
| Iceland | | None |
| British West Africa | 10,000 | None |
| Switzerland | | None |
| French West Africa | 15,000 | None |
| Subtotal | 824,000 | 25,000 |
| Reserve | 151,000 | |
| Total | 975,000 | 25,000 |

[1] Reduction in exports to Australia. No reduction exports to 28 countries.

*Revised allocation of aviation motor fuel—Reduction announced Feb. 19 compared with reduction announced Feb. 10, 1948* [1]

[In barrels]

| Country | Announced Feb. 19 | Reduction |
|---|---|---|
| Argentina | | None |
| Australia | 20,000 | None |
| Belgium | | None |
| Brazil | | None |

*Revised allocation of aviation motor fuel—Reduction announced Feb. 19 compared with reduction announced Feb. 10, 1948* [1]—Continued

[In barrels]

| Country | Announced Feb. 19 | Reduction |
|---|---|---|
| British Honduras | 2,000 | None |
| China | 60,000 | None |
| Costa Rica | 2,400 | None |
| Cuba | 25,000 | None |
| Denmark | | None |
| El Salvador | | None |
| Eire | 15,000 | None |
| France | 120,000 | None |
| Guatemala | 5,000 | None |
| Honduras | | None |
| Italy | 30,000 | None |
| Mexico | 70,000 | 10,000 |
| New Zealand | 10,000 | None |
| Norway | | None |
| Panama, Republic | 100 | None |
| Paraguay | 1,500 | None |
| Philippines | 20,000 | None |
| Portugal | 20,000 | None |
| Sweden | | None |
| United Kingdom | 120,000 | None |
| Netherlands | | None |
| Iceland | 35,000 | None |
| British West Africa | 5,000 | None |
| Switzerland | | None |
| French West Africa | 10,000 | None |
| Subtotal | 571,000 | 10,000 |
| Reserve | 119,000 | |
| Total | 690,000 | 10,000 |

[1] Reduction of 3.45 percent in exports to Mexico. No reduction in exports to 28 countries. Reduction accomplished by drawing from reserve.

*Revised allocation of other motor fuel—Reduction announced Feb. 19 compared with reduction announced Feb. 10* [1]

[In barrels]

| Country | Announced Feb. 19 | Reduction |
|---|---|---|
| Argentina | 220,000 | None |
| Australia | 100,000 | 200,000 |
| Belgium | 175,000 | None |
| Brazil | 80,000 | None |
| British Honduras | 5,000 | None |
| China | 350,000 | None |
| Costa Rica | 30,000 | None |
| Cuba | 200,000 | None |
| Denmark | 70,000 | None |
| El Salvador | 12,500 | 12,500 |
| Eire | | None |
| France | | None |
| Guatemala | 8,000 | None |
| Honduras | 1,000 | 2,000 |
| Italy | | None |
| Mexico | 350,000 | None |
| New Zealand | 140,000 | None |
| Norway | 10,000 | None |
| Panama, Republic | 40,000 | None |
| Paraguay | | None |
| Philippines | 280,000 | None |
| Portugal | 50,000 | None |
| Sweden | 225,000 | None |
| United Kingdom | 1,175,000 | 225,000 |
| Netherlands | | None |
| Iceland | 27,000 | 3,000 |
| British West Africa | 70,000 | None |
| Switzerland | 20,000 | 10,000 |
| French West Africa | 60,000 | None |
| Subtotal | 3,698,500 | 452,500 |
| Reserve | 399,000 | |
| Total | 4,097,500 | 452,500 |

[1] Reduction in varying percentages in exports to 6 countries. No reduction in exports to 23 countries.

Mr. Speaker, these should be combined with the analysis I placed in the RECORD on February 5 at pages 1157–58, as to the previous reduction, in order to have the full story.

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. ISACSON] is recognized for 20 minutes.

## BETRAYAL OF PALESTINE

Mr. ISACSON. Mr. Speaker, I wish with all my heart that the occasion of

my first speech before this honored body could be a happier one. But I must speak the truth no matter how harsh—no matter how bitter—about the shameful betrayal of Palestine by the administration.

I rise to speak not only as a Jew, not only as an American, not only as a supporter of the United Nations, not only as a Congressman who has received an overwhelming mandate from the people of his district, but as a human being who is outraged by this most infamous betrayal.

For it is a betrayal thrice damned: It is damned because it is a betrayal of the hopes and aspirations of the long-suffering Jewish people. It is damned because it is a betrayal of our American concept of morality and justice. It is damned because it is a betrayal of the United Nations, the one hope for world peace.

The people not only of this country but of the world know that if the administration does not lift its shameless embargo against shipping arms for the defense of Palestine, if it does not unequivocally declare its full and wholehearted support of the partition decision of the United Nations by voting for a United Nations police force to enforce partition in the Holy Land, if, in short, the administration does not reverse its present policy of legalistic hocus-pocus and juridical mumbo-jumbo deliberately designed to conceal betrayal, it will have dishonored this Nation forever.

What is the truth about Palestine? The facts are simple, although the press, with a few distinguished exceptions, has failed to make them clear.

On November 29, 1947, the Assembly of the United Nations approved partition of Palestine between Jews and Arabs. At best, this was a poor compromise of the long-standing hopes of the Jews. But it was a final compromise. And the Jewish leaders accepted it as the end of a long struggle as the means of providing a home at last for those who for centuries have been emigrés from oppression wandering from homelessness to homelessness until they reached the hallowed ground of Palestine, where for them there is no homelessness.

Partition was made possible only because of the decisive cooperation of the two greatest powers on earth, the United States and the Soviet Union, accomplished within the framework of the United Nations. Without such cooperation, neither partition nor peace was possible.

The Assembly appointed a commission to work out the plans for partition. But almost as soon as the Assembly acted, the shabby work of betrayal began. Forces within the Truman administration worked to block any effective implementation of the work of the Commission. The British refused their cooperation to the Commission. And encouraged by these signals, the Arab leaders openly revolted against the partition decision and began their armed attacks on Jewish settlers. At least it must be said for the Arabs that their resistance was in the open, it did not hide behind lofty phrases and pious declarations. And then, even while the Arab attacks were increasing in fury the Truman administration imposed an embargo on the shipment of arms for the self-defense of the Jews.

The Palestine Commission has now reported back to the Security Council of the United Nations. It has recommended that partition must be implemented by setting up a United Nations police force to maintain order in Palestine when British troops withdraw on May 15. Without such specific implementation, partition is a hollow, empty word that will be the epitaph for peace, even as the embargo is a death sentence for Judea.

The world looked to the United States for leadership when the Security Council met to consider the report of the Commission. Warfare had broken out in Palestine. Arab guerillas, encouraged by American inaction, were killing Jewish settlers. Arab guerillas, encouraged by American inaction and whispers of reversal, were massing for full-scale massacre. Determined Jewish settlers resisted as best they could. But the British continued to arm the Arabs while the Jews were handcuffed by an unconscionable embargo invoked under a spurious neutrality which deprived them of arms.

The Security Council met in an atmosphere of increasing tension. A great responsibility hung on Mr. Warren Austin, the American delegate, as he rose to speak. All over the world, men and women prayed that the United States would stand by its commitment to partition and speak out forthrightly to give it substance.

And then, on February 24, at long last, Mr. Austin spoke. And as he spoke the hope of millions in Palestine, the hope of millions all over the world, for a strong United Nations, the very hopes for peace itself, were slowly strangled in a tortuous legalism that could not serve to hide a shabby betrayal.

The United States, said Mr. Austin, would not urge the Security Council to implement the partition decision because the Security Council could not act except in matters threatening the peace. The United Nations Security Council, said Mr. Austin, could not set up a United Nations police force to enforce partition, because the decision had been made by the Assembly of the United Nations.

It is difficult to adequately describe the shock and disbelief, the bewilderment and disillusionment, that followed Mr. Austin's speech. Instead of forthrightness, here was a mass of indirection. Instead of a simple declaration of support, here was involved legal reasoning. Instead of urging action to prevent further bloodshed, here was counsel for interminable delay.

Instead of implementing partition, the United States was destroying partition.

The American position was a monstrous dodge. It was so poor a piece of legal legerdemain that even the British, who opposed partition, repudiated it. Even the British were forced to state the simple truth that the Security Council had the power which Mr. Austin would deny it in this case. The British recognized that the Security Council had the power to enforce both partition and peace. Mr. Austin by depriving them of this power, would kill both.

The American position is all the more indefensible in the light of the American position on Trieste. The decision on Trieste had been made, not by a vital part of the United Nations, but by the Ministers of the Four Powers. But the Americans were not deterred at that time from demanding that the Security Council act to set up a police force to enforce the foreign ministers' decision.

What lies behind this betrayal? Why has the United States reversed partition? Why has the United States struck this blow at the United Nations?

The story has now begun to unfold. Several weeks before Mr. Austin spun out the tangled web of American policy, there was, according to the press, a bitter battle raging in the Cabinet over the partition decision.

The battle raged, we are told, not on how best to use the great moral leadership and force of the United States for peace by implementing partition; not on how to go forward with peaceful partition, but on how to go back. The great struggle was whether we should continue to do nothing for partition or whether we should boldly take the lead in reversing the partition decision.

Apparently a skillful compromise was brought about. Both sides were appeased. Their compromise was Mr. Austin's speech. The American position was to reverse partition by doing nothing.

It is as simple as that. Mr. Speaker, the position taken by the Truman administration is to reverse the partition decision. No pious protestations of its devotion to partition, no finely spun legal arguments, no massing of propaganda can conceal the fact that the Truman administration has turned its back on partition and by doing so, is killing the partition decision.

Once Mr. Austin has spoken, the nations which follow our lead as they feed at our bounty one by one took up their places in the firing squad that has its gun sights trained on partition and peace in Palestine.

Mr. Speaker, the action of the Truman administration constitutes a shameful betrayal. It is a betrayal not only of the brave Jewish pioneers, whose blood will once again stain the desert sands they sought to reclaim with their work. But even more, it is a betrayal of the United Nations hope for peace and justice.

Why has the administration condemned this Nation to the role of betrayal? The answer is on everyone's lips. There is no concealment possible. It is because the administration has replaced the foreign policy of 140,000,000 Americans with the foreign policy of a handful of oil companies. It is because the administration would rather protect the profits of oil monopolies than the lives of helpless men, women, and children. It is because the interests of a few power hungry profit-mad men are placed above peace and justice and national honor. It is because the real power behind the Truman administration is not the people who elected them but the representatives of an oil monopoly driving for world control.

To those who have been concerned with the gradual unfolding of the Tru-

man foreign policy, the betrayal in Palestine dealt by Mr. Austin on February 24, shocking as it is, comes as no surprise. The cumbersome legal reasoning of Mr. Austin was only the last step in a long process. The betrayal was foreshadowed in the Truman embargo which would disarm the Jewish settlers who, having shown their fighting qualities with the desert armies that beat back the Nazis at Tobruk and Alamein, and not unlike our own American pioneers, will fight with their bare hands for freedom.

Did the embargo prevent warfare in Palestine? Can it? Of course not. It promotes warfare. It is a signal to ruthless Arab sheiks that they may with impunity resist the United Nations, that America will not lift a hand to stop them. But worse, in the very same week that the Truman administration disarmed the Jews by an embargo, the British blandly announced that they were turning over to the neighboring Arab states over $25,000,000 worth of arms "pursuant to contractual obligations."

This was the basest treachery, cloaked in the fancy dress of diplomacy and the gilt edge of commerce. But Truman's disarming the Jews while the British armed the Arabs were not unrelated and accidental. Those who debated the British loan and will debate the Marshall plan do not need to be told by me that Britain's gracious gesture to the Arabs was made possible only through American subsidies. And if the Arabs have been sold American lend-lease arms by the British, we shall have paid twice for the British ability to fulfill their contracts with death. We shall have paid twice; once in cash and again in the national honor and trust of a whole world in our reputation for fair play and decency.

Mr. Speaker, it is far too easy to blame the British for the warfare in Palestine. The British, it is true, have armed the Arabs. The British have trained Arab troops. British officers lead the only trained Arab forces in the Middle East, the troops of neighboring Transjordan. And the British have openly resisted the work of the Partition Commission.

But, Mr. Speaker, the British could do none of these things if they did not have the support and aid of the Truman administration. The British could not pay for their own troops in Palestine, let alone waste American money on arming Arab troops, without the assistance of the Truman administration. Behind the policies of Britain are the policies of the Truman administration. And it is these policies, not the British, which are properly our concern, the concern of all who love peace and justice.

But who makes the policies of the Truman administration? Who is responsible for this moral blindness which disarms Jews while it arms Arabs? Who is it that counsels inaction and delay for partition? Who is it that now has driven the Truman administration to repudiate its solemn support for partition? Who is it that would drive the knife into the United Nations, destroy our moral leadership before the world, and plunge the world into a war that will spread out from the sands of the desert?

Clearly it cannot be minor officials in the State Department however bold their views. No, neither these nor cabinet officers could do these things if they were not part and parcel of a whole policy approved from top to bottom of the Truman administration, a policy sired by oil monopoly with the aid of the military.

Are the oil interests and their representatives throughout the administration at all levels so powerful that they can dictate the entire foreign policy of the American Government? Is the lust for profits and the greed for world control so great as to overwhelm the last remnants of decency in the tottering Truman administration?

The administration has answered this with an unmistakable affirmative. The whole of the Truman foreign policy bears this taint of oil. The betrayal of Palestine is but another chapter. The Truman doctrine poured money into reactionary Greece and even more reactionary Turkey solely to protect those oil interests. And now the administration, in proposing its so-called European Recovery Program would conceal from the American people the vast expenditures it plans for the sake of these same oil interests.

Mr. Speaker, I charge that the administration has kept carefully hidden from the American people, even from the Members of this body, the huge expenditures it plans to make in the Middle East on behalf of American oil companies. I charge that the Truman administration plans to spend over half a billion dollars under ERP to enrich the coffers of feudal Arab sheiks and fatten the profits of American oil companies, without ever having plainly stated this fact to the American people.

It is no accident that Palestine is betrayed at this time, in the week before the European recovery program goes to the floor of the Senate with this huge expenditure for oil concealed in it. It is an integral part of the same foreign policy.

Mr. Speaker, the United Nations decision on partition was made possible by the unity of the United States and the Soviet Union. This was probably the high point in the relations of our two great countries. It was the token of a new-found strength for the United Nations and for peace.

But this new American policy toward Palestine, enunciated by Mr. Austin, and rubber-stamped in sunny Florida by Mr. Truman, would almost seem to be designed to destroy the partition decision as the one basis of unity we have found with the Soviet Union. It is as though the Truman administration were determined there would never be any basis for cooperation with Russia on any issue.

If this is the policy and the aim of the Truman administration, if it would destroy any basis for cooperation, if it would destroy the United Nations, if it would destroy the last hope for peace, it could have chosen no better battleground than the blood-stained hills and plains of the Holy Land. It could have chosen no better victims for its game of oil and power politics than these helpless people who escaped the barbarism of Hitler and journeyed through the night of Europe to a last resting place in the land of their fathers.

Mr. Speaker, this Congress cannot permit this policy of destruction to continue. I am therefore offering a resolution today in which I ask the concurrence of both Houses of Congress to direct an immediate reversal of the Truman administration's policy.

I ask that the Government announce at once its wholehearted support of the partition decision. I ask that Mr. Austin be instructed by the President to support in the Security Council every measure appropriate to implement the partition decision, including the establishment of an international United Nations police force and the arming of local militia in Jewish Palestine for self-protection.

I ask that the President lift the embargo so as to permit shipments of arms for the self-protection of Jewish Palestine.

And I ask that the President use the great power of the United States and its preeminent world position to enlist the support of other nations, including Great Britain, in implementing the partition decision.

Mr. Speaker, this resolution would repair an intolerable and ever worsening situation. The continuance of the present policy of the Truman administration is leading to certain war in Palestine. The reversal of that policy will bring peace.

Which feudal Arab overlords would dare to stand up against the might of the United Nations backed by the United States, Russia, and Great Britain? Which is the more powerful deterrent to war: a firm American policy in support of the United Nations and its decision for partition, or an American policy that supplies the sinews of war to Arab sheiks?

Mr. Speaker, peace, justice, and national honor hang in the balance. I call on the Congress, at this critical moment, to state emphatically to the Truman administration that in Palestine this Nation will redeem its honor, maintain justice, and preserve the peace.

Under the previous order of the House, the gentleman from Ohio [Mr. SMITH] is recognized for 45 minutes.

THE MARSHALL PLAN

Mr. SMITH of Ohio. Mr. Speaker, the foreign-aid proposal before Congress, called European-recovery plan, would extend and implement the policy of sharing the fruits of American labor and military resources primarily with England, and secondarily with certain other countries for various and sundry purposes. It would serve as a buffer for maintaining domestic prosperity, though a false and capricious prosperity, and to aggrandize the power of the political authority of this Nation. This policy had its inception with World War I, and has been in effect in various degrees throughout nearly all of the years since that episode, and its principal backers intend that it shall become a permanent policy.

The steps the political authority took which led the country into World War I were duplicated, though on a larger scale, in the course pursued that finally led the Nation into World War II. The

current behavior of the political authority is a replica of the conduct that took us into the late war, but on a still larger scale.

The post-War I aid to England and other countries, first by direct Government loans, then by the purchase of foreign securities by private investors encouraged by the political authority, and finally the payment by it of large premiums to foreigners on purchases of gold, all have their counterpart in the numerour foreign-aid schemes that have been put into effect since the close of World War II hostilities.

Following World War I the political authority undertook to interfere with the internal affairs of Russia by furnishing troops and money to one political faction against another, allegedly to combat communism. The undertaking was a fiasco. What damage it did to the prestige of this Nation, not only in respect of Russia but other countries as well, is not possible to know. But such intervention in the sovereign affairs of other countries as we undertook in Russia cannot help harming the prestige of any nation that practices it.

We are now duplicating that procedure, but on a much larger scale, and in respect not only to one country but many. The political authority is now intervening and taking sides in the strife between political factions in Greece, Italy, France, China, and elsewhere. It is supplying some of those factions with munitions of war and military personnel, as well as economic aid. All this again ostensibly in the name of fighting communism.

It should be unnecessary to mention that this action will cause a malignant breach in the relations, not only between the United States and the "recalcitrant" political factions of the different countries, but the factions receiving the aid as well. Indeed, this policy of meddling with the internal affairs of other countries will bring down upon the people of this land ill will from every nation on the globe, with what ultimate effect heaven alone knows.

This so-called European recovery program departs from the previous foreign-aid plans in one particular which is important to note. This proposed scheme for expropriating the fruits of American labor and gratuitously passing them on to the political authorities of other countries postulates a 4-year politically planned program for our domestic economy. The President has urged the adoption of the devices he believes necessary for carrying out this 4-year program here at home.

This left-handed proposal for formally setting up in this country a 4-year politically planned program like the multi-year planned-economy schemes of Russia should give us not a little food for thought, especially in view of the proposal being made by the President's so-called Council of Economic Advisers to inaugurate a 10-year program of political planning of the domestic economy.

Definition is of the essence of a clear understanding of this projected foreign-aid scheme. Those supporting it affirm that its adoption will halt the spread of the communistic advance against civilization, and they paint a portentous picture of things to come unless Congress approves it. What prospects are there that this scheme will stop communism?

Marx used the words "communism" and "socialism" interchangeably, the latter more often than the former. Lenin used them synonymously. Stalin so uses them now.

Morris Hillquit, who was an outstanding champion of international socialism referred to Russia as socialist state.

> That which is usually called socialism—

Said Lenin—

> is termed by Marx as the first stage or lower phase of Communist society.
> Socialism—

Said Bukharin and Preobrazhensky—

> is communism in course of construction; it is incomplete communism.

Said Bernard Shaw, who ought to know, if anybody knows:

> Communism is the same as socialism, but better English.

The Russian state is officially designated Union of Socialist Soviet Republics, not Union of Communist Soviet Republics.

The basic concepts of communism and socialism completely identify themselves with each other, as does also this common ideology with new dealism. The difference between these isms is essentially one of degree only. All substitute a politically planned and managed economy for a privately planned and managed economy; political capitalism for private capitalism; politically forced cooperation for voluntary cooperation; political-profit motive for private-profit motive; political laissez faire for private laissez faire; political promise to pay money for real money—gold.

England is outstandingly the most important country with which the so-called Marshall foreign-aid plan is concerned. It is officially a Socialist state. It has already gone far in expropriating the industries of that country and regimenting its citizens. The central policy of the political authority of that country is to indefinitely extend political ownership of and control over industry and the life of the individual citizen. Is the Marshall plan intended to be used to stop further communitarian ownership of property in England and the regimentation that necessarily goes with it?

France is the next important country to receive aid under the plan. Who would presume to claim that France is a free-enterprise nation? That the political regime of that country has adopted an all-out program for a planned-economy system will hardly be disputed. The difference between the De Gaulleists and the faction referred to as Communists is not one of kind but degree; and the wall that separates them is thin and fragile indeed. Both are essentially communitarian. Every indication is that conditions in that country favor further development in the direction of an absolutist state.

But why dwell upon the obvious, since every country in Europe, as Virgil Jordan, president of the National Industrial Conference Board, says, "is already a collectivist dictatorship of some shade or color," which makes ridiculous the claim that the Marshall plan is even intended to halt the growth of communism in Europe?

Not one of the political authorities that would receive aid under the Marshall plan has asked this country to save it from communism, or in any way indicated it wants to be saved from communism. Indeed, if any one of them had even the faintest idea that there was any thought on the part of the political authority of this Nation to use the Marshall-plan aid for that purpose, it would bitterly resent it.

But the political authorities of the countries scheduled to receive aid under this plan have not the slightest suspicion that it is being provided them for any such purpose. Why should they?

They know of the great headway made by the political forces of this Nation in undermining constitutional government and freedom of contract, of the planned and dictatorial mode of life such forces are imposing upon our citizens.

And have not the political authorities of the countries to receive aid under this scheme been given express assurance that their ideology will be religiously respected? But did they need this, considering the sympathetic and helpful attitude this political authority has displayed toward communism throughout the world during the last 15 years?

Birds of a feather flock together. Communitarian-minded political regimes are no exception to this rule. They may—and, indeed, are very apt to—fall out with each other; not, however, on grounds of doctrine, but on who shall rule the roost.

To stop communism in Europe or elsewhere is one thing. To check Russian expansionism is something else. Since all of western civilization has become immured in communism, and there are some who believe immutably, it is a deception, if not an outright fraud, to claim the purpose of the Marshall plan is to arrest the growth of communism. The Marshall plan, instead of curing communism, will aggravate it both in Europe and at home. We ought to tell our people the truth, that whatever else may eventuate from this foreign-aid plan, the stopping of communism anywhere will be no part of it. Indeed, we ought to go a little further and apprise them that the plan, if adopted, will fan the flames of communism, not only in the countries receiving the gratuity, but in our homeland as well.

Self-preservation being the first law of every political authority, be it designated Socialist, monarchial, Republican, New Deal, or what not, as it is of life itself, we should recognize the cruel fact that the political authorities receiving the aid and the political authority dispensing it would inevitably use it primarily to enhance their power over their respective peoples.

That is the natural thing to be expected. It is exactly what has happened in connection with the flow of foreign gifts from this country to other lands since 1914.

We should not overlook the fact that the transactions and procedures involved in carrying out the foreign-aid schemes are in their very nature themselves communistic. The transactions are not between private enterprisers of this country and private enterprisers of foreign countries, but between this political authority and the political authorities of other countries.

The procedure used by the political authority of this Nation to obtain the wherewithal for effectuating the scheme, and the manner by which the foreign political authorities distribute such goods are communistic. Let us briefly look into the matter and see if this is not true.

Top officials point with gleeful pride to the high income of farmers, to the increased rate of pay of wage earners, to the great savings, and to the roaring business in general. They tell us that exports, huge amounts in excess over imports, are an important factor in producing prosperity and that if such exports are not kept up, the economy will collapse and we will all lose our shirts. Hence, one of the imperatives for adopting the Marshall plan, and the solemn warning that failure to do so will mean economic paralysis.

No doubt many who make this allegation believe it to be true. The motley crew of "economists" in the service of the political authority—not the Government, for that is something else—whose brains are cluttered up with "multiplier" and "compensatory spending" concepts and other Keynesian hallucinations seem to believe it too.

Of course, the political authority in Washington loses no opportunity to exploit the prosperity illusion to promote the Marshall plan as it does everything else it believes will help keep it in power.

Let us briefly trace, in a general way, the transactions that are involved in expropriating the produce of American labor for foreign political authorities and note some of their more important implications.

From whence does the political authority derive the funds to pay for the wheat and other products it purchases from farmers and makes available gratis to foreign political authorities? As yet, from one source and one only, taxes. Taxes either from levies made directly on incomes, excises, capital gains, and so forth, or by resort to printing-press money.

Those taxes are paid by every producing segment of the economy, including, of course, the farm community itself and each person pays in proportion to his share of the taxes that make up the total sum levied for all purposes.

In turn, farmers and all other producing groups are taxed to pay for the nonfarm products purchased for foreign shipment. So on through the whole gamut the individuals comprising every group are compelled to contribute toward the purchase of the articles produced by the individuals of every other group for export under the foreign-aid program.

In this reciprocal or merry-go-round fashion the political authority taxes the farm worker and the white-collar worker and the factory worker and all the other workers to pay for the goods it buys from the farm worker and the white-collar worker and the factory worker and all the other workers.

The whole business simply adds up to a minus quantity for all the workers. The pie goes to the political authorities of other countries, but not all of it. Some, quite a sum, of it is reserved for our home politicians as handling charges.

The high priests of the "new era" have assured us we need not worry about the size of the public debt because, "We owe it to ourselves." It would be nice if they could allay the concern workers of this Nation have over the goods they give away to the politicians abroad and at home by making them believe they themselves pay for producing them.

Since the close of World War II hostilities, the political authority has expropriated and is authorized to expropriate roundly $25,000,000,000 worth of goods, the vast bulk of which it has already freely handed over to the political authorities of other countries. With what results? Surely, no one will argue that the goods supplied to foreign political authorities has had any effect in checking the Communist menace in the countries receiving the goods. No one is even going to contend that the political authorities having the disposition of the goods had any intention of using them to combat communism.

Have the political authorities receiving the goods used them to produce productive facilities as was so vehemently alleged would be done by the leading proponents of foreign aid?

The economic condition of the producing population of England, measured by her yardstick of well-being, namely, her foreign trade balance condition, has greatly deteriorated since the gift loan was made available to her political authority.

The most recent official statement shows that Britain will have an adverse trade balance for 1947 of $2,700,000,000, as against $1,400,000,000 in 1946.

The very basis of the arguments put forth to promote the foreign-aid plan under consideration belies that the foreign political authorities have used the gifts supplied them for increasing production capacity; for are those gifts not allegedly predicated on the proposition that the peoples of the countries to whom the Marshall plan aid would go are in a more desperate condition than they have been since the close of hostilities?

First it was UNRRA which was given $1,300,000,000. It was to do the job of rehabilitating the war-torn countries and putting them back on their feet. That was later run up to $2,700,000,000 and another $332,000,000 for post-UNRRA and still an additional $135,000,000 for pre-UNRRA in Italy.

That international agency became a notoriously colossal political scandal, and about the only thing it rehabilitated was communism, especially in the Soviet Union and its satellites.

Then came the International Monetary Fund and Bank, which we were told was the real panacea for curing just about all the monetary, financial, and economic ills the human race is heir to, besides serving as a pillar for permanent universal peace.

The International Monetary Fund was to eliminate trade barriers, empire preferences, bilateral trading, multiple currencies, and so forth. It was to stabilize the currencies of practically the whole world. It failed to achieve any of its alleged objectives, as it was bound to do. The currencies of practically every country participating in it, including that of our own, were much more debauched when the International Monetary Fund was discredited by one of its principal members, France, a few days ago than when it was put into operation.

When the International Monetary Fund was being proposed, its proponents strongly protested that there would be no further requests for funds for International projects. That was to be the last. But the ink on the paper for establishing it was hardly dry before the $3,750,000,000 gift loan to Britain was being proposed. When this was being put through Congress, its promoters solemnly avowed that it would rehabilitate Britian's production tools and start the people of England back on the road to self-sufficiency.

The $3,750,000,000 was to be drawn down over a period of 5 years, but the political authority of Great Britain sunk much the greater part of it within about 1 year, and with her economy in a more weakened condition than before receiving the gratuity.

Permit me now to discuss another phase of the proposal before Congress, the importance of which cannot be overemphasized. I refer to the serious shrinkage of our production facilities and the disappearance from the market of risk capital.

So serious has been the shrinkage of our tools of production in the last two decades, and so slim at the moment are the prospects for reversing or even stopping this trend, that the situation created thereby is appalling. Unless this trend is soon reversed, a serious decline in the standard of living becomes inevitable. The very security of the Nation is threatened.

I am not indulging in any overtones, as I believe every person cognizant of the facts will agree.

However, before discussing this matter, I wish to briefly advert to the three reports to the President on the so-called Marshall foreign-aid plan, namely, the report by the President's so-called Council of Economic Advisers on "the impact of foreign aid upon the domestic economy", the report by the President's committee, headed by Mr. William Averill Harriman, Secretary of Commerce, on "European recovery and relief", and the report by Mr. J. A. Krug, Secretary of the Interior, "on national resources and foreign aid", all of which wholeheartedly endorse the scheme.

Except for certain statements by the President's so-called Council of Economic Advisers and Mr. Krug, and the

omission by all three of any discussion whatever of a single important phase of the Marshall plan proposal, these reports are just so much hogwash and do not deserve any consideration whatever. They are simply a rehash of the usual bureaucratic propaganda for putting through foreign-aid plans. They are essentially but a ponderous pretense to justify an accomplished fact. A mere glance at their contents should convince anyone that the persons who made them simply said what they were told to by the powers that be, though perhaps they did not need to be told.

More than 150,000 words and 150 graphs, charts, and tables, and about 5 pounds of paper were used in compiling each set of these reports. Yet, as stated, none of them discusses any of the important aspects of this foreign-aid proposal.

The report of the President's so-called Council of Economic Advisers, and that of the Secretary of Interior, barely refer to our production tools and then only to state what is obviously not true or grossly misleading. This is remarkable to say the least, considering the high positions occupied by the persons responsible for these reports and the profound bearing this subject has on the Marshall foreign-aid proposal.

On page 72 of the report of the President's so-called Council of Economic Advisers there appears the following language:

> But it has not in view of the tremendous increase in American productive capacity, during and since the war, prevented the American consumer from enjoying—

And so forth. On page 3 of the Krug report appears the following statement:

> The fact is that, with our production, our employment, capital investment, and personal consumption at the highest levels ever reached in times of peace—

And so forth. Mr. A. W. Rucker, president of the Tool Owners' Union, Lexington, Mass., a private organization which gives special attention to matters relating to capital formation, wrote Dr. Nourse, Chairman of the so-called Council of Economic Advisers requesting that he furnish data to substantiate his statement. Dr. Nourse replied as follows:

> The phrase which you underscore was a somewhat unfortunate one in the particular context and it would have been much better if the word "production" had been used instead of "production capacity." * * *
>
> Referring to your more specific question, whether the Council has any measures of percentage of increase in American productive capacity, the answer is that we do not have and we do not think it would be feasible to construct such an index.

Dr. Nourse's statements are anything but clear. If he intends by the second sentence quoted that there are no measures of percentage of increase in American production capacity, he is mistaken. The fact is there are such measures and this is recognized by all informed persons. They are not highly refined measures, expressible in exact mathematical terms; they are rough measures but of such quality as to give them the highest practical value, except perhaps to the devotees of a politically planned mode of life who apparently believe all history is the bunk and that all programing and budgeting for the future should be based solely upon the political exigencies of the hour.

I wrote Mr. Krug asking him to furnish me with a statement showing the basis for the assertion that capital investment is at the highest level ever reached in time of peace. To this he replied as follows:

> In its context the statement is intended to show that we are using more manpower and materials than ever before in peacetime, and this is why capital investment was included with personal consumption. In short, our national output is greater than before and our use of the output greater.

This but confuses the issue. It evades entirely answering my question. He is aware that the increased manpower and materials and output during and since the war are not related to or accompanied by an increase of capital investment.

It should be mentioned here that Mr. Krug attached to his letter a memorandum prepared by the Department of Commerce in response to a request that he furnish me with a statement showing the basis for his assertion that capital investment is at the highest level ever reached in peacetime. The data supplied therein are wholly inadequate and cannot serve to substantiate his claim. This memorandum is appended to my statement for your evaluation.

Why this evasive and ambiguous attitude on the part of key political functionaries on so vital a question as this? Why do they completely evade discussing it at all? Ironically enough, the President's so-called Council of Economic Advisers would have us believe there are no means for measuring our production capacity, while Mr. Krug, representing the Department of the Interior, says there are such measures and furnishes figures in proof thereof.

Both the Commerce Department and the Federal Reserve maintain departments devoted to the study of this subject, and regularly publish statistics relating to it.

Dr. Simon Kuznets, with the National Economic Council, is generally regarded as an outstanding authority on this subject. He is recognized as such by the Federal Reserve and the Department of Commerce. It is my understanding that Dr. Kuznets set up the section in the Department of Commerce that is engaged in this line of work.

According to Dr. Kuznets, gross capital formation, that is, savings invested in tools, during the period 1920–29, averaged $15,840,000,000 yearly.

According to the United States Department of Commerce, gross private capital formation during the period 1930–45 averaged only $7,540,000,000 annually, a reduction of 52.4 percent.

From 1920 to 1929 approximately 18½ percent of the national private production values went into the production of tools and less than 5 percent was spent by the Federal Government. In the period 1930–1941 about 10½ percent went into the production of tools, while nearly 10½ percent was spent by the Federal Government. From 1942 to 1946 only about 6½ percent went into the production of tools, while 46 plus percent of the national production values was spent by the Federal Government.

These figures point up a situation that is nothing short of shocking. What they mean is that the production plant, the tools and machinery used to produce the necessaries of life, are wearing out faster than they are being replaced. The terribleness of this picture may become a little clearer when it is pointed out that "as of January 1, 1946, the total net value measured in 1929 dollars of the private tools of production in the United States was $17,000,000,000 under January 1, 1930 * * *", while the per capita decline was from $1,646 to $1,302, the level for the year 1909. The Tool Owners Union, from whom I obtained most of my data, estimates that $53,000,000,000 1929 dollars would be required to be invested in the production of tools to restore the 1930 per capita tool value at our present population. That amount would be needed "over and above the capital steadily being consumed by depreciation, obsolescence, liquidation, fire, and flood. In current inflated dollars the sum needed is perhaps a third greater, or a minimum of $71,000,000,000."

It is not generally recognized that the high level of production achieved during and since the war years was entirely due to increased use made of existing tools and to an increased labor force, that there was no increase in our production capacity but a marked decrease instead.

The prospects for reversing the downward trend of America's production capacity and putting this Nation safely back on the road of progress are about what the outlook is for restoring the ratio of taxes to political spending that generally prevailed at a period sometime prior to 1929 and ridding the Nation of the socialism which has been imposed upon it.

This is not a bright picture to contemplate, but it is one the United States is squarely facing today. It has the profoundest bearing upon the subject before Congress and no rationalization, or propaganda, or wishful thinking is going to make it otherwise.

It is an illusion to believe, as most people seem to, that the shortages of commodities which generally prevail of steel, oil, building supplies, transportation facilities, and so forth, are merely acute shortages and that they will soon pass away. The fact is that the shortages we are now experiencing are chronic shortages and are here to stay and will become progressively aggravated until the domestic economy is restored to a condition of soundness. Since it does not appear that anything like this will be done in the near future, the impact of the Marshall plan upon the economy would be to further aggravate the shortage situation.

To cope with the worsening of inflation which the Marshall plan would cause and to further aggrandize its power and the political authority pertinaciously urges completion of what by its principal

spokesman's definition constitutes a police state.

The effect of any additional powers given it will be to further destroy the risk-capital market, enervate private enterprise by Government financial assistance to capital formation—a euphemistic expression for expropriation of private property—aggravate shortages, increase international friction, dampen the hope of achieving peace at all, and, withal, weaken our national security.

This particular foreign-aid program starts out by expropriating $17,000,000,000 worth of the fruits of American labor to be handed over to foreign socialist regimes. Judging by past experience, this would be just a starter.

At this point I should like to quote from testimony I presented to this committee in opposition to UNRRA, page 192 of the hearings on House Joint Resolution 192:

> Personally, I should not be surprised if the cost of the program would go to five billion, or ten billion, or twenty billion dollars.

Well, the figure has already exceeded twenty billion, and now seventeen billion more is being asked. Let me now make another prediction. If this measure goes through, let no one be surprised if the ultimate cost reaches thirty billion, or fifty billion, or one hundred billion dollars, assuming the Nation can stand that much before it goes completely bankrupt.

It is difficult to conceive how anyone can believe it possible to purchase good will and military support from a bloc of political authorities in Europe, presumably outside the Russian sphere, with gifts expropriated from American workers. Surely there is no warrant in history for such thinking. It is beyond the capacity of mortal mind to say what could be expected from this course of action. But, one thing is certain: Every political authority concerned will always do precisely what the exigencies of the situation demand, irrespective of gifts, military aid, or anything else. To expect it would be otherwise is to indulge in abnormal thinking.

Precisely what is it the proponents of this foreign aid plan propose to accomplish? Just what ails the countries to whom this elixir of rejuvenation is to be administered?

Surely, we ought to make a diagnosis of the disease, and its cause if possible, before we undertake to cure the patient.

Well, that is not a difficult task. Each one of the Marshall plan countries is a welfare state, and a welfare state is one in which politics eats the producers' "seed corn."

As the European countries went welfare, politics consumed more and more production leaving less and less to be plowed back for new plant construction. Hence, the sorry plight in which the peoples of those countries now find themselves.

Those political authorities being "seed corn" eaters, the gratuities that would be supplied them, regardless of quantity or kind, whether in the form of consumer goods or capital goods, would not alter their nature. They would still remain "seed corn" eaters.

Since ours is also a "seed corn" eating state and the political authority consumes so much of the produce of labor that an insufficient amount is left to keep up production facilities, the foreign gratuity would, in large part, have to come out of what might otherwise go to the production of new tools, thus further intensifying the shrinkage of our production facilities.

So, to "take from the mouth of labor the bread it has earned" and feed it into the insatiable maw of politics at home and abroad, as the proposal before you provides, becomes a self-consuming process, a sapping of the very life blood of our social organism.

The fundamental cause of Europe's troubles is by no means altogether attributable to the world wars. It goes even deeper than that.

Basic to the disease that afflicts the peoples of Europe is the virus of political security, which was first implanted in the social organism of Europe by Prince von Bismarck, 64 years ago. He slyly called it social security.

In 1910 David Lloyd George, feeling he needed a little more political security to hold on to his job, sought help from the bureaucrats operating the wily Chancellor's stratagem. The upshot of it was the passage, in 1911, by the so-called liberal government of England, of a law patterned after Bismarck's. That law was progressively expanded until it culminated in the grandiose womb-to-the-tomb political security artifice of Sir William Beveridge. Who in England, pray tell, but the politicians and public functionaries have any security today?

Much fussing is going on over who should operate the Marshall plan, whether this should be done by the State Department or a newly created so-called independent agency.

Those favoring the latter do so on the ground that the State Department has proven itself too incompetent to do the job and they allege, both publicly and privately, that it is infiltrated with Communist elements and unsuited from that standpoint to undertake the task.

Independent of what? Surely no one believes it could be operated entirely independent of the State Department. Any scheme that might be contrived would have to embrace a degree of cooperation with that Department, unless it is intended to take it, including Secretary Marshall himself, clear out of foreign service.

However, the matter of who should operate this scheme is of little or no importance because, in any event, it would not be independent of politics. The very nature of the scheme is political. That in itself damns it. Contrive ever so ingeniously to devise an organizational structure to properly operate the Marshall plan and in the end it will turn out to be a political improvisation, have all the basic faults that are inherent in such inventions, and in the end political expediency will control.

We are here reminded of the saying of the great historian, M. Guizot:

> The great delusion, faith in the sovereign power of political machinery.

Whichever device may be chosen to operate the Marshall plan, it could never be proven that another would have been better. Judging from past experience, assuming the plan is adopted and carried out, when it is all over it will probably be agreed that no other could have done worse.

Be that as it may, there is a still more basic objection to the scheme. The cardinal objection to it is that it is outright communism. As previously stated, it starts out by expropriating the produce of American labor. What could be more communistic? Then the political authority of this Nation freely hands such produce over to foreign political authorities. Another communistic step. Those political authorities being basically communistic would use it primarily to further their ideology. As the whole foreign and domestic policy of the political authority of this Nation shows, it would also use the scheme to complete the police state and further enslave our producing population. Thus the Marshall plan would, by its very nature, coerce the producing element of the United States to support and pamper communism abroad and at home.

Is it supposed Stalin is ignorant of the perilous conditions that beset this country, the tragic shrinkage of our tools of production and the social paralysis that is creeping over the Nation? Can it be that we are so naive as to believe that he does not know the adoption of the Marshall plan would aggravate these conditions, further weaken the Nation, and lessen its ability to resist Communist expansion?

Has not Stalin made it a practice to take every possible advantage of our policy makers? With the recognition given him in 1933, gold purchase program, lend lease, Atlantic Charter, Quebec Conference, war and reparations policies, Teheran and Yalta and Potsdam agreements, United Nations, Nuremberg trials, and so forth, he has outwitted them at every turn ever since they joined hands with him.

He has succeeded in doing this, not so much because of superior brain capacity, but rather because he was dealing with a visionary, egocentric, and condescending mentality, one so completely enamored with the Russian ideology and so thoroughly antagonistic to free enterprise that it was almost totally blind to the interests of the United States.

Have not the people managing our foreign affairs handed over to Stalin on a platter a veritable empire, Manchuria, Korea, the Kurile Islands, Poland, Finland, the Baltic States, Eastern Germany, the Balkans, Czechoslovakia, part of Austria, and so forth?

Where would Stalin be today without the ideological, military, and lend-lease support given him? Military aid to him after we had entered the war? That was in the cards and could not be avoided. But giving him ideological support, and the loose manner in which lend-lease was made available to him was, in my judgment, a betrayal of the very principles that made the United States of America.

No help whatever should have been given Stalin except on the implacable condition that—come victory—the beast remain confined to its den. Self-preservation of this Nation demanded nothing less.

That the social body of Europe is gravely ill cannot be questioned. The diagnosis is not too encouraging, but that being in the nature of things, we are inevitably bound to face it.

It is afflicted with a deep seated and pernicious constitutional malady caused by the virus of socialism and no amount of blood transfusions, such as would be provided by the procedure being considered by your committee, can possibly have the least effect in killing that contagium. It will only serve as an additional culture medium for its further growth.

Nothing in the world will eradicate that virus but the natural, spontaneous curative process within the social body itself.

Germany, being an organic part of the social body of Europe, there can be no real recovery of England or any other part of Europe without recovery of Germany. The Communistic peace being imposed upon Germany will only serve the purposes of Stalin and sink England and the other countries deeper into the mire of despond. Let us mark this well. It will have profound repercussions upon the United States.

All of Europe and the rest of the world will rise again only as politics are bypassed by the producing populations, and as they succeed in freely dealing with one another; that is, as the ascending national and international communism reverses its trend and God's laws are respected.

Alleged supporting data provided me by Secretary of the Interior, J. A. Krug, prepared by the Department of Commerce, for his statement that capital investment is at the highest level ever reached in time of peace.

*Private domestic investment (excluding inventory change)*

[Billions of 1939 dollars]

| | New construction | | Producers' durable equipment | Total |
|---|---|---|---|---|
| | Total | Residential | | |
| 1925–28 | 8.8 | 4.3 | 4.8 | 13.6 |
| 1929 | 7.5 | 2.7 | 6.1 | 13.6 |
| 1941 | 5.1 | 2.5 | 7.2 | 12.3 |
| 1947 (preliminary) | 5.5 | 2.5 | 12.5 | 18.0 |

Because of the difficulties in allowing adequately for price changes all of these figures should be treated as rough estimates, and those for producers' durable equipment are not official statistics of the Department of Commerce. (M. Joseph Meehan, Acting Director, Office of Business Economics, Department of Commerce.)

Note that Mr. Krug selects the single year 1947 to prove his point. He gives no consideration to change in population. A true picture of the situation can be had only by averaging the amounts over periods of years. To show how misleading his figures can be I am herewith also appending a statement prepared for me by the Tool Owners' Union, which is self-explanatory.

*Gross capital formation*

[In millions of dollars]

| Year | In current prices | Yearly average | In 1929 prices | Yearly average |
|---|---|---|---|---|
| 1920 | $20,600 | | $14,600 | |
| 1921 | 10,200 | | 9,600 | |
| 1922 | 11,700 | | 11,900 | |
| 1923 | 17,000 | | 16,400 | |
| 1924 | 14,200 | | 13,800 | |
| 1925 | 17,900 | | 17,600 | |
| 1926 | 18,500 | | 18,100 | |
| 1927 | 17,300 | | 17,300 | |
| 1928 | 16,800 | | 16,800 | |
| 1929 | 20,100 | | 20,100 | |
| 1930 | 12,900 | | 13,700 | |
| Total 1920–30 | 177,200 | | 169,900 | |
| Yearly average 1920–30 | | $16,109 | | $15,445 |
| 1931 | 8,200 | | 9,400 | |
| 1932 | 2,700 | | 3,100 | |
| 1933 | 3,200 | | 3,600 | |
| 1934 | 4,000 | | 4,400 | |
| 1935 | 7,800 | | 9,000 | |
| 1936 | 11,100 | | 12,600 | |
| 1937 | 13,300 | | 13,900 | |
| 1938 | 9,300 | | 10,000 | |
| 1939 | 13,500 | | 14,700 | |
| 1940 | 16,900 | | 18,500 | |
| Total 1931–40 | 90,000 | | 100,100 | |
| Yearly average 1931–40 | | 9,000 | | 10,010 |
| 1941 | 20,800 | | 21,400 | |
| 1942 | 8,900 | | 8,100 | |
| 1943 | 3,300 | | 2,900 | |
| Total 1941–43 | 33,000 | | 32,400 | |
| Yearly average 1941–43 | | 11,000 | | 10,800 |
| 1944 | 7,615 | | 5,077 | |
| 1945 | 10,280 | | 6,850 | |
| 1946 | 20,918 | | 13,945 | |
| Total 1944–46 | 38,813 | | 25,872 | |
| Yearly average 1944–46 | | 12,938 | | 8,624 |

Source: Years 1920–43 Gross Capital Formation in Current Prices and in 1929 Prices, S. Kuznets, National Product Since 1869, p. 50.

1944–46 Gross Capital Formation in Current Prices. National Income Supplement to Survey of Current Business, July 1947, p. 21, table 7.

Gross Capital Formation in 1929 Prices: National Income Supplement to Survey of Current Business, July 1947, p. 21, table 7, reduced by one-third

*New investment in tools, per annum*

[In millions of dollars]

| | 1929 | 1937 | 1940 | Percent decline 1929–40 |
|---|---|---|---|---|
| Equipment: | | | | |
| Manufacturing | $1,777 | $1,534 | $1,619 | [1] 8.89 |
| Utilities | 1,177 | 930 | 980 | [1] 16.74 |
| Other equipment: | | | | |
| Agriculture | 613 | 700 | 710 | 15.82 |
| Mining | 102 | 107 | 99 | [1] 2.94 |
| Business motor vehicles | 985 | 788 | 794 | [1] 19.39 |
| Construction machinery | 166 | 125 | 137 | [1] 17.47 |
| Professional and scientific equipment | 112 | 101 | 150 | 33.93 |
| Equipment outlay charged to current expenses | 800 | 800 | 1,000 | 25.00 |
| Miscellaneous | 1,594 | 1,200 | 1,112 | [1] 30.24 |
| Total | 7,326 | 6,285 | 6,601 | [1] 9.90 |
| Plants: | | | | |
| Manufacturing | 962 | 626 | 684 | [1] 28.90 |
| Utilities | 1,563 | 620 | 645 | [1] 58.73 |
| Other equipment: | | | | |
| Agriculture | 348 | 275 | 320 | [1] 8.05 |
| Mining | 683 | 705 | 681 | [1] .29 |
| Miscellaneous | 1,187 | 380 | 378 | [1] 68.16 |
| Total | 4,743 | 2,606 | 2,708 | [1] 42.91 |
| Grand total (equipment and plants) | 12,069 | 8,891 | 9,209 | [1] 22.87 |

Footnote at end of table.

*New investment in tools, per annum*—Con.

[In millions of dollars]

| | 1929 | 1937 | 1940 | Percent decline 1929–40 |
|---|---|---|---|---|
| Plants—Continued | | | | |
| Per person employed (including agriculture) | $260.70 | $196.27 | $200.19 | 23.21 |
| Per capita population | 99.31 | 69.02 | 70.55 | 28.96 |

[1] Decline.

Source: For investments: U. S. Department of Commerce, Confidential Memorandum A Technique for Analysis of Private Investment Expenditures, July 10, 1942, No. 2-14046, July 15, 1942, No. 2-14167.

For employment: U. S. Department of Labor.

For population: U. S. Department of Commerce.

## TO INCREASE THE EQUIPMENT MAINTENANCE OF RURAL CARRIERS

Mr. REES. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, insist on the amendments of the House, agree to the conference requested by the Senate and appoint conferees.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. REES, COLE of Missouri, SADLAK, MURRAY of Tennessee, and LYLE.

## EXTENSION OF REMARKS

Mr. REES. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a report on the Civil Service Retirement Act.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

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

## BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on March 4, 1948 present to the President, for his approval, a bill of the House of the following title:

H. R. 4023. An act to authorize the establishment of the De Soto National Memorial, in the State of Florida, and for other purposes.

## ADJOURNMENT

Mr. SMITH of Ohio. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes, p. m.), under its previous order, the House adjourned until Monday, March 8, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

1362. A communication from the President of the United States, transmitting a draft of a proposed provision and a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $325,000 for the Department of State (H. Doc. No. 556); to the Committee on Appropriations and ordered to be printed.

1363. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1948 in the amount of $46,000 for the Department of Commerce (H. Doc. No. 557); to the Committee on Appropriations and ordered to be printed.

1364. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed joint resolution declaring the National Zoological Park, in the District of Columbia, to be an institution of national character, etc.; to the Committee on Public Works.

1365. A letter from the Secretary of the Treasury, transmitting a list of claims paid under the Federal Tort Claims Act for the fiscal year ending June 30, 1947; to the Committee on the Judiciary.

1366. A letter from the Administrator, Federal Security Agency, transmitting the Annual Report of the Office of Education, for the fiscal year 1947; to the Committee on Education and Labor.

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. KEEFE: Committee on Appropriations. H. R. 5728. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending Jun 30, 1949, and for other purposes; without amendment (Rept. No. 1519). 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. FELLOWS: Committee on the Judiciary. H. R. 338. A bill for the relief of Amin Bin Rejab; with an amendment (Rept. No. 1511). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. R. R. 1724. A bill to legalize the admission to the United States of Sarah Jane Sanford Pansa; without amendment (Rept. No. 1512). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2152. A bill for the relief of Paul Boulanger; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3608. A bill for the relief of Cristeta La-Madrid Angeles; with an amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3640. A bill for the relief of Mrs. Charlotte D. Wang, Harvey S. P. Wang, and Arthur Y. P. Wang; with an amendment (Rept. No. 1515). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3824. A bill for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter) without amendment (Rept. No. 1516). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4130. A bill for the relief of Dennis (Dionesio) Fernandez; with an amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4266. A bill for the relief of Virginia Nunes; with amendments (Rept. No. 1518). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. HAGEN:

H. R. 5723. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

By Mr. HARLESS of Arizona:

H. R. 5724. A bill to provide free postage for members of the armed forces while serving outside the continental limits of the United States; to the Committee on Post Office and Civil Service.

By Mr. ROSS:

H. R. 5725. A bill increasing the immigration quotas for Italy; to the Committee on the Judiciary.

H. R. 5726. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5727. A bill to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended; to the Committee on Agriculture.

By Mr. KEEFE:

H. R. 5728. A bill making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. BUCHANAN:

H. R. 5729. A bill for urban low-rent housing; to the Committee on Banking and Currency.

By Mr. HAGEN:

H. R. 5730. A bill to provide for an air parcel-post service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HART:

H. R. 5731. A bill to amend section 213 (52 Stat. 1067, as amended by 53 Stat. 1266) of title 29 of the United States Code, the same being a section of the Fair Labor Standards Act of 1938, as amended, so as to eliminate the exemption of small telephone exchanges from the overtime and minimum-wage provisions of the Fair Labor Standards Act; to the Committee on Education and Labor.

By Mr. McMAHON:

H. R. 5732. A bill to prohibit unqualified individuals from receiving compensation for preparing or assisting in the preparation of income-tax returns; to the Committee on Ways and Means.

By Mr. PICKETT:

H. R. 5733. A bill to authorize the appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 5734. A bill to authorize the Administrator of Veterans' Affairs to convey to the city of Cheyenne, Wyo., for public park and golf-course purposes, certain land situated within the boundaries of the Veterans' Administration center at Cheyenne, Wyo.; to the Committee on Veterans' Affairs.

By Mr. BREHM:

H. R. 5735. A bill to provide that service in a State guard, the Coast Guard Temporary Reserve, and the Civil Air Patrol may be counted in determining eligibility for enlistment in the Reserve components of the armed forces, and for other purposes; to the Committee on Armed Services.

By Mr. HARNESS:

H. R. 5736. A bill to amend the Federal Unemployment Tax Act to permit a 100-percent credit against taxes collected by States, to return to the States control over the administration of their unemployment-compensation laws and of their public employment offices, and for other purposes; to the Committee on Ways and Means.

By Mr. BEALL:

H. R. 5737. A bill to provide additional compensation for teachers, school officers, and other employees of the Board of Education of the District of Columbia; to the Committee on the District of Columbia.

By Mr. LEMKE:

H. R. 5738. A bill to promote maximum employment, business opportunities, and careers for veterans in a free competitive economy; to the Committee on Banking and Currency.

By Mr. TOLLEFSON:

H. R. 5739. A bill to increase certain benefits payable under the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

By Mr. LEWIS (by request):

H. R. 5740. A bill to extend the jurisdiction of district courts to patent suits against the United States and to other suits against the United States where the amount claimed exceeds $10,000, and for other purposes; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 5741. A bill relating to the eligibility for pensions of certain widows and children of veterans of World Wars I and II; to the Committee on Veterans' Affairs.

By Mr. TABER:

H. R. 5742. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Auburn, N. Y.; to the Committee on Banking and Currency.

By Mr. CURTIS:

H. J. Res. 341. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of Fort Kearney in the State of Nebraska; to the Committee on Post Office and Civil Service.

By Mr. HOFFMAN:

H. J. Res. 342. Joint resolution directing all executive departments and agencies of the Federal Government to make available to any and all standing, special, or select committees of the House of Representatives and the Senate information which may be deemed necessary to enable them to properly perform the duties delegated to them by the Congress; to the Committee on Expenditures in the Executive Departments.

By Mr. ISACSON:

H. J. Res. 343. Joint resolution to implement the United Nations Palestine partition decision, to lift the arms embargo against Palestine, and to build world peace; to the Committee on Foreign Affairs.

By Mr. WOLCOTT:

H. Con. Res. 155. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes; to the Committee on Rules.

By Mr. BOGGS of Louisiana:

H. Res. 494. Resolution creating a select committee to attend the meeting of the Parliamentary Congress for the Constitution of a United States of Europe; 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 Puerto Rico, memorializing the President and the Congress of the United States to include Puerto Rico in the Housing and Rent Control Act of 1947; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BROPHY:

H. R. 5743. A bill for the relief of Mrs. Priscilla Louise Davis; to the Committee on the Judiciary.

By Mr. McMAHON:

H. R. 5744. A bill for the relief of Perec Poniemonski; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 5745 A bill for the relief of Oliver F. La Tour and Marie L. La Tour; to the Committee on the Judiciary.

By Mr. REDDEN:

H. R. 5746. A bill for the relief of Mrs. Grace B. Jones; 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:

1497. By Mr. BRADLEY: Petition of Mrs. H. E. Applegate and 27 other residents of South Gate, Calif., urging the enactment of a system of universal military training; to the Committee on Armed Services.

1498. By Mr. ELSTON: Petition of 33 employees of the inquiry section, post office, Cincinnati, Ohio, in support of a $1,000 increase in compensation for postal employees, retroactive to January 1, 1948; to the Committee on Post Office and Civil Service.

1499. Also, petition of Steven E. Steffan and 47 other citizens of Cincinnati, Ohio, and vicinity, supporting S. 1813, a bill to reduce postage rates for relief packages to Germany and Austria; to the Committee on Post Office and Civil Service.

1500. By Mr. FORAND: Resolution of the Rhode Island General Assembly, commending the public service of Col. Davis Gorham Arnold, manager of the United States Veterans' Administration regional office in Providence; to the Committee on Veterans' Affairs.

1501. By Mr. HARLESS of Arizona: Petition of the Arizona State Legislature relating to ground-water development on Government lands; to the Committee on Public Lands.

1502. By Mr. LEFEVRE: Petition of Leonard J. Supple and other residents of Dutchess County, N. Y., concerning the Palestine question; to the Committee on Foreign Affairs.

1503. By the SPEAKER: Petition of Thomas A. Crowley Post, No. 104, American Legion, Walpole, Mass., petitioning consideration of their resolution with reference to endorsement of universal military training; to the Committee on Armed Services.

# SENATE

## MONDAY, MARCH 8, 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:

Eternal God and our loving Father, we come to Thee this day in the name of Jesus Christ, who is the lover of our souls and the Saviour of all mankind.

May we feel His love and respond to it.

May His Spirit shine into lives that are darkened by worry, doubt, or fear.

Strengthen and guide all those who are sincerely trying to do what is right, and make it plain.

Make us more mindful of the needs of our fellow men and less absorbed in selfish concerns, that Christ may approve and bless what we do here this day.

We ask these things in His name. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 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 March 5, 1948:

S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes; and

S. 1961. An act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

On March 6, 1948:

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, 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. REES, Mr. COLE of Missouri, Mr. SADLAK, Mr. MURRAY of Tennessee, and Mr. LYLE were appointed managers on the part of the House at the conference.

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

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; and

H. R. 5607. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I am sure the RECORD reveals that the business before the Senate today will be the calling of the Legislative Calendar, starting with Calendar No. 952. Prior to that, however, two or three Senators would like to offer insertions for the RECORD, and, if there is no objection, may we not hold the calling of the calendar in abeyance for a few moments?

The PRESIDENT pro tempore. Without objection, that procedure will be followed.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF SECRETARY OF STATE RELATING TO EDUCATIONAL EXCHANGE PROGRAM WITH FOREIGN COUNTRIES (H. DOC. NO. 562)

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

(For text of President's message, see proceedings of the House of Representatives on p. 2339.)

REPEAL OF TAX ON OLEOMARGARINE—RESOLUTION OF SOUTH CAROLINA HOUSE OF REPRESENTATIVES

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the House of Representatives of the State of South Carolina regarding oleomargarine.

My bill, S. 985, providing for the repeal of all Federal taxes on oleomargarine and intended to be proposed as an amendment to some pending revenue measure is now in the Committee on Finance. Today I am informed the House Committee on Agriculture began hearings on the various pending bills which would eliminate such Federal taxes. It is my sincere hope that such a bill will reach the floor of the Senate for a vote in the near future.

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

Resolution memorializing Congress to repeal the 10-cents-per-pound Federal tax on oleomargarine and to enact a tax of one-quarter of 1 cent per pound on oleomargarine

Whereas the sale of oleomargarine is now taxed by Federal statute at the rate of one-quarter of a cent per pound for white, or colorless, margarine, and at the rate of 10 cents per pound for colored margarines, which legislation was enacted and is maintained by dairy pressure groups from the North and Midwest sections of the United States; and

Whereas there is now pending before the House of Representatives of the Congress of the United States a bill proposing to repeal the present law and to enact a flat tax of one-quarter of 1 cent per pound on all oleomargarine; and

Whereas some 5,000,000 pounds of oleomargarine per year are consumed and used