

Also, memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States to oppose the federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of West Virginia, memorializing the President and the Congress of the United States to repeal the Taft-Hartley law; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Oklahoma, memorializing the President and the Congress of the United States to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the Territory of Alaska, urging the appointment of an Alaskan on the International Fisheries Commission; to the Committee on Public Lands.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to repeal the Federal taxes on the transportation of persons and property as each affects interisland transportation in Hawaii and transportation between Hawaii and the mainland United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CHRISTOPHER:

H. R. 3957. A bill to direct the Secretary of Agriculture to convey certain mineral rights; to the Committee on Agriculture.

By Mr. FLOOD:

H. R. 3958. A bill for the relief of Michael A. Perna; to the Committee on the Judiciary.

H. R. 3959. A bill to provide for the readmission to citizenship of Mrs. Pepa Opalicki; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 3960. A bill for the relief of Adam Zakiarcz; to the Committee on the Judiciary.

By Mr. HAND:

H. R. 3961. A bill for the relief of Lamia Abed Khalil El Abed; to the Committee on the Judiciary.

By Mr. JAVITS (by request):

H. R. 3962. A bill for the relief of Dr. Marek Halpern; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 3963. A bill for the relief of Edward Lee Ankerson; to the Committee on the Judiciary.

By Mr. McGREGOR:

H. R. 3964. A bill for the relief of Walter M. Smith; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 3965. A bill for the relief of Mrs. Osteen Foxworth and children; to the Committee on the Judiciary.

By Mr. MONRONEY:

H. R. 3966. A bill for the relief of the Yellow Cab Transit Co., of Oklahoma City; 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:

419. By Mr. BARRETT of Wyoming: Resolution of Farmers Union Local 494, of Hawk Springs, Wyo., for support of H. R. 113, providing for farm telephones through the REA; to the Committee on Agriculture.

420. Also, resolution of Farmers Union Local 494, of Hawk Springs, Wyo., endorsing the Missouri Valley Authority; to the Committee on Public Works.

421. By Mr. BUCKLEY of Illinois: Petition of the Council of the City of Harvey, Ill., urging the Congress to pass the General Pulaski's Memorial Day resolution now pending in the United States Congress; to the Committee on the Judiciary.

422. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, asking all Members of Congress from Massachusetts to exert their influence to effect the unification of all of the counties in Eire to the Committee on Foreign Affairs.

423. Also, memorial of the Massachusetts Legislature, asking the Congress to pass the General Pulaski's Memorial Day resolution now pending before it; to the Committee on the Judiciary.

424. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging unification of all the counties of Eire; to the Committee on Foreign Affairs.

425. By Mr. MILLER of Maryland: Resolution of the Dorchester County Medical Society, going on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

426. By Mr. TOWE: Petition of 38 residents of Fairview and Cliffside Park, N. J., urging the repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

427. By the SPEAKER: Petition of John F. Reilly, grand knight, St. Augustine Council, Knights of Columbus, Stamford, Conn., petitioning consideration of their resolution with reference to enacting into law the McMahon-Johnson bill, S. 496, and thereby demonstrating sincerity and devotion to the welfare of all citizens of the United States, and particularly the children; to the Committee on Education and Labor.

428. Also, petition of William M. Skipp, M. D., Mahoning County Medical Society, Youngstown, Ohio, petitioning consideration of their resolution concerning the federalization of medicine, and opposing any type of compulsory health insurance as proposed in the bills S. 5, H. R. 345, and H. R. 783; to the Committee on Interstate and Foreign Commerce.

429. Also, petition of George Drennan, M. D., Morgan County Medical Society, Jacksonville, Ill., petitioning consideration of their resolution opposing the enactment of any legislation that would provide compulsory or national health insurance or any part of socialized medical care in any form; to the Committee on Interstate and Foreign Commerce.

430. Also, petition of Francis Williams, chairman, Louisiana Ports Survey Commission, New Orleans 12, La., asking for support of several bills having for their purpose the rehabilitation and modernization of the equipment of the Federal Barge Lines; to the Committee on Interstate and Foreign Commerce.

431. Also, petition of Mrs. Anna C. Finch and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

432. Also, petition of Mrs. Helena E. Roby and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

433. Also, petition of Alfred G. Alexander and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

434. Also, petition of Mrs. Albina Bibbeau and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

435. Also, petition of Mrs. E. Vernon and others, West Palm Beach, Fla., requesting

passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

436. Also, petition of H. Caine and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

437. Also, petition of Mrs. Ida J. Wallace and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

438. Also, petition of Mrs. Alice D. Kenney and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

439. Also, petition of Mrs. F. H. Godfrey and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

440. Also, petition of Mrs. Z. V. Dyson and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

441. Also, petition of Dr. J. R. Leatherman and others, West Palm Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

442. Also, petition of Mabel M. Hand and others, Daytona Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

443. Also, petition of Mrs. R. A. Hanson and others, Holly Hill, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

444. Also, petition of George I. Brazier and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

445. Also, petition of Grace E. Major and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, APRIL 1, 1949

(Legislative day of Friday, March 18, 1949)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, grant us, we beseech Thee, the lowly heart purged of pride and self-seeking, which is the only temple that can contain the Infinite. Enrich our lives with the grace of gratitude, for we come to the day's beginning with the song in our hearts: "Bless the Lord, O my soul, and forget not all his benefits."

We bless Thee for all Thy bounties, new every morning; for the glories of the world in which we live, for the work Thou hast given us to do and the strength with which to do it, the lessons Thou hast set us to learn in Thy great school of discipline. Amid all the masquerades of error and the sophistries of the cynical which seek to deceive our day, lead us in the way of truth. May we hold the faith by which we live in unity of spirit, in the bond of peace, and in righteousness of life. We ask it all in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 31, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that, on March 31, 1949, the President had approved and signed the act (S. 135) to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON PROGRAM FOR DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report with respect to the development of a program for the disposal to private industry of the Government-owned rubber-producing facilities (with an accompanying report); to the Committee on Banking and Currency.

REPORTS OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Federal business enterprises (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Revolving Funds and Business Enterprises of the Government (Appendix J) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Water Resources Projects (Appendix K) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Lending Agencies (Appendix R) (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Farmers Home Administration and predecessor agencies (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Housing and Home Finance Agency and its constituent agencies (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Export-Import Bank of Washington, Federal Deposit Insurance Corporation, and auxiliary Government lending activities (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Reconstruction Finance Corporation and subsidiaries (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report on Farm Credit Administration and its supervised agencies (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Connally	Lucas	Thye
Frear	McKellar	Wherry
George	Neely	Williams
Gillette	Robertson	Withers
Hendrickson	Taft	
Kem	Thomas, Okla.	

The VICE PRESIDENT. Sixteen Senators having answered to their names, a quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. DONNELL, Mr. ELLENDER, Mr. FERGUSON, Mr. GREEN, Mr. HOLLAND, Mr. JOHNSTON of South Carolina, Mr. KILGORE, Mr. KNOWLAND, Mr. MARTIN, Mr. MAYBANK, Mr. SALTONSTALL, Mr. SPARKMAN, Mr. TAYLOR, and Mr. THOMAS of Utah answered to their names when called.

The VICE PRESIDENT. Thirty Senators having answered to their names, a quorum is still not present.

Mr. LUCAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators and to notify them that the session of the Senate began at 11 o'clock this morning.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. MURRAY, Mr. RUSSELL, Mr. HUNT, Mr. STENNIS, Mr. AIKEN, Mr. KEFAUVER, Mr. LONG, Mr. VANDENBERG, Mr. HUMPHREY, Mr. REED, Mr. McGrath, Mr. GURNEY, Mr. MILLIKIN, Mr. CORDON, Mr. McCARRAN, Mr. KERR, Mr. MILLER, Mr. WATKINS, Mr. BUTLER, and Mr. ANDERSON entered the Chamber and answered to their names.

Mr. ECTON, Mr. HAYDEN, Mr. LODGE, Mr. O'MAHONEY, and Mr. WILEY also entered the Chamber and answered to their names.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Colorado [Mr. JOHNSON], the Senator from Texas [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Arizona [Mr. McFARLAND], the Senator from Connecticut [Mr. McMAHON], the Senator from Maryland [Mr. TYDINGS], and the Senator from Florida [Mr. PEPPER] are absent on official committee business.

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

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

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate.

The senior Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the senior Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New York [Mr. IVES], the junior Senator from Indiana [Mr. JENNER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Nevada [Mr. MALONE], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], and the junior Senator from North Dakota [Mr. YOUNG] are detained on official committee business.

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

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business.

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

As will be stated, the Senator from Wisconsin [Mr. McCARTHY], the Senator from South Dakota [Mr. MUNDT], and the Senator from Maine [Mrs. SMITH] are detained in the Committee on Expenditures in the Executive Departments.

The VICE PRESIDENT. Fifty-five Senators having answered to their names, a quorum is present.

The following announcement was ordered to be transposed to this point in the RECORD:

Mr. KEM obtained the floor.

Mr. McCLELLAN addressed the Chair.

Mr. KEM. Mr. President, I shall be glad to yield to the Senator from Arkansas for a statement on behalf of his committee.

The VICE PRESIDENT. The Senator cannot yield for that purpose.

Mr. KEM. I ask unanimous consent that I be permitted to yield to the Senator from Arkansas, for the purpose of his making a statement on behalf of the committee of which he is chairman.

The VICE PRESIDENT. If the Senator from Missouri wishes to relinquish the floor temporarily while the Senator from Arkansas makes a statement, the Chair will again recognize him.

Mr. KEM. Very well.

Mr. McCLELLAN. Mr. President, I wish to announce on behalf of a number of Senators the reason for their absence at the roll call immediately following the opening of the session today.

The senior Senator from North Carolina [Mr. HOEY], the junior Senator from Maryland [Mr. O'CONOR], the junior Senator from Wisconsin [Mr. McCARTHY], the junior Senator from South Dakota [Mr. MUNDT], the junior Senator from Maine [Mrs. SMITH], and myself, were in an executive session of the Committee on Expenditures in the Executive Departments.

I ask unanimous consent that this announcement appear immediately following the roll call this morning.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCLELLAN. I thank the Senator from Missouri.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators desiring to submit petitions and memorials and other matters for printing in the RECORD may do so at this time.

The VICE PRESIDENT. Without objection, Senators who wish to present routine matters without debate may do so at this time, before the Chair recognizes any Senator for a speech.

PETITION

Mr. BREWSTER presented a concurrent resolution of the Legislature of the State of Maine, which was referred to the Committee on Finance:

Concurrent resolution memorializing and requesting the Congress of the United States to enact a bill to aid the State in the enforcement of the cigarette tax now evaded by use of the United States mails

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, the Senate and House of Representatives of the State of Maine in the ninety-fourth legislative session assembled, most respectfully present and petition your honorable body, as follows:

Whereas the State of Maine has seen fit to impose a tax on the sale and use of cigarettes, cigars, and tobacco products within its boundaries, and the revenues so obtained constitute an important portion of the funds available for its functions of government; and

Whereas it has been brought to the attention of the Ninety-fourth Maine Legislature that throughout the country a large and growing system of evasion of such tax law has developed; that the United States mails contain advertisements and inducements to the citizens of this State to violate the law of this State; that in some instances such advertisers entice prospective customers with statements to the effect that the use of the United States mails is sufficient proof of the legitimacy of such business and such a system; that the mails of the United States are used for delivery of cigarettes within this State, and on which cigarettes, cigars, and tobacco products the tax required by the laws of this State has not and will not be paid; that this State is seriously disadvantaged by such use of the postal offices and

mails of the United States for the purpose of evading the laws of the State of Maine; and that the State of Maine faces and is now suffering substantial losses of revenue as a result of such system of evasion; and

Whereas it has been brought to the attention of the ninety-fourth legislature that there are now pending before the Congress of the United States proposed bills which would aid the States by requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State to which shipped a copy of the invoice on each shipment and the name and address of each person to whom shipped: Now, therefore, be it

Resolved by the senate and house of representatives: That the Congress of the United States be hereby memorialized and respectfully urged to enact a bill requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State to which shipped a copy of the invoice on each such shipment; or to enact such other bill to the aid of the several States affected as may be proper; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state, by registered mail, to the proper officers and committees of the United States Senate and House of Representatives, the President of the United States, and to each of the Representatives and Senators representing the State of Maine in the United States Congress.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

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

H. R. 2660. A bill to prohibit the parking of vehicles upon any property owned by the United States for postal purposes; without amendment (Rept. No. 204).

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

S. 1432. A bill to provide for a Commission on Renovation of the Executive Mansion; with an amendment (Rept. No. 203).

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

S. 755. A bill to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.; with amendment (Rept. No. 205).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT 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. FREAR:

S. 1478. A bill providing an allowance for the purchase of uniforms for city and village delivery letter carriers;

S. 1479. A bill to abolish the village-delivery service of the Post Office Department; to transfer village carriers to the city-delivery service; and for other purposes; and

S. 1480. A bill to provide credit for salary purposes to carriers advanced from the status of village delivery; to the Committee on Post Office and Civil Service.

By Mr. MARTIN:

S. 1481. A bill for the relief of Antonio Cardella; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 1482. A bill for the relief of the survivors of Capt. Allen R. Bateman, First Lt. Maxwell G. Erskine, First Lt. Ashton H. Fielding, Master Sgt. Charles S. Lee, and Pvt. Harold W. Hampton; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 1483. A bill to amend title 18, United States Code, sections 2312 and 2313, so as to include thereunder motor vehicles and aircraft which have been embezzled, feloniously converted, or taken by fraud; and

S. 1484. A bill for the relief of Augustino Marlia; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1485. A bill for the relief of Abraham Allie and Jan Allie; to the Committee on the Judiciary.

By Mr. TOBEY:

S. 1486. A bill to amend section 207 of the Legislative Reorganization Act of 1946 to provide for judicial review of denials of applications made for the correction of sentences imposed by general courts martial; to the Committee on Armed Services.

By Mr. WHERRY:

S. 1487. A bill for the relief of Katherine L. Anderson to the Committee on the Judiciary.

By Mr. IVES:

S. J. Res. 73. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938; to the Committee on Foreign Relations.

INVESTIGATION OF COMMODITY CREDIT CORPORATION AND ALL OTHER GOVERNMENT CORPORATIONS

Mr. WILLIAMS (for himself, Mr. FERGUSON, Mr. KEM, Mr. JENNER, Mr. CAPEHART, Mr. DONNELL, Mr. HENDRICKSON, Mr. WATKINS, and Mr. MARTIN) submitted the following resolution (S. Res. 98), which was referred to the Committee on Expenditures in the Executive Departments:

Whereas the report by Stephen B. Ives, Director of the Corporation Audits Division of the General Accounting Office, to Hon. Lindsay C. Warren, Comptroller General of the United States, which report was, with a letter dated March 30, 1949, transmitted by Hon. Lindsay C. Warren, Comptroller General of the United States, to the President of the Senate, concerning the fiscal affairs of the Commodity Credit Corporation, a Delaware corporation, predecessor of the Commodity Credit Corporation, a Federal corporation, for the period ended June 30, 1945, reveals that the amount of \$366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported or verified, and that there has been an apparent lack of appreciation by the management of the necessity for accurate financial reporting; and

Whereas it is important that the fiscal affairs of said corporations and of other Government corporations be investigated: Now, therefore, be it

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation into the fiscal affairs of the Commodity Credit Corporation, a Delaware corporation; its successor, the Commodity Credit Corporation, a Federal corporation; and each other Government corporation. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with its recommendations.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee

under this resolution, which shall not exceed \$, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

RELIEF OF FISHING INDUSTRY OF THE UNITED STATES

Mr. O'CONOR. Mr. President, I submit for appropriate reference a resolution relative to relief for the fishing industry of the United States, and I ask unanimous consent that an explanatory statement prepared by me be printed in the RECORD.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Maryland will be printed in the RECORD.

The resolution (S. Res. 99), submitted by Mr. O'CONOR, was referred to the Committee on Interstate and Foreign Commerce, as follows:

Whereas extensive hearings have recently been conducted by a subcommittee of the Committee on Merchant Marine and Fisheries of the House of Representatives on problems of the fishing industry; and

Whereas the men and equipment of the fishing fleets and the shore workers engaged in the preparation of the catches and the food resource thereby made available have been demonstrated to be and continue to be necessary to the national defense, and

Whereas it appears that the operations of much of the industry have been seriously curtailed by the steadily growing imports of fishery products into this country by other nations which produce at less expense because of lower standards for workers, Government subsidies, and other items; and

Whereas if imports continue to increase as it appears they will the domestic fishing industry faces possible destruction, which will drastically affect many coastal cities dependent on fishing activity for their support, cause unemployment for many thousands of workers, permit one of our most valuable natural food resources to become unproductive and occasion the further removal of management and capital to foreign lands, to the detriment of labor, the national income, and the general public welfare; and

Whereas such occurrences will deprive the country in time of international emergency of the trained men and equipment necessary to catching and preparing for human consumption the product of the seas; and

Whereas it appears from the great amount of testimony adduced at said hearings that certain segments of the fishing industry, particularly the fresh and frozen groundfish fillet industry, are already gravely affected by rising imports, and immediate relief is essential: Now, therefore, be it

Resolved, 1. That the United States Tariff Commission is requested to initiate an immediate investigation under the escape-clause procedure authorized by Executive Order 10004 of the imports of fresh and frozen groundfish fillets in order that relief for this industry, as demonstrated by the recent hearings to be necessary, upon substantiation by the Commission's investigation, may receive speedy consideration by the Executive.

2. That the Secretary of State be, and he hereby is, authorized and directed, through the embassies and consulates maintained in foreign countries by this Government, to investigate and report to the Senate, within 60 days of the adoption of this resolution, the costs of production of producers and processors of fish and fishery products, wages, and other remuneration paid to fishermen, shore workers, and all other labor engaged in the production of fish and fishery products in

each nation exporting fish and shellfish and all byproducts thereof to the United States, together with a description of the standard of living enjoyed by the persons employed in the fisheries under the jurisdiction of such governments. The report shall further show the trend of growth and importance of the industry in each such country over the past 5 years with an indication of capacity currently under construction or anticipated. The Secretary shall also submit schedules showing the restrictions which the governments of such nations may have imposed upon the importation into their respective countries of any fish or fishery products: *Provided, however*, That should the Secretary require the aid of the Department of Commerce in the gathering of any of the aforementioned data, the Secretary of Commerce is hereby authorized and directed to render whatever assistance may be requested of him: *Provided further*, That it is within the jurisdiction of his Department.

3. That the Secretary of the Treasury be, and he hereby is, directed to ascertain as required by section 303 of the act of June 17, 1930, as amended (19 U. S. C. A., sec. 1303), and report to the Senate, within 60 days of the adoption of this resolution, all subsidies, grants, and bounties of any kind whatsoever paid directly or indirectly by any foreign country or any citizen thereof presently exporting fish or fishery products to the United States, to any fishermen, producers, or processors of fish or fishery products within the territorial jurisdiction of such country.

The explanatory statement presented by Mr. O'CONOR is as follows:

STATEMENT BY SENATOR O'CONOR

It is a matter of great concern to us in Maryland, and throughout the entire United States as well, that the fisheries industry has suffered a severe set-back in production and in the disposal of its catches and products because of the greatly increased and steadily growing imports of fisheries products from other countries.

The condition has become so serious that, generally, those engaged in the Nation's fisheries, as well as the workers on shore who process the catches, face a very uncertain future as to their employment and their livelihood. Like the other component parts of our great industrial population, these fisheries workers have enjoyed considerable increases in income, to the point where their products can be undersold by the fisheries imports from other lands, which produce at lower cost than it is possible to do here in America because of the lower standards among their workers and quite frequently because of Government subsidies.

If the current condition is allowed to deteriorate at the same rate that it has done so in the past few years, the first thing we know there will be no fishing industry worthy of the name remaining in America. Not only would this entail great unemployment, but it also would deprive our country of an important basic food industry. This industry made a notable contribution to the feeding not only of our own people but of the hungry millions in other lands during the war and the period immediately following. We may be sure that should another such emergency arise, and a comparable food-shortage situation develop, our country would be in a sad state without a going, well-equipped fisheries industry to assist in the production of food for our people and our allies.

Within the fishing industry itself, the unfavorable aspects of the current economic situation have been causing something approaching consternation. Not only has management found in it cause for concern, but the various labor organizations affected, both A. F. of L. and CIO, have joined forces in asking for consideration of possible relief from an intolerable situation.

I am, therefore, presenting, for appropriate reference, a resolution asking that the United States Tariff Commission initiate an immediate investigation, under the escape-clause procedure authorized by Executive Order 10004, of the imports of fresh and frozen groundfish fillets, as a basis for consideration, and that the Secretary of State be authorized and directed to investigate and report on the costs of production of producers and processors of fish and fisheries products, wages, and other remuneration paid to all those engaged in the industry, in each nation exporting such products to the United States, together with other pertinent information.

ACADEMIC FREEDOM VERSUS COMMUNIST INDOCTRINATION—ADDRESS BY SENATOR MORSE

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address on the subject Academic Freedom Versus Communist Indoctrination, delivered by him to the graduating class of the Federal Bureau of Investigation, National Academy, on April 1, 1949, which appears in the Appendix.]

CANADA CUTS TAXES—EDITORIAL FROM THE WASHINGTON (PA.) OBSERVER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Canada Cuts Taxes To Halt Recesssion," published in the Washington (Pa.) Observer, which appears in the Appendix.]

A LONDON LONGSHOREMAN IN CALIFORNIA

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an article entitled "A London Longshoreman Doesn't Miss California," by Waldo Drake, and an editorial entitled "In Spite of All Temptations," published in the Los Angeles Times of March 24, 1949, which appear in the Appendix.]

THE PROPER APPROACH TO SOCIAL ISSUES—EDITORIAL FROM THE ESSEX COUNTY (N. J.) DENTAL SOCIETY BULLETIN

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an editorial entitled "Let There Be Light," published in the March 1949 issue of the Bulletin of the Essex County (N. J.) Dental Society, which appears in the Appendix.]

WHAT'S RIGHT WITH AMERICA—RADIO COMMENTARY BY W. EARL HALL

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a radio commentary by W. Earl Hall, published in the Mason City (Iowa) Globe-Gazette, which appears in the Appendix.]

THE CASE OF SAMUEL L. WAHRHAFTIG

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement prepared by him regarding the case of Samuel L. Wahrahtig, an American military government official in Germany removed from his position in the office of the military government on March 9, 1949, which appears in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

Mr. O'MAHONEY. Mr. President, the Committee on Interior and Insular Affairs is in the process of holding a hearing upon the nomination of Governor Gruening to be reappointed as Governor of the Territory of Alaska. A large number of Alaskan citizens have come to Washington for the purpose of testifying at this hearing. We have been in session since shortly after 10 o'clock this morning. The schedule of the committee will

be seriously interrupted and great inconvenience will be inflicted upon those citizens of Alaska unless we are permitted to proceed with the hearing during the session of the Senate. I therefore ask unanimous consent that the Committee on Interior and Insular Affairs may proceed with the hearing.

THE VICE PRESIDENT. Is there objection?

MR. WATKINS. Mr. President, reserving the right to object, I wonder if the distinguished chairman of the committee can tell us about how long we shall have to be in that hearing while the Senate is in session?

MR. O'MAHONEY. I have no means of knowing exactly how long it will be. There are at least 40 persons whose names have been submitted, but I understand that only a fraction of that number will desire to be heard. It was the hope of the chairman that the hearing might be concluded today.

MR. WATKINS. I should like to attend the hearing, inasmuch as I am a member of the committee. I should also like to hear the discussion in the Senate on the pending question. However, in view of the statement of the chairman, I shall not object.

THE VICE PRESIDENT. Without objection, permission is granted.

LEAVES OF ABSENCE

MR. THOMAS of Oklahoma asked and obtained consent to be absent from the Senate beginning at 5 o'clock today, until Monday morning.

MR. FREAR asked and obtained consent to be absent from the session of the Senate on Tuesday next.

TRANSFER OF FUNCTIONS OF REGIONAL AGRICULTURAL CREDIT CORPORATION TO THE SECRETARY OF AGRICULTURE—CONFERENCE REPORT

MR. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same.

ELMER THOMAS,
GEORGE D. AIKEN,
MILTON R. YOUNG,
CLINTON P. ANDERSON,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

HAROLD D. COOLEY,
STEPHEN PACE,
W. K. GRANGER,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
Managers on the Part of the House.

THE VICE PRESIDENT. Is there objection to the present consideration of the conference report?

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

MR. KNOWLAND. Mr. President, will the Senator give us an explanation of what the conference committee did?

MR. THOMAS of Oklahoma. Mr. President, the report is unanimous. It accepts the Senate version of the bill, which proposes relief for the persons who have suffered because of the severe winter in the Northwest. It makes available some unexpended funds; no new appropriation is called for, but some unexpended funds are made available, and the report proposes to make them available to certain persons who have suffered losses because of the severe winter.

MR. WHERRY. Mr. President, will the Senator yield for a question?

MR. THOMAS of Oklahoma. I yield.

MR. WHERRY. Does this have anything to do with the termination of the RAAC loaning agency?

MR. THOMAS of Oklahoma. Yes; I think it does.

MR. WHERRY. That is involved in this matter and from now on the loans will be made by—

MR. THOMAS of Oklahoma. By the Secretary.

MR. WHERRY. By the Secretary?

MR. THOMAS of Oklahoma. Yes.

THE VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

WINSTON CHURCHILL'S SPEECH—COMMENT BY SENATOR MCMAHON

MR. MCMAHON. Mr. President, one of the press services asked me yesterday to comment on the speech which Mr. Winston Churchill made last night. I herewith submit for printing in the RECORD my comment on the speech, and ask unanimous consent that it may be printed in the RECORD at this point.

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

MARCH 31, 1949.

Mr. Churchill correctly judges the part atomic bombs play in presently keeping the peace. However, we shall not remain the exclusive possessors of the atomic bomb in the future and Mr. Churchill, unlike so many others, realizes it. I believe that he realizes, too, that the settlement of the control of armaments capable of mass destruction poses the heart question of our time.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

MR. CONNALLY. Mr. President, those of us who are deeply interested in the passage of the pending bill and also the vote on the so-called Taft amendment are extremely anxious that Senators shall remain in attendance during the debate and action on these measures. We should like very much to have the bill passed today. That cannot be done unless Senators remain in the Senate Chamber. We think the Senate has been very liberal in allowing full and complete debate by those who are opposing the bill and by those who have amendments to it. I simply wish to urge all Senators to be present if possible. We do not desire to have a session tomorrow; but the majority leader advises that unless we complete action on the bill today, he

will insist upon having a session of the Senate tomorrow.

So in the interest of proper consideration and in the interest of obtaining action, I hope all Senators will be present and will permit us to discuss this matter and dispose of it promptly during the day.

THE VICE PRESIDENT. The Chair would like to make this statement for the benefit of all Senators: The Chair's attention has been called by the clerks at the desk to the fact that a habit has grown up among Senators to come into the Chamber after a quorum call has been completed and the result announced, and have their names put on the roll as if they were here at the time when the roll was called. That sort of habit makes it difficult to obtain a quorum; because if a Senator can come in after the quorum call has been concluded and still can have his name placed on the roll call as if he had been present at the time when the roll was called, there is no inducement for him to be here to answer to his name when the roll is called. That is a violation of the rules, of course.

From now on, no Senator's name will be placed on the roll as having been present, after the completion of the call, unless he actually is present and answers to his name when called. So if a Senator does not actually answer to his name in accordance with the rule, his name will not go on the roll call as being present.

There is no rule for the practice which has developed; it is simply something which has grown up here as a habit, somewhat like Topsy; but it makes it extremely difficult to obtain the presence of quorums; because if Senators can continue to indulge in that practice, they can remain in their offices perhaps all day long, and yet get their names on the roll call. Frequently it is very difficult under such circumstances to have Senators really in attendance in the Senate Chamber.

So all Senators are now given notice that if they are not in the Chamber in person to answer to a roll call, their names will not be placed on the record.

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

MR. CONNALLY. I yield.

MR. LUCAS. I should like to make an observation along the lines of the proper procedure in debate today. As the Senator from Texas has well said, I think we have been more than lenient and kind in permitting this issue to be debated rather fully, and certainly the rules of the Senate have not been strictly enforced at all in that connection. I am the last one who would desire to do that; but in order to expedite matters, it seems to me that the rule in respect of yielding for a question only should be fairly strictly enforced, and no Senator should make a speech of 5 or 10 or 15 minutes in some other Senator's time. I know it is done almost constantly, and, as a general rule, we do not object. But we are moving into the last phases of the consideration of this bill, and it seems to me we should have the rules enforced today. I believe

that if we debate the issue, we can conclude action on this matter before night. As the able Senator from Texas has said, if we are not able to do so, we shall have to come back tomorrow, because of the deadline that is involved.

Mr. ROBERTSON. Mr. President, in view of the fact that I intend to vote against the Taft amendment and all other amendments to reduce, in an arbitrary manner the over-all authorization as unanimously reported by the Foreign Relations Committee, I desire to take a few minutes of the time of the Senate to explain why I shall take such a position.

No Member of the Senate is more deeply concerned than am I over the mounting expenditures of the Federal Government and the heavy burden of taxation necessary to support such expenditures. No Member of the Senate is more anxious than am I to reduce these expenditures and ultimately to reduce the tax burden, to say nothing of avoiding, if possible, an increase in the tax burden at this session or the next session. But, Mr. President, in approaching a problem of expenditure I attempt to differentiate between essential and non-essential expenditures. In my opinion a military establishment to protect us from the consequences of attack in the event we should become so unfortunate as again to be involved in war, involves an essential expenditure. And I deem even more essential than a military establishment, assumed to be capable of winning a war if we get involved in one, any program reasonably calculated to keep us out of war. Certainly nothing could equal the cost of another war, to say nothing of the added destruction of civilization as we have known it.

There are Members of this distinguished body who do not think that a continuation of ECA and the rehabilitation of cooperating democracies of Europe is any contribution to the future peace of the world. They are entitled to their viewpoint. I am very happy to believe that a large majority of this body is of the opinion that the rehabilitation of the democracies of Europe with our help—and certainly there is no assurance that they can be rehabilitated without it—is a contribution to peace that justifies the necessary expenditure. So, I anticipate that when we come to vote on the Taft amendment which proposes a horizontal cut of 10 percent of the Administration's fund and 10 percent of the fund going to meet the dollar shortages of the cooperating countries, the real issue which will divide us will not be that the program is a contribution to peace, in that it will be calculated to stay the hand of a possible aggressor, but that the amount proposed is more than is reasonably needed for such an undertaking.

I shall not take the time of the Senate, because the distinguished chairman of the committee has already said we would like to complete action on this bill today if possible, to make any elaborate argument on the subject of the need for international cooperation. The program was wonderfully explained to us in the opening speech of the senior Senator from Texas [Mr. CONNALLY], and in the equally eloquent, cogent, and persuasive

speech by the distinguished senior Senator from Michigan [Mr. VANDENBERG], the ranking minority member of the great Foreign Relations Committee.

I was also impressed with the testimony Ambassador Harriman gave to the committee on this point, and, in view of the fact that I am satisfied no Member of this body has read all the 584 pages of printed testimony taken before the Foreign Relations Committee, I shall take the liberty of merely reading several paragraphs from the testimony of Ambassador Harriman on the point of whether we need a program of this kind and what the alternative to it would be.

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

The VICE PRESIDENT. For a question?

Mr. KEM. For a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Virginia cannot yield for a parliamentary inquiry.

Mr. ROBERTSON. I will yield for a question only, and I hope that it will be pertinent.

Mr. KEM. Mr. President, I have this question to ask—

The VICE PRESIDENT. The Senator cannot yield for a parliamentary inquiry.

Mr. KEM. I should like to ask the Senator—

Mr. ROBERTSON. I yield for a question only.

Mr. KEM. The Senator from Missouri had been recognized, and yielded to other Senators for formal matters, in view of the fact that the Senator from Missouri proposed to address the Senate at some length.

The VICE PRESIDENT. The Chair may say that the present occupant of the Chair had not recognized the Senator from Missouri, prior to routine matters. The Chair later recognized the Senator.

Mr. KEM. I understood the Chair to recognize the Senator from Missouri.

The VICE PRESIDENT. No.

Mr. KEM. As I recall, the Senator from Missouri said he proposed to address the Senate at some length, and would yield.

The VICE PRESIDENT. The Chair recognized the Senator from Missouri during the presentation of routine matters, but had not recognized him prior to that time.

Mr. ROBERTSON. I may add to what the Chair has said to my distinguished colleague that I was watching very closely to see who would be recognized, because I knew the Senator from Missouri planned to speak at considerable length on this subject, and I had only planned to speak extemporaneously for 10 or 15 minutes. Moreover, I have an urgent call to return to the Subcommittee on the Treasury and Post Office supply bill which must consider and act upon an urgent appropriation bill. Therefore, I was keeping close account of what was happening here, to the end that I might make the statement I now wish to make.

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

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Colorado?

Mr. ROBERTSON. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator whether he read in the press this morning a United Press dispatch from London, dated March 31, reading as follows:

Britain ended its 1948 fiscal year tonight with a budget surplus of \$31,000,000 pounds (\$3,324,000,000), sources close to the Treasury disclosed. This is \$2,000,000 pounds (\$168,000,000) more than had been estimated, the sources said.

My question is, Can the Senator say that the United States is going to end its fiscal year with any surplus, while Britain is ending hers with a surplus of \$3,000,000,000, and while we are proposing, as I understand, to take out of a deficit the money to be sent to Great Britain?

Mr. ROBERTSON. The Senator has asked me four questions, and I cannot answer them all with one answer. But I shall start down the line and answer them as best I can.

No. 1. I did not read the United Press story.

No. 2. I learned a few years ago not to believe everything I read in the newspapers.

No. 3. I do not believe that the United Kingdom has in a reality the kind of surplus to which the news story referred, because it has solemnly and definitely made a demand upon us to meet a dollar shortage of approximately a billion dollars.

No. 4. I do think we shall face a deficit in our current fiscal year, as estimated in the President's budget last January, of \$600,000,000, and it may be more than that, because the revenue anticipated at that time may not be realized, and we shall not know until after April 20 whether the March returns showed a collection for 1948 of the sum anticipated when the President submitted his budget to us in January of the current session.

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

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Colorado for a further question?

Mr. ROBERTSON. I yield for a question.

Mr. JOHNSON of Colorado. I should like to ask the Senator whether he read the Associated Press dispatch from London, dated March 31 of this year, reading as follows:

Britain disclosed today that it plans to loan Russia 9,000,000 pounds (\$36,000,000) for purchase of nonmilitary supplies from Britain in the next 12 months.

I ask the Senator that question, and I also ask this question: Is the Senator able to make a distinction between non-military goods and military goods, in these days of modern warfare, when all goods have a potential military value?

Mr. ROBERTSON. The Senator has asked me three questions in one, and I shall try to answer each one of them.

No. 1. I did read the item to which he refers.

No. 2. Great Britain is lending Russia pounds sterling, and not dollars. Great

Britain does not have a shortage of pounds sterling. She does have a shortage of dollars.

No. 3. The goods to be furnished Russia, as indicated in the story to which my friend refers, were to be, very definitely, nonmilitary goods. The Senator asked me if there was any difference between military and nonmilitary goods, and I say, yes, there is a very great difference between nylon hosiery and an airplane, for instance. We want to rehabilitate Great Britain, the best ally we have, an ally from whom we have inherited our democratic principles, as well as our language, our religion, and our culture; an ally who has always been brave to make a fight for personal liberty, and, I am convinced, is one ally at least, without casting any aspersions on any others, who will stand up and make a fight, as Mr. Winston Churchill so eloquently said at Boston last night.

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

Mr. ROBERTSON. I have not yet finished answering the question asked me by the Senator from Colorado.

Mr. TAFT. Excuse me.

Mr. ROBERTSON. There is no difference whatever between Great Britain's making a loan of a few million pounds sterling to Russia to buy non-military supplies from her textile mills and making a loan to purchase some drugs, for instance, and a few other items which are mentioned in the article.

The article also said that some British agency would very carefully screen and rescreen everything that went out under the loan to Russia in order to make certain that not one single item of military value would be shipped out of England to Russia. If Great Britain can find a market for her woolen goods and her textiles generally, I do not have to tell the Senator that the United States will not need to take them. Great Britain has to sell them somewhere. Would we not rather have the textiles go out of Great Britain to Russia than have them come here and compete with the textile mills of New England and of the South? We must be consistent one way or the other about this proposition. If we want people to be our friends, and if we want help in the event a nation too big for us to handle alone should jump on us, we must adopt a policy of live and let live, or else we must do what I shall read directly from the testimony of Ambassador Harriman.

Yes; we can keep all our dollars at home. We can tell everyone to "go to," if we want to. We can say, "We are not concerned about what happens to you." We can become an armed camp; but what will it cost in the end, not only in the loss of world trade but in the establishment of a military outfit that could compete with a government which can use 200 divisions when we do not have 10 which could compete through making submarines faster than we can build them? We must compete, if it comes to that kind of a conflict, with a government that has direct control over 300,000,000 persons in its own country and, as Mr. Churchill said last night, is rapidly gaining control over the 900,000,000

persons in China and India. Where would we be? We would be on this continent, which we call North America, without a friend in the world, without a military base, and with no trade except among ourselves.

I trust I have answered all the Senator's question.

Mr. JOHNSON of Colorado. Mr. President, I have another question, if the Senator will yield.

Mr. ROBERTSON. Is it another news item on which the Senator wants me to comment?

Mr. JOHNSON of Colorado. It is in regard to the loan to Russia. Does the Senator realize that it is a loan, and is not an exchange of goods; that Great Britain is furnishing the money to enable Russia to buy goods from Great Britain? An additional question is this: Does the Senator not believe that if England should make similar loans to a great many nations, she could sell the surplus goods about which the Senator from Virginia complains?

Mr. ROBERTSON. The Senator asks me four different questions in one question. He asks if I realize it is a loan. I trust the Senator realizes that Great Britain has a managed currency which is not geared to gold, and can print money just as easily as we can print money—and that is what both of us are doing. I realize that Great Britain has no shortage of pounds sterling. I realize that Russia, with all her faults, has been honest in the payment of her debts, and the loan would, on the basis of a business transaction, be a sound loan, whereas a loan to Greece might be in a different category, because Greece is bankrupt.

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

Mr. ROBERTSON. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Senator realize, however, that by taking the men and materials required, the British are diverting materials which might go to dollar areas and reduce the payments we are called upon to make?

Mr. ROBERTSON. I do not think that is true at all, because, up until this year—I do not know about this year—the textile mills in Great Britain have been operating from 60 to 65 percent of capacity, because they did not have a market for what they could produce. A man who is trained to weave cloth cannot be employed to make steam engines. Industries must be operated by men trained to the particular work. Great Britain is now seeking a market for the things she has traditionally made and exported. In a few days or a few weeks or a few months, when we come to consider the reciprocal-trade-agreement program, no Senator is going to be more vigorous in his opposition to that program than is my distinguished colleague from Ohio, because he does not want to take into this country the things which the program contemplates we will take on a mutually profitable basis. You will ask us to turn down that program. You will not want this country to take one yard of cloth or one pair of knit socks that will compete in any way whatever with goods manufactured in this Nation.

You have never yet voted for reciprocal trade agreement.

Mr. TAFT. That is not the fact. I voted for a reciprocal-trade-agreement act of last year.

Mr. ROBERTSON. I stood on this floor for an hour to show what a farce that agreement was. Please do not tell me that the Senator from Ohio favored it, when he hamstrung it so it could not possibly work. I know something about reciprocal trade agreements, and I know what a farce the bill of last year was.

Mr. TAFT. Do I correctly understand that the Senator is in favor of admitting goods which will destroy American industry?

Mr. ROBERTSON. Please do not try to put words into my mouth. We are taking at this time more imports than ever before in our history, and they have not destroyed American industry. If the Senator will be good enough to go back to 1929, before our bankers led us into a whirl of bank-credit inflation and broke our backs over the barrel of the stock exchange, he will find in that year, when our farmers had the highest level of prosperity in their history, when our industries had the largest employment, the largest pay rolls, and the largest earnings, that we took more imports than in any previous year in all our history.

So it is not a fact that imports destroy our prosperity. On the contrary, they tend to balance the economy by which our farmers can keep going, by which our automobile manufacturers can keep going, by which our machine tool producers can keep going, by which the business machine tool manufacturers can keep going, by which our dollar watch factories, if there is a desire that we make any more dollar watches, can keep going, and our sewing machine factories can keep going. But I shall not keep going, because I know I can never convince the Senator. He is against the whole program.

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

The VICE PRESIDENT. The Chair wishes to state that it is a violation of the rules to refer to another Senator in the second person. The Chair has called attention to that, and it seems to the Chair the rule should be observed. Furthermore, inasmuch as the Chair is going to be asked to enforce the rules governing debate, the Senator can yield only for a question, not for a statement.

Mr. TAFT. Mr. President, will the Senator from Virginia yield for a question?

Mr. ROBERTSON. I shall yield, but before I yield, I have somewhat of a moral commitment to the junior Senator from Missouri, who is all steamed up to go, and I told him I would take only 10 or 15 minutes. I should rather finish and then yield the floor.

Mr. TAFT and Mr. KEM addressed the Chair.

The VICE PRESIDENT. Does the Senator from Virginia yield, and, if so, to whom?

Mr. ROBERTSON. I yield to the Senator from Ohio.

Mr. TAFT. Does not the Senator feel that by diverting goods for shipment to

Russia, when the English might be building up their textile industry and shipping textiles to the dollar areas, they are diverting goods and manpower from a source which will reduce their deficit, so that we have to advance so much more money?

Mr. ROBERTSON. I do not know of any dollar area to which Great Britain could ship her goods, except to the United States. She is trying to get us to take all we are willing to take. Resentment is being built up now every week and every month against the possibility that we are taking too much, and when the bloom of the inflation rose has begun to fade, excessive imports would be very disastrous to our domestic economy. Great Britain knows that. They are just as smart as we are, if I may say so, and I think it is a very good thing if Great Britain and the other participating countries can find means of rebuilding their essential industries without expecting too much of us in the way of furnishing dollars, of which they have an acute shortage.

Mr. TAFT. Does not the Senator realize that the moment the British stop exports to the dollar areas—and the dollar areas include South America, Canada, and many other countries besides the United States—we are then called upon to give them the dollars?

Mr. ROBERTSON. I do not think that is true. I wish I had time really to expound the philosophy of that for the Senator, but I desire to come to the point we are really discussing, because with all due deference to my distinguished colleagues who have been debating this issue for nearly 2 weeks, very few of them have stuck to the issue. I concede their right to talk about anything they please, and certainly when I have held the floor on one occasion for 6 hours, I cannot blame any other Senator for exercising the same privilege. But, in view of the fact that we are now getting into something of a log jam, I think it would be in the interest of friendship and brotherly love if, when we have an essential bill before us, we could center on that bill, discuss the bill all we care to, but talk about the bill, and then vote. Then, when the Atlantic Pact comes before the Senate, let us talk about that, and when the reciprocal trade agreement bill comes up, talk about that. I think that would promote orderly procedure as relating to the legislative program.

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

Mr. ROBERTSON. I yield.

Mr. TAFT. Was it not the Senator from Virginia who diverted attention to the reciprocal trade agreement question, rather than the Senator from Ohio?

Mr. ROBERTSON. Oh, yes; because I had to answer the Senator from Ohio, since he raised an issue which involved that one question.

Mr. TAFT. Will the Senator yield for one more question?

Mr. ROBERTSON. Yes.

Mr. TAFT. If the aid to Britain shall be cut, in a rather minor degree, assuming they get a 10-percent cut, equally with others, under the amendment—it might be smaller or larger according to what the Administrator might decide—does the Senator realize that Great Brit-

ain has other assets by which she could easily make up the deficiency if she had to do so?

Mr. ROBERTSON. I was coveting the opportunity to get to the point where I could tell my distinguished friend from Ohio, and any other colleagues who do me the honor of sitting here to hear my extemporaneous views on this subject, that I did not by any means intend to commit myself, morally or in any other way, to the full amount of this authorization, by voting against the amendment proposed by my distinguished colleague from Ohio. I do not consider that any Member of the Committee on Appropriations will be bound by such a vote, or that any Member of the Senate will be bound by such a vote. But I do intend to indicate, if I get the chance, why I think it would be far more orderly, far more effective, far more logical, to analyze this program with the technical staffs, first of the House Committee on Appropriations, then of the Senate Committee on Appropriations, and then bring the matter back to the floor where amendments could be offered, considered, and voted on just as well as they could be offered today. But if without a full knowledge of what is involved we make an arbitrary cut, we will have tied our hands and the hands of the Committees on Appropriations, no matter what a full investigation of the facts might disclose to be the urgent minimum needs of these dollar-hungry countries, whose rehabilitation will mean much to us.

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

Mr. ROBERTSON. I yield.

Mr. TAFT. Is the Senator aware of the fact that the British have on deposit with the Reconstruction Finance Corporation securities of the value of \$900,000,000, against which their obligations now to the RFC amount to only \$132,000,000, so that they have a borrowing power, if they wish to exercise it—of course, the money would have to be repaid—of more than \$750,000,000, to make up a deficit of perhaps \$94,000,000, assuming the figures to be correct.

Mr. ROBERTSON. In the spring of 1946, when I spoke in the House of Representatives in behalf of the loan to Great Britain, I went fully into the assets Great Britain had in this country and the assets she had pledged with the RFC. She had pledges with the RFC, which at that time amounted to about \$500,000,000, and the assets amounted to something in excess of \$600,000,000. I did not know that the loan had been reduced as much as it has been. I think it is very fine and very commendable of the British to have so reduced it. But I also know that included in the assets the Senator is discussing are certain trust assets belonging to Americans, which have been left to British relatives, and that it would be morally unjust if Great Britain liquidated those and spent the proceeds for governmental purposes, when they are private property. And the British are honorable people.

Mr. TAFT. Will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. TAFT. Having borrowed \$425,000,000 on those securities, which debt

has now been reduced to \$132,000,000, from the income from securities alone, does the Senator think there would be any great moral objection to their borrowing the same money again?

Mr. ROBERTSON. Let us consider the facts which existed when they borrowed it. They were under the German guns, and did not know whether they would have anything left. They responded to the appeal of Churchill when he said, "We will fight on the land, on the water, and in the air, until we win the victory." That is when they borrowed the money, and now that the war is over and they have won the victory, they do not want to confiscate private property for governmental purposes. Let us be fair and consider the conditions when they borrowed it, and why they borrowed it.

Mr. TAFT. Does the Senator object to my stating the figure so that it will be in the RECORD? I think the Senator is correct in saying that originally it was \$600,000,000. I am advised by the RFC today that those securities are worth \$900,000,000, and much of that amount is owned by the British Government, only a part of it is borrowed. The rest was taken by the British Government and the owners reimbursed. At that time they borrowed \$390,000,000. That was the maximum. That has been reduced to \$132,000,000, and the value of their securities, the same securities, has risen to \$900,000,000. So that they now have an equity in securities of some \$768,000,000.

Mr. ROBERTSON. Frankly, I am surprised that the securities are not worth more than that. I was this morning going over some figures of the Migratory Bird Commission, concerning the purchase of some land in Wisconsin. We have bought in various areas over a million acres as wildlife preserves at \$7 an acre, and when we went to buy some more marshland, to protect the diminishing flocks of ducks, the owners asked as high as \$145 an acre, and an average of \$77 an acre for it. Of course, that is high, but values now are inflated. The cost of everything in this country has gone up.

Mr. President, if some other Senator does not have a pertinent question to ask, I shall endeavor to return to my original theme. I was proposing to quote a paragraph or two from the hearings of the Senate Committee on Foreign Relations, which I said, comprise 584 pages. I make the assertion, Mr. President, that no Member of this body has read the whole volume. If there is any Member of the Senate on the Senate floor who has read those 584 pages, I yield for him to rise and say so.

That testimony is divided into four general categories. Mr. Hoffman and his aides told what had been done in Europe. He told of the progress that had been made over there. He told what they proposed to do, and he told what he thought it was going to cost. At least one part, of more than 100 pages of this volume which I hold in my hand, is devoted to a discussion and an analysis of what the cost would be. That is the only issue before us now, because, as I said, some Members of the Senate are

going to vote against this program if there are but 10 cents in it, but those of us who think the program is headed in the right direction and that it will mean a contribution to peace, want to know what is necessary to be expended in order to do the job. We do not want to do a halfway job. As the Senator from Michigan [Mr. VANDENBERG] said last year, if a 20-foot rope is necessary to pull a drowning man out of the water, we do not want to throw him a 16-foot rope and say, "It is just too bad if you cannot swim the other 4 feet and get to the end of the rope."

Mr. President, I wish to read from the hearings what Ambassador Harriman said about the over-all program.

It is true that the American people have a certain humane sympathy in the people of western Europe, but I put that aside rather quickly because the sums are so vast.

A second aspect, of course, relates to world prosperity. I think there is an understanding in the United States—certainly I believe it—that it will be very difficult for us to have a prosperous America unless there is a prosperous and expanding world economy.

The third field—

Now listen to this, because it is the gist of the whole program:

The third field is to me the most important of all, and that is the question which is uppermost in the minds of all of us, and that is peace and security of the United States. The hope for peace, to my mind, is the preservation of a free society in as large an area of the world as possible.

I pause at this point to comment again on the speech delivered by Winston Churchill last night when he told about the movement of the anti-God ideologists to substitute the control of the state for individual liberty. He promised us in that speech that the British people would certainly continue with us to fight for the preservation of what we are pleased to call American Constitutional liberty.

I continue to read from Ambassador Harriman's statement:

In western Europe have developed the democratic traditions from which we have sprung. We have taken them and expanded them, but there is a community of outlook in terms of freedom of the state serving the individual rather than the individual serving the state—

Mr. President, Mr. Churchill used exactly that expression. I know he has not read this testimony. It simply shows that men with a common objective are thinking in common terms. That is the real essence of what we are doing.

But there is a community of outlook in terms of freedom—

I repeat—

of the state serving the individual rather than the individual serving the state, and I am convinced—

Said Ambassador Harriman:

In my own mind that if we can reestablish the vitality of western Europe, and I believe we can, that we will have allies in the cause of freedom and peace which, combined with our strength, will be in the first place undefeatable, and in the second place will prevent another war.

He goes further than I would in that respect. I do not know what will prevent another war. There never has been

anything devised yet in human experience that has permanently prevented another war. Everything has been an interlude between wars. But I can look back in history and read this fact. The strength of Caesar's Roman legions preserved peace in the world for more than 400 years. They were so strong that no nation dared to challenge them. I feel justified in saying that if the initial virtues of the Roman people, their vigor, their strength, their democracy, and their sense of justice—and they were law-givers—had been preserved and not undermined by corruption and rottenness and softness they might have preserved the peace of the world for another 400 years.

We are trying, Mr. President, to make our people strong, to have a military establishment that will give pause to any aggressor who may seek to attack us; and we want across the Atlantic Ocean allies like Great Britain and the democracies of the continent who are now so eager to cooperate with us in this program.

I continue the reading from Ambassador Harriman's testimony:

And so I want to emphasize the fact that I believe that this is an investment in peace, and if it is carried through to conclusion, if we do not turn away from it, if we carry through with courage and determination, we can look forward to a peaceful world.

Then a question was asked of the witness by the distinguished senior Senator from Wisconsin [Mr. WILEY]. I do not have a warmer friend, a more esteemed friend, in this body than the senior Senator from Wisconsin. He made a noble and a notable contribution to the settlement of the issue that was dividing us over the proposal to change the rules of the Senate, and he makes a contribution here which I am very happy to call to the attention of my colleagues on this floor. The question is by the Senator from Wisconsin:

Senator WILEY. What is the alternative? If we do not go on, what do we get?

Ambassador HARRIMAN. I think we face living in an armed camp for an indefinite future.

Senator WILEY. And would you be willing to give your estimate as to what you think that would mean in addition to what we are spending for armed services?

I will leave the testimony for a moment to make an observation. I do not know as yet what we shall spend this year for armed services. I am glad that I am on the subcommittee of the Committee on Appropriations which will have to make the first decision on that matter. I understand the President's budget contemplates about fourteen and one-half billion dollars. I understand the chairman of the Armed Services Committee of the House has proposed that one and one-half billion dollars be added to that sum. There seems to be quite a sentiment in Congress as well as among the people of the Nation, that we would do well to increase our Air Force units from the 47 or 48 we now have, by at least 10 more, and some would like to see them increased to a total of 70 air squadrons. So I say we do not know before we have completed action on the appropriation bill for the

armed services what figure was being referred to here. But take it to be what you please, this answer still is correct:

Ambassador HARRIMAN. I am not really in a position to give that figure. I believe that if the vitality of western Europe is developed, as I believe it will be, we can hope for a peaceful world at some time in the future where our military expenditures need not be as high as they are today, but I would not want to predict when that time would come, because at the moment the preservation of peace depends very largely—no, I will not say very largely; depends substantially—upon our Military Establishment.

Senator WILEY. What was that?

Ambassador HARRIMAN. I say the preservation of peace depends upon the strength of our Military Establishment.

Senator WILEY. Putting it concretely, if we did not invest in the Marshall plan, you have said it would mean that we would be in an armed camp. Well, we have not quite arrived at an armed camp yet. That would mean billions and billions on top of what we are spending now. That is what you would mean?

Ambassador HARRIMAN. For the indefinite future, with a strengthening opponent rather than a reducing opponent.

Those of us who give some thought to the budget know that 70 percent or more falls in the general category of appropriations for past wars and items to protect us against possible future war. Only 25 or 30 percent of that budget is for our domestic affairs. But I am definitely of the opinion that our major concern today should be with that domestic program, because as Ambassador Harriman says, if we adopt a constructive approach to the problems of peace we may find the time when we can cut five or six billion dollars from our military establishment and end the ECA, or military aid on the lend-lease basis which we may see fit to give under the Atlantic Pact, and items of that kind. They can be temporary. It is the domestic program that will grow and be permanent. If we do not set our hearts resolutely against increases in that program, it may ultimately reach a point equal to the total of our present budget.

I am not too much disturbed about what we are putting into defense and international cooperation, because if we live right and the Lord is with us, and we treat others as we would have them treat us, there is a possibility, as Mr. Churchill said last night, of a retreat, such as took place when Genghis Khan died. They had the necessary forces, but possibly God's hand was there. Genghis Khan died, and when they rushed back to select a new generalissimo they decided that they would not set forth on any more conquests. We are not asking for anybody to die, but it is possible for a man's heart to change. It is possible that there may be a realization among the Russians that it would be better for the Russian people, as well as their leaders, to cooperate on a friendly basis, rather than to persist in a program of constant pressure, irritation, and threat of a future conflict.

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

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I should like to ask the Senator from Virginia two questions regarding his colloquy with the

Senator from Ohio [Mr. TAFT], but I do not wish to ask them until he reaches an appropriate point for interruption.

Mr. ROBERTSON. Before I yield the floor, I shall be glad to come back to that point. I was about to proceed to another point.

I wish to come now to the question of what should influence our vote on the Taft amendment for a horizontal cut of 10 percent.

I have been discussing what I believe to be the majority sentiment of the Senate—and certainly it is the majority sentiment of the Nation; make no mistake about that. The fear of war hangs like a dark cloud over the peace and contentment of the people of the Nation. They want us to do what we reasonably can to prevent war, rather than to assure them that we can win it. They do not want it to start. The American people believe in international cooperation. I do not know how many millions listened to Winston Churchill last night, but there were plenty of them, and they were with him.

So far as our finite minds and human limitations will permit us to lift the curtain of the future, this is the program best calculated to keep us out of war.

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

Mr. ROBERTSON. I yield.

Mr. LUCAS. Does the Senator realize that not a single responsible organization in this country appeared before the Committee on Foreign Relations to oppose the Marshall plan?

Mr. ROBERTSON. No, I did not, but that confirms what I have already said. None of us has read all the hearings. I have not read them all, and I am satisfied that other Senators have not read them all. I know how busy I am, and I concede that other Senators are just as busy as I am.

Mr. LUCAS. I asked the question to confirm what the Senator stated a moment ago, that the people of the country are supporting the program.

Mr. ROBERTSON. I feel that way about it, and I appreciate the suggestion from the distinguished majority leader. No organized body appeared before the committee to oppose the program, and the committee was unanimous in submitting its report to us.

I now take up the question of what Mr. Hoffman said would be the cost of the program.

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

Mr. ROBERTSON. I yield.

Mr. KEM. Did I correctly understand the Senator to say that no organization appeared before the committee in opposition to the bill?

Mr. ROBERTSON. That is what I understood.

Mr. KEM. Will the Senator please refer to page 484 of the hearings? I invite his attention to the statement submitted by Merwin K. Hart, president of the National Economic Council, Inc., of New York City.

Mr. LUCAS. I was speaking of responsible organizations.

Mr. ROBERTSON. The question which the distinguished majority leader addressed to me was whether I knew of any responsible organization which ap-

peared before the committee in opposition to the bill.

Mr. KEM. Will the Senator direct his attention to page 555 of the record?

Mr. ROBERTSON. If my distinguished colleague from Missouri will permit me to do so, I should first like to invite his attention to page 9 of the record. If he will center his attention on that point in the record, I shall be glad to look at some of the pages to which he refers. I ask his leave to proceed. I have not yet reached the real issue upon which we are to vote.

Mr. KEM. If the Senator wishes to make wild statements and does not want to have them challenged—

Mr. ROBERTSON. I am glad to yield for a question. I am sure that the Senator from Missouri will have time to present his views after I conclude.

Mr. SALTONSTALL. Mr. President, will the Senator yield for two questions in connection with the colloquy with the Senator from Ohio [Mr. TAFT]?

Mr. ROBERTSON. It is difficult for me to resist any request of my distinguished friend from Massachusetts.

Mr. SALTONSTALL. I appreciate the Senator's courtesy. I should like to clear up one question in my own mind.

The colloquy to which I refer concerned, first, a loan, in pounds, from the British Government to Russia. As I understand the purpose of the pending authorization bill, it is to help other countries to help themselves. If that will result in better trade, we will say, between Russia and England, so as to build up the volume of British export trade, and thereby put Britain in a better position, eventually there will be a better opportunity for her to deal in dollars with us, and therefore accomplish the object of this authorization.

Mr. ROBERTSON. I think that is absolutely correct. That is one of the points I am coming to. When this subject comes before the Committee on Appropriations we shall look into it. Perhaps Britain will be a little better off than she was last fall, when she told us how many dollars she needed. If so, we can reduce the amount of the appropriation. I do not mean an arbitrary, across-the-board reduction. But if the figure requested for Great Britain is \$1,000,000,000, we may decide to reduce it to \$750,000,000. We shall recommend the allocation which we think would be proper.

Mr. SALTONSTALL. The second question is this: The Senator from Ohio stated that the British Government had securities in this country of a face value of \$600,000,000, and a market value of \$900,000,000, on which there are at the present time loans of approximately \$132,000,000. It is my understanding that the ECA program contemplates both grants and loans. If the British Government has these assets here, it is perfectly possible for the ECA to get more dollars into England in the form of loans rather than grants, is it not?

Mr. ROBERTSON. That is correct; and I am thoroughly in sympathy with that idea. Frankly, I have been a little disappointed with the cooperating countries. They do not seem eager to say, "We want a loan." What they have said—and it may be only human na-

ture—is, "We prefer a grant." But we are reaching the point where we are scraping the bottom of our financial resources. I feel that while we are in a common undertaking we must ask of others the same type of sacrifice we ask of our own people. If we find that Great Britain has unpledged securities which she could put up as collateral for a loan, we should insist on reducing the grant, or the unsecured portion, and increasing the amount of the secured loan.

Mr. SALTONSTALL. Mr. President, will the Senator yield once more, to permit me to ask a final question?

Mr. ROBERTSON. Yes, indeed.

Mr. SALTONSTALL. This is perhaps a more personal question. The Senator from Virginia is a member of the Appropriations Committee, as am I. I do not understand that by voting for this authorization—whether we vote for it in the full amount or in the amount provided by any of the amendments—we shall be binding ourselves in any way when this question comes before us in the Appropriations Committee, as to the final amount which we shall then, as members of that committee vote to have the Senate appropriate. Is that a correct statement?

Mr. ROBERTSON. That is absolutely correct. I have said I would assume no moral obligation or other kind of obligation, when I vote against the Taft amendment, or later to vote to cut the appropriation as much as 10 percent, 15 percent, 20 percent—whatever we may feel the facts justify when the matter comes before our committee; but I do not want to have my hands tied now; and in that connection I shall read something which will indicate that we do not yet know all the facts.

I am very glad to have the suggestion made by the distinguished Senator from Massachusetts, who is on the Appropriations Committee with me; and I think we should call on the distinguished chairman of the committee, who is also chairman of the subcommittee which will handle the ECA program appropriation, for a statement. I am sure he will tell the Senate that no member of the subcommittee and no member of the full committee will feel in any sense bound by the vote of the Senate on the authorization bill. We shall feel that the amount stated in the authorization is the maximum to which we can go; but judging from the debate and, perhaps, from the closeness of the vote—it may be closer than we think; I read in the newspaper a statement that the Taft amendment will lose by only one vote, but, of course, the vote may be the other way around—and knowing that we face a deficit this year and next year, our committee will, with the greatest care, examine all these items and will cut them down if it thinks it proper, but will not, I hope, cut them below the point where an efficient job can be done.

Mr. SALTONSTALL. Mr. President, will the Senator yield, to permit me to ask a further question?

Mr. ROBERTSON. Yes.

Mr. SALTONSTALL. The Senator from Ohio used the example of textiles sent to Russia from the dollar areas.

That struck rather close to home, so far as a New Englander is concerned. Is it not far better to have England, for instance, send textiles to Russia so as to build up her trade, thus enabling England to have dollars in hand which can be used in the making of purchases in our country?

Mr. ROBERTSON. Yes. For many years we in Virginia bought all our textiles from New England; but I am proud of the fact that today we have in Danville, Va., the largest cotton mill in the world; in fact, it is so large that in 1 day that mill can turn out a piece of cotton cloth which would stretch from Danville to New York, clear around the Empire State Building, and back to Philadelphia.

So I think it is a great deal better to have some clothes put on the ragged Russians, and thus have dollars placed in the hands of persons in Europe who thus will be able to send their orders to us for goods we produce and they need.

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

Mr. ROBERTSON. I yield for a question.

Mr. CONNALLY. If a vote on the authorization would be binding on the Committee on Appropriations, what would be the sense in having the regulation in respect to authorizations? What good would it do, if the first vote would be binding on the subsequent vote as to the appropriations? I think the answer is evident. Of course it is not binding. Therefore, the Senate has adopted the system of placing a ceiling, through an authorization, and then allowing the Appropriations Committee the utmost liberty and freedom in fixing the details below that ceiling. Is not that correct?

Mr. ROBERTSON. The Senator is absolutely correct. Of course he knows that in the early days of our Government, each committee handled the appropriations for the matters under its jurisdiction. At that time it was not the custom to have, first, an authorization, and subsequently an appropriation; but each committee would simply report a bill together with the necessary appropriation. However, it was found that so much specialized pressure was placed on those groups that we could not afford to continue to handle appropriations in that way. So we ended that practice, and said that one committee would work on matters pertaining to the Army, another on matters pertaining to the Navy, another on matters pertaining to interstate commerce, and so forth, but that when a committee approved a program calling for an appropriation to implement it, the appropriation would subsequently have to go to an independent Appropriations Committee which would review the whole matter and would report an appropriation for such funds, if any, as it thought appropriate to implement the legislative will.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further brief question?

Mr. ROBERTSON. Yes, if it is brief, for I have an engagement which I must keep.

Mr. SALTONSTALL. I think it extremely important for us to make as

clear as possible in the debate the fact that the authorization cannot be taken by the other countries of the world as indicating the final amount which will be approved. My question to the Senator from Virginia is this: Have not the Senator from Texas [Mr. CONNALLY], the Senator from Michigan [Mr. VANDENBERG], and other Senators emphasized that point, so that in the opinion of the Senator from Virginia the Appropriations Committee will be perfectly justified in cutting down the amount, if it feels that is the proper thing to do?

Mr. ROBERTSON. I agree 100 percent as to that. No nation should assume that the vote which may be had in this Chamber on the authorization bill, or in the House of Representatives, when the bill is acted on there, commits us to the total of this proposed \$5,500,000,000 program.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. Yes.

Mr. TAFT. Does the Senator from Virginia realize that practically every newspaper in the country last year took a different position and said that the authorization was a promise to the foreign nations? Does the Senator from Virginia realize that practically every newspaper in the United States took that position?

Mr. ROBERTSON. I may say to the Senator from Ohio that my mental activities do not cover so broad a field as does his great mind, and when I get through reading the Virginia newspapers I do not have much time to read the Ohio, Pennsylvania, Massachusetts, and other newspapers. I know they are equally as good, but they do not vote in my district. So I cannot say what position all the newspapers took, but I do not remember that our Virginia newspapers took the position that when we in the Senate pass an authorization bill we have bound the Appropriations Committee, hog-tied it and destroyed its freedom of action.

Mr. TAFT. Mr. President, will the Senator yield for a further question?

Mr. ROBERTSON. Yes; for a question.

Mr. TAFT. Does not the Senator from Virginia feel that an authorization made at practically the same time that the corresponding appropriation is made carries a much greater obligation in respect to the determination of policy than does one of the usual authorizations which covers a number of years?

Mr. ROBERTSON. I concede that to be true; and when one debate follows so closely on the heels of the other, and when it is argued here—as has been so eloquently done by other Senators—that the entire amount which has been mentioned is needed, the echo of that debate may well linger in these Halls as we come to vote on the final appropriation. But I wish to give assurance as solemnly and earnestly as I can to my able and distinguished friend the Senator from Ohio that we on the Appropriations Committee will look into this matter in a thorough way and will provide a record from which all Senators can ascertain the facts; and then they will have just as much right to offer an amendment pro-

viding for a reduction as they have today, and then there will be time to consider that matter fully, by itself.

Mr. President, I do not have further time to discuss this question because I have an engagement for a meeting which is most important. I apologize for that, and I also apologize profusely to the Senator from Missouri for taking so long, after I said I would take only a few minutes, to explain why I shall vote against the amendments providing for cuts in the amounts. So I shall not take time to read all the marked committee testimony I have before me, but I wish Senators would read Mr. Hoffman's statement, beginning with the third paragraph on page 9. In substance, he said that each dollar-shortage country made a survey of its needs and presented a request; that our European agency screened that request and made reductions in it; that the request then came to Washington and was screened again and reduced again; and that at the end of those two careful screening processes we have arrived at the conclusion. I quote his exact words:

The aggregate figure is realistic and extremely conservative, because it is a sum of minimums.

Mr. President, now I wish to bring out two points. First of all, there is not one word of testimony available to any Member of the Senate to contradict the statement I have just read—not one word. We can sit here and hazard a guess, of course; we can say, "Oh, well, it is so big that it is bound to be too much"; we can say, "Oh, well, we know the tendency of bureaucrats. They are wasteful; they simply hand money around freely."

We can make such guesses and we can indulge in such unsupported assumptions, of course. But I challenge any Member of the Senate to look into the printed record, which contains all the testimony we have before us, and show one word of contradiction of the final concrete estimate of Mr. Hoffman, that in his opinion it is a minimum, it is realistic, it is conservative. The record shows that nobody in the great Foreign Relations Committee went behind the statements of Mr. Hoffman and his aids that they had screened these things. The committee does not have the technical staff to do work of that kind. The Appropriations Committee does have it on the House side, and the Appropriations Committee has it on the Senate side. Who is going to screen this proposal when it goes over to the House? My old friend, Representative CLARENCE CANNON, and my old friend, Representative JOHN TABER. They are very experienced screeners. They have hearts devoted to the subject of economy. The appropriation bill on the subject must first be reported by their committee. It then goes to the floor of the House for consideration and debate. Then, when it reaches the Senate, it will be referred to the subcommittee on deficiency. That is the largest subcommittee of the Senate Appropriations Committee, deliberately made so because we have among other things this very vital ECA program to handle, and we also have the civil functions of the Army to handle, as well as deficiencies. I say

the appropriation feature must be carefully analyzed, and this one phase of it, namely, the exact dollar needs of each country, has not been carefully analyzed.

I have checked through the hearings and I have talked with the chairman of what is called the watchdog committee. I do not know whether most of the Senators know there is such a committee, but there is a watchdog committee of five, composed of some of the ablest international bankers and economists in the country. They are checking and screening all the time, because they want the program to work, and they want to save the American taxpayer from any unnecessary waste. I have the assurance of the chairman of the watchdog committee that his committee will be available on the House side and on the Senate side.

But let us have a full analysis of the alleged dollar shortages of the participating countries who have said, "We need so many million dollars." We are going to see that that is screened in the best possible way.

Mr. President, in view of that approach, I feel that I am fully justified in taking the position I announced at the outset of my remarks, that I intend to vote against any horizontal and arbitrary cut in the over-all authorization, because I think it will be more orderly, more effective, more in keeping with sound legislative and administrative practices, to get all the facts which are necessary for intelligent decision before we attempt to act.

AMOUNT TO BE AUTHORIZED FOR ECA—1949

I. THE PROBLEM OF EUROPEAN RELIEF SHOULD BE LOOKED AT IN ITS TRUE PERSPECTIVE

Mr. KEM. Mr. President, I was very much interested in the remarks just made by my friend, the Senator from Virginia [Mr. ROBERTSON], particularly in his admonition to the Senate to place the subject now under discussion in a tight compartment, and not to discuss anything else in connection with it. I was particularly interested to note that in the very next breath the Senator from Virginia was discussing reciprocal-trade agreements, and that in the breath following he was discussing operations in the State of Wisconsin under the migratory-bird law.

I think that well illustrates the fact that unfortunately the problem of European relief is only one of many important problems with which the present Congress will be called upon to deal. Each will be considered by the Congress in regular order, but each, in a sense, must be considered in connection with the others. To use Mr. Churchill's phrase of last evening, we must look at their integrity as well as their relationship.

(A) FARMERS AND THE SOIL

High agricultural production in recent years has placed an unprecedented burden on the soil of the United States. Tremendous crops of grain and other products have been raised. A large part has been shipped overseas to Europe. Too much has been taken from our soil, and too little retained or returned to it. It has been estimated that if the present policy of heavy production and under-fertilization is continued for the next 5

years, ten to twelve million acres will be threatened with a permanent loss of fertility. Despite this, vast amounts of fertilizer have been shipped and are being shipped to Europe to build up their land, while our farmers have been unable to get fertilizer in adequate quantities at any price. Of particular interest to farmers is the fact that there is still 1,500,000 miles of unimproved dirt roads in the United States.

While we are considering the gifts of billions of dollars to the governments of foreign countries under the Marshall plan, we might remind ourselves that the amount of money involved in the Marshall plan, \$17,000,000,000, would restore the fertility of every farm in the United States, and would arrest the ruin being caused each year by erosion. Incidentally, it would also gravel every dirt road in the country.

(B) SCHOOLS AND SCHOOL TEACHERS

It is estimated by the National Education Association that at least 50,000 American children are being deprived of schooling entirely this year as a result of a teacher shortage brought about by low teachers' salaries, while at least 2,000,000 more children are receiving substandard, inadequate instruction.

Furthermore, our school buildings and equipment are grossly insufficient. If we apply the \$17,000,000,000 called for under the Marshall plan, we could put our schools in decent condition and, at the same time, every teacher in the United States could have his or her salary increased from the present \$2,550 annual average to nearly \$4,000 a year for the next 10 years.

(C) CHILDREN

Mr. President, the hearts of Americans always warm at the mention of their children. During the past few years our people have been exposed to barrages of propaganda concerning ill-fed, poorly clothed, unhealthy children in Europe. Is it inappropriate to point out that many of our own American children also are underprivileged? All surveys point to the need for better food for the children of the United States. Nor is this condition of recent origin. General Hershey, wartime director of the selective service, estimated that from 40 to 60 percent of the selectees who were rejected for military service were rejected, in part, because of malnutrition.

May we not remind ourselves of the very trite adage that charity begins at home?

(D) AGED AND NEEDY PERSONS

In that connection, Mr. President, there is the problem of the aged and needy persons. Last year a considerable portion of the Marshall-plan funds went to the Socialist-controlled Government of Great Britain, so that its Government could afford to pay larger benefits to its old and needy persons—larger benefits, I may say, to its old and needy persons, than our Government was able to pay to its aged and needy persons. It has been facetiously suggested that perhaps our older citizens should move to England.

The European situation with respect to food has, of course, greatly changed since this matter was under considera-

tion in this body last year. A recent dispatch from the European correspondent for the Kansas City Star appeared in that newspaper under date of March 27, 1949. Mr. Marcel Wallenstein, an able and well-informed European correspondent for that paper, reported as follows:

After the end of hostilities, millions were in want in Europe. There was widespread suffering. The return of more normal conditions in western Europe, assisted by immense American shipments, has alleviated this condition. I have seen no evidence of starvation, nor of actual want. In Germany, particularly, the children seem well fed and well clothed. American troops and civil organizations supply children there not only with necessities, but with some luxuries, such as candy.

GETTING PLENTY OF FOOD

In all the cities visited in Germany there was no sign of malnutrition, even in the camps where German refugees from the Polish and Russian zones are living. Goods of all kinds were on display in the shops. German motor cars were on the roads. Enormous meals were obtainable in German restaurants and were being bought and eaten by Germans who patronized these places. The same is true in France, where the people seem at least as well fed as in the United States. The variety of food here is amazing, and if prices are high, they are not so high comparatively as in the United States.

Then Mr. Wallenstein concludes his dispatch as follows:

The United States has been holding Europe above the Communist tide since the war. The story becomes one of billions rather than millions. Presently additional money will be asked to arm European forces against possible Russian aggression. This may be necessary for the general safety. But somehow, somewhere, a halt will have to be called, as must become apparent when Congress seriously examines the cost.

That, Mr. President, is what we have to do—seriously examine the cost. I know it has been argued here today and at other times that we can authorize the full amount now and depend on the Senate Appropriations Committee and the House Appropriations Committee to decide on the amount. I think every Senator will remember, very definitely, that the same argument was made when the ERP bill was originally under consideration. After the authorization was made a great hue and cry was raised that we had made a moral commitment to the people of Europe that we could not and should not deny.

Mr. President, I just read what Mr. Wallenstein saw in Germany when he was there recently. In that connection, a dispatch appearing in the New York Times of March 27, last Sunday, is interesting. It has this to say:

HAMBURG, GERMANY, March 26.—An amateur psychologist here has it all figured out. The reason, he says, why Hamburgers love the American song, *She's Too Fat for Me*, is that everyone now eats so well that they can afford to be choosy and persnickety about waist lines again.

There appears a paragraph in this dispatch which would be of no personal interest to any Senator, but it might as well be put into the RECORD. It is as follows:

Sex, indeed, is so blatant here that it causes grave concern to the strict-minded followers of the Lutheran Church. Experts in such fields attest that Hamburg's Herbetstrasse is

the most notorious street in the world. Scantly dressed girls stand behind flood-lighted plate glass, like dummies in a department store window, for inspection by passing males.

I cannot help but wonder to what extent, if any, the money of the American taxpayers is financing directly or indirectly this exhibition.

(E) PUBLIC WORKS

Then, Mr. President, there is the matter of public works.

Since 1940 there has been virtually a moratorium on the construction of public buildings in the United States. Practically no public buildings have been constructed since November 23, 1940.

While billions of dollars of the American taxpayers' money have been going into all sorts of construction of public works on the Continent of Europe and in the British Isles, and the Lord knows where else in the world, our own people have been denied buildings that are reasonably required for the necessities of our own people.

In the meantime our existing highway system has been rapidly deteriorating.

Forty-three billion dollars, it is estimated by the Department of Public Roads, would be required to restore our highway system to first-class condition, and in order to meet an ever-increasing traffic load. Forty-three billion dollars would be required to restore that system, for instance to the level of the world-famous autobahns of Germany. Seven billion dollars would be required to bring up to date our waterworks and sewage systems, \$6,000,000,000 for hospitals, desperately needed in certain areas, and one and a half billion dollars for public-service plants and recreation programs.

(F) PUBLIC EMPLOYEES

In that connection, Mr. President, I wish to mention in passing the problem of our public employees. At the present time there are nearly 2,000,000 Federal employees who are finding themselves in serious financial difficulties as a result of the squeeze of high prices. There is no disagreement that this problem must be solved if the efficiency and the morale of the Federal Civil Service is not to be destroyed.

(G) HOLDERS OF THE PUBLIC DEBT

Then there is the problem of the holders of the public debt. At the present time the Federal Government has a national debt of over two hundred and fifty thousand million dollars. The interest payment alone amounts to over \$5,000,000,000 annually. The Congress has a solemn obligation to protect this huge debt held by the citizens and financial institutions of our country. It is only common sense to say that now, in a period of unusual prosperity, is the time to tackle this Goliath.

It is no wonder that our people are heard to say, "If you can authorize so much money to be sent to foreign countries, why can we not afford to have a little more of it right here at home?" If we cannot cut ECA expense we cannot cut any expense. We cannot have at one and the same time economy and frugality at home, and profligacy and extravagance abroad. If we open

wide the sluice gates on public spending abroad, who among us will undertake to keep them closed at home?

(H) THE TAXPAYER—PERHAPS THE FORGOTTEN MAN

Mr. President, if one sat long in the galleries of the Senate, one might get the idea that the taxpayer was the forgotten man.

Federal taxes take 25 percent of our national income. Taking into consideration State and local taxes, the average wage earner in the United States works 1 out of every 3 days for his Government. In the other 2 days he must work enough to support himself and his family.

Last year every man, woman, and child in the United States paid about \$282 in taxes to the Federal Government. Taking into consideration State and local taxes, the average American family paid about \$100 a month to the Government before spending a penny for the necessities of life. The President of the United States has suggested that there should be an increase in the tax take from the American people of \$4,000,000,000 a year. I disagree with the proposal to increase the tax burden on the American people.

I am impressed, on the contrary, with the soundness of the plan recently suggested by certain distinguished members of the House Ways and Means Committee. Their plan is that the people be given relief from the burden of taxes by revision of the wartime excise taxes to prewar levels. When we are considering sending something like \$5,000,000,000 as gifts to the people of Europe, is it inappropriate to talk a few minutes about these hidden excise taxes?

I call them hidden taxes, Mr. President, for two reasons. First, because our citizens pay them with little knowledge of their presence; and second, because these taxes tend to hide the cost of government. In reality, of course, excises are nothing more than sales taxes, the incidence being on selected items. It will be recalled that Samuel Johnson defined an excise in his dictionary as a "hateful tax on commodities." The present excise rates run as high as 25 percent on the cost of over 50 items and services, many of them part of the daily existence of the average American.

Before the war, in 1940, excise-tax collections amounted to nearly two billion a year. During the war the rates of existing taxes were sharply increased and new taxes imposed. It is estimated that in the current fiscal year almost \$8,000,000,000 will pour into the Federal Treasury from these hidden taxes alone.

When wartime excise taxes were imposed, the American people were solemnly promised they would be terminated 6 months after the end of the war. Today, 43 months after VJ-day, they are still in effect. Like Tennyson's brook, are they destined to go on forever, or will Congress take the bit in its teeth and remove them, and, if so, when?

An attempt has been made to popularize excise taxes by calling them luxury taxes. This is a misnomer, almost, I am tempted to say, a fraud. While some luxury items are on the list of excise taxes, many of them are imposed on

common household necessities. For example, baby oil is now subject to a 25-percent excise tax.

The women of America are particularly hard hit by these excise taxes—handbags, cosmetics, low-cost jewelry are all subject to 20-percent levies. American family life today is built around the automobile. There are heavy excise taxes on automobiles, trucks, tires, tubes, and accessories. Our telephone and telegraph services are back to normal, yet our people still pay the wartime excise tax on these services.

I shall not take the time to go into all these hidden taxes, but I do want to say one thing more about the tax load. It is sometimes argued that most of the burden of the tax load falls on the rich who are quite able to bear it. Plain, cold figures do not bear out this contention. They refute the contention. The truth of the matter is that the average wage earner—the little man—is the one who is hardest hit by the taxes levied by the Federal Government. It is estimated that at the present time over 50 percent of the individual income-tax revenues and about 80 percent of excise-tax revenues are taken from individuals with incomes of less than \$5,000 a year. Excise taxes, therefore, are a special burden on the low-income groups. This is because low-income individuals spend a large proportion of their earnings on consumer purchases subject to excise levies. The more children in a family, the larger the part of the total income that must go for basic necessities.

Persons on relief, the unemployed, the student veterans, retired employees—all are especially burdened by wartime excises. It is in effect a tax with no exemptions, except for the rich, who alone are exempt on the income that they save and do not spend.

So much, Mr. President, for the general background with due consideration for which I believe we should approach this problem.

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

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. In the Senator's opinion, how much relief do the working men get, speaking particularly of those in the low- and moderate-income classes, by exempting them from income tax and transferring the tax to corporations and to companies and businesses which in the long run produce the commodities about which the Senator has spoken?

Mr. KEM. I am very glad the Senator from Nevada has brought up that point. It seems to me that we are going to be faced with this proposition: We have been warned by Senators on both sides of the aisle that it is doubtful if the American economy can stand an increase in taxes at this time. If we appropriate these moneys and send them all over the world in considerable amounts, we are also warned that an increase in taxes is inevitable. If, because of economic conditions, employers are unable to sell their goods, then those in the lower income

tax brackets who are employees will be out of jobs. It does not do men and women who are out of jobs very much good to tell them that they are relieving the distress on the Continent of Europe.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I yield.

Mr. MALONE. What I had particularly in mind to ask was whether the Senator has made any study respecting how the taxes which are placed directly on the corporations and the businesses, which are producing the materials, the clothing, the products the wage earners must purchase, are passed on? In other words, if a workingman in the moderate income group is exempted from paying income taxes directly, and that same amount, or an additional amount, is loaded on the companies or individuals or organizations producing the things he must buy, how are those taxes paid? Are they paid through increase in the cost of what the man buys, or are the taxes simply absorbed in some mysterious manner?

Mr. KEM. I have just stated that figures show 50 percent of the income taxes are paid by people in the lower income tax brackets, that is, people with incomes of less than \$5,000 a year. The figures also show that 80 percent of the excise taxes are placed on people similarly situated. So that the taxes necessarily, in the last analysis, to a large extent fall upon the ultimate consumers of goods in this country.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I am very glad to.

Mr. MALONE. Let us consider, for example, bread. We place taxes on the corporation making the bread. Is not the price of the loaf of bread increased in accordance with the additional tax and any other expenses involved in the production of the bread, and does not the consumer then pay a tax directly each time he buys something over the counter, instead of paying his share in the beginning?

Mr. KEM. I think that the tax, to a large extent, is figured as a part of the cost of doing business, of producing the loaf of bread, and is figured into the cost paid by the ultimate consumer of the bread.

Mr. President, I now want to address myself to another question to which considerable reference has been made in the present debate. I think the gifted senior Senator from Michigan [Mr. VANDENBERG] referred to it in his opening address delivered near the commencement of the debate. The question is whether the balance of international trade to which the ECA program is addressed can be remedied during the period of the program, namely, in 4 years.

II. THERE IS GRAVE DOUBT WHETHER PRESENT CONDITIONS CAN BE REMEDIED IN 4 YEARS

When this program was first proposed, many of us in the Senate had grave misgivings as to whether it would accomplish what its backers thought it would. When, however, Mr. Hoffman entered upon his difficult task, he did so with the good will and the best wishes of every Member of the Congress. I feel sure of

that. We have followed his operations with a sympathetic, and, I hope, an intelligent interest. For my part, it would be pleasant to be able to report that whatever doubts I may have entertained have been removed. However, I should be utterly lacking in frankness if I were to say so. I still believe, in view of our experience the past year, that there is grave doubt whether we shall be able to do what we have set out to accomplish in the time designated. In other words, I am far from being convinced that ERP will be any more successful than any of its ill-fated predecessors, all of which are now unhonored and unsung.

(A) ARE THE MEANS WELL CHOSEN TO ACCOMPLISH THE END?

In the first place, Mr. President, are the means well chosen to accomplish the end? The program which is now being carried out is based on a fundamental premise which I believe to be unsound. This is the idea that friendship, cooperation, can be bought with money. What will happen, Mr. President, when the end of the rope is reached, when the program is terminated? Will we be gratefully thanked for what we have done when we could do it, or will we be bitterly recriminated against because we are not carrying on forever?

It is not long since we heard bitter cries emanating from across the Atlantic of "Uncle Shylock." I am very much afraid they will be resumed when we cease to pour out our economic lifeblood in what I regard to be an unfortunate enterprise. What will we be called next? It may be "Uncle Sap."

(B) CAN THE JOB BE COMPLETED IN FOUR YEARS?

So, Mr. President, I think we ought seriously to address ourselves to the question, can the job which we have set out to do be accomplished in 4 years? It is already clear that at the end of the present 4-year program a new program involving large gifts on the part of the American people will be proposed. In a report entitled "The ERP," prepared for delivery before the Foreign Policy Association on April 15, 1949, Prof. Seymour E. Harris, eminent professor of economics at Harvard University, who I believe has been one of the ardent supporters of the program, reviews—and I think very intelligently—the possibility of a continuing deficit in the balance of trade at the end of the present 4-year plan. His conclusion is:

Surely, in the light of the optimistic estimates made, a reasonable forecast would be a dollar deficit of \$2,000,000,000 or \$3,000,000 in 1952-53. This would not be a mean achievement; the reduction might be about two-thirds from 1947 and one-half from 1948-49. We would then need a little Marshall plan for 1952-57.

That is the statement of Professor Harris, an ardent advocate of the plan.

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

Mr. KEM. I yield.

Mr. VANDENBERG. I interrupt the Senator because he quoted me as being optimistic as to the objectives in 1952.

Mr. KEM. I am always glad to yield to the Senator. He is always fair, and always interesting.

Mr. VANDENBERG. I should like to tell the Senator, if I may be permitted to do so under the rules, upon what I base my statement.

The interesting thing is that my statement almost completely parallels the figures just quoted by the able Senator from his Harvard authority. One evening a few months ago I had the privilege of sitting with the high council of the OEEC. The council consisted of the top economic experts from various countries. They very frankly said that evening that in 1952 the participating countries probably would fall \$2,000,000,000 or \$3,000,000,000 short of the objective—almost the same figure the Senator is quoting. Therefore, I think the figures probably are sound.

The thing of great interest to me that evening was, first, that the figures were being frankly produced by the beneficiary countries themselves; secondly, that they were being frankly recognized by the beneficiary countries; and, third, but most impressive of all to me, that the figures were being developed not for the purpose of substantiating any supplementary claims for additional current aid or subsequent aid after the conclusion of the plan, but for the purpose of bringing home to the cooperating countries themselves the fact that they were not yet sufficiently in self-help gear to reach the target. I think it was greatly to their credit that they produced the figures, and even more to their credit, that the purpose of their production was to inspire a still further effort of self-help in the direction of reaching the target.

Mr. KEM. I thank the Senator for his very interesting observation. It seems to me that that is additional evidence that the ERP program is exactly what the Senator from Michigan so interestingly and accurately characterized it as being in the opening day of the debate, a "shot in the arm." In other words, we are sending out a great amount of money and it is accomplishing a certain purpose during a period of time. But there is every reason to believe that at the end of that time we shall again be asked for one of these periodic continuing grants of aid to Europe. In other words, on the basis of the figures I do not think there is any reason to conclude that this program will be any more successful than UNRRA, the British loan, the Turkish-Greek transaction, Bretton Woods, or the first year of ERP.

Let me continue with the statement of Professor Harris:

This does not mean that western Europe will become either a mendicant or a permanent pensioner of the United States. Western Europe's income seems to have risen to within about 10 percent of the 1938 level by 1947; and the anticipated gains for 1952-53 are 35 percent above 1947 and 20 percent above 1938. Her deficit in the balance of payments is already about one-third less than in 1947.

I ask Senators particularly to attend to this language:

These are not mean achievements; but they do not justify a forecast of a balanced dollar market by 1952-53.

So, Mr. President, just as the Senator from Michigan has said based upon his

conversation with the high council of the OEEC, at the end of the 4-year period we shall again be met with the problem of the balance of trade with Europe, and application will be again made to us for substantial sums in relief. The name of the future program has already been brought forward. Apparently it is going to be called the little Marshall plan.

When the Senator from Virginia [Mr. ROBERTSON] was addressing the Senate a few minutes ago I understood him to say that no responsible body appeared before the Foreign Relations Committee in opposition to the bill or in criticism of the bill. Of course, the hearings show that a great deal of the testimony was in the nature of a mutual-admiration society. Various employees of the ECA appeared and patted each other on the back and told what a wonderful work the others were doing. But there were very responsible bodies whose representatives appeared before the committee and criticized the operation of the ECA. One of those was the Detroit Board of Commerce, representing more than 6,000 members in the Detroit area. They presented a brief dealing with the European-aid plan. They very frankly stated in that brief that last year they went on record as favoring the program. In the hearings before the Senate Committee on Foreign Relations on the pending bill this same organization, representing 6,000 Detroit businessmen—the official organization of Detroit business, as I understand—presented a second statement, containing their views after observing the operation of the program the first year. This significant statement is made:

Permanent industrial aid has, however, lagged seriously and unless changes of thinking and organization take place quickly, we doubt very much the ability of the European nations to carry on after 1952 without continuing aid from this country.

The plain truth is that the long-term effect upon Europe in what we are doing will be inconsequential. The decline of European trade has taken place over a period of 75 years. It is not proximately caused by the late war or even the last two wars put together. These wars have aggravated a situation which was caused primarily by the rise of the American economy. As I have said, this situation has been 75 years in the making. In my opinion, it is utterly unrealistic to say, and I hope no Member of the Senate will be naive enough to believe, that we can change the balance of trade between the Old World and the New World in 4 years by spending seventeen billions of American money.

Mr. MALONE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. STENNIS in the chair). Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I am glad to yield.

Mr. MALONE. I am very much interested in what the Senator is saying—namely, that perhaps the difficulty is caused by, we might say, the prosperity of our Nation; or, in other words, that if we were no better off than they are, there would be no question at this mo-

ment of providing this aid, but each nation would be trying to take care of itself.

However, the point the Senator now presents is a little different, namely, that we cannot change the balance of trade by means of the administration's plan for this three-phase free-trade program; or, in other words, this program for unrestricted trade and the unrestricted flow of products from the low-wage countries into our country, with no leveler of the difference in the cost of production—that is to say, import fees to take care of the differential in production costs between this country and other countries which are in competition with us; and, of course, that difference is chiefly due to the difference in the standard of living. If those differences were removed, could not the trade balance shift almost immediately?

Mr. KEM. I think that is the one way it could be accomplished. But certainly, regardless of whether that will do it, it cannot be accomplished by spending a certain sum of money over a relatively short period, such as 4 years.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. KEM. Yes.

Mr. MALONE. Then the purpose of this proposal, if it is to accomplish anything, is to make up the trade-balance deficits in the interim, while this additional part of the program is being made permanent in the United States, so that through the division between ourselves and our foreign competitors of the markets in the United States, their trade-balance deficits will become progressively less?

Mr. KEM. Exactly; or, in other words, it is to enable those foreign countries to live beyond their means, beyond their income.

Mr. MALONE. Mr. President—

Mr. KEM. I am glad to yield.

Mr. MALONE. That is exactly what they are doing now. However, if we nail down free trade as the settled policy of our country, that will mean that American labor receiving \$10 a day will be in competition with foreign labor being paid 40 cents a day. Of course, some of the foreign labor is just as efficient as any workman can possibly be; I have in mind, for instance, labor in Scotland, Ireland, and England. If the low-paid labor in those countries is placed on an exactly equal basis with labor in the United States, and if the products of such foreign labor are permitted to flow unrestricted into the United States, then I ask the Senator if it is true that only two things can happen: Either our workmen will have to change to wage standards and living standards comparable to those of the rest of the world—which would be accomplished by slowly lowering the level of our standard of living, until finally it was equal to the standard of living of the rest of the world, and also lowering the wage levels in this country to the levels of wages in other countries, in which case the foreign workmen would be earning their way, but would be dividing our markets, with the result that they would be earning their way at the expense of the American workingmen; or we could continue to make up the trade-balance deficits of

these foreign nations and, as the Senator has so ably said, continue to allow them to live beyond their means, and we would simply make up the deficit at the end of the year. Is that correct?

Mr. KEM. I see no alternative. It seems to me obvious that that is the necessary condition which confronts us.

In that connection, Mr. President, let me say that I hope we shall fool neither the American people nor ourselves by the paltry device of calling this proposal a 4-year plan. Let us tell our people frankly that it is the opinion of competent authorities—university professors and hard-headed businessmen—that the present conditions of trade cannot be materially changed in 4 years, and will not be remedied in 4 years, and we do not want anyone to believe that they will be.

III. "THE CHEAPER THAN WAR ARGUMENT"

Mr. President, I am surprised that I have gotten this far in my remarks without having some Senator raise the argument, "Is not this plan cheaper than war?" That question is asked almost every time we begin to discuss the Marshall plan with one of its earnest advocates or proponents. They state the proposition in approximately this way: "Is not this plan cheaper than another war? Wouldn't you prefer to send money to Europe, rather than to send arms? Wouldn't you rather send commodities to Europe, instead of sending your young men in uniform over there?"

Yes, Mr. President; of course we would. But we have heard that argument before.

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

Mr. KEM. I yield.

Mr. JENNER. I believe the Senator from Missouri has left out another argument which is made by the proponents. They say, "In case of another great world catastrophe, don't we want to have friends over there?"

Mr. KEM. Oh, yes, Mr. President; that argument also is made, but it assumes that we can buy friendship with money.

Mr. JENNER. Does the Senator from Missouri think that can be done?

Mr. KEM. There is nothing in experience or recorded history, so far as I know, to indicate the possibility of making such a purchase.

Mr. JENNER. I thank the Senator.

Mr. KEM. Mr. President, as I have said, we have heard the argument about preventing another war by adopting this program. When the British loan was being considered, we were told by an eminent authority, the Secretary of the Treasury, "This clearly is an investment, not an expenditure." And we were told that we could not afford not to make the loan. Of course, the idea was that we could invest the money in the British loan and thus could prevent another war. The same thing was said when the Bretton Woods agreement was before this body. The same thing was said when the Greek-Turkish program was before us.

This morning the Senator from Virginia [Mr. ROBERTSON] read the testimony of Mr. Harriman, a special ambassador under the ECA plan. He was asked what the alternative was to going for

ward with the ECA program; and he replied:

The alternative is living in an armed camp.

When the present European recovery program was proposed, the Honorable James Forrestal appeared before the Senate Foreign Relations Committee and testified, in part, as follows:

Our own objective in the present recovery program for Europe is the prevention of war.

Secretary of the Army Royall followed him before the committee, and declared—and he was a little more precise: Without such effort—

Meaning the ERP plan—

the Army budget and the Army itself should be increased.

Very well, Mr. President; that is what they said. We gave them what they asked; we gave it to them practically in full; the European recovery program was adopted substantially as proposed. It is true that it was cut a few hundred million dollars, but it was adopted substantially as proposed. Nevertheless, within a few weeks it became apparent that ERP was not an adequate substitute for national defense, because the same gentlemen who had been testifying before our committee in favor of ERP, came back and asked for the largest peacetime appropriation for national defense in the history of our Nation.

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

Mr. KEM. I am glad to yield.

Mr. JENNER. I ask the distinguished Senator from Missouri if it is also a fact that, assuming the Marshall plan were adopted in toto and assuming that we continued our great defense expenditures, would it not be only a few weeks until the same leaders would come before our committees and say, "This crutch is not enough. We now have to give all those European nations armored cars in which to ride around?" They are going to ask us to ratify the North Atlantic Pact and arm those countries, at an initial expense of \$1,800,000,000, projected into a cost which no man can foresee. Estimated on the number of divisions which it is said will be necessary in western Europe, it would be around \$20,000,000,000 a year.

Mr. KEM. I think that is a very interesting observation. It seems apparent that ERP is not only not an adequate substitute for our own national defense, but it does not take the place of the American people arming the people of western Europe.

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

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield for a question.

Mr. MALONE. Does the Senator from Missouri remember that at about the time the Marshall plan, then known as ERP, I believe, was placed before the Senate, or at least placed before the Foreign Relations Committee, many statements were made by representatives of the national defense organization of the United States, notably by the Secretary of the Army, and others, to the effect

that unless the Marshall plan, or ERP, were passed without amendment and without reduction in the amount, it would become necessary to spend this great amount of money on armament, indicating directly that it was a substitute measure? Is that not true?

Mr. KEM. It seems to me the words of the Secretary of the Army, Mr. Royall, are plain and direct. I quote:

Without such effort, the Army budget, and the Army itself, should be increased.

Mr. JENNER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Indiana for a question?

Mr. KEM. I am glad to yield.

Mr. JENNER. Does the Senator recall that at the beginning of the debate on the Marshall plan the plan which was brought to the Senate of the United States provided for an initial authorization of \$17,000,000,000, and that those in charge of the measure said, "We want all or nothing?" Today the same leadership is saying the appropriation asked for at this time in connection with ECA is also sacred. If what the Senator has cited in the way of deficits at the end of the 4-year period is correct, these same countries are going to have a trade deficit of between \$2,000,000,000 and \$3,000,000,000. Perhaps the American taxpayers, through their representatives in the Senate, would have been wise to accept the \$17,000,000,000, all or nothing. Does the Senator from Missouri agree with that?

Mr. KEM. I think it is clear that \$17,000,000,000 could not accomplish the task. As we go deeper into it, we see that we have embarked on an impossible enterprise, and that the authorities are beginning to warn us of the necessity of a "little Marshall plan" when we get through the big Marshall plan. I trust that answers the Senator's question.

Further answering the question of the able Senator from Indiana, I may say it is my belief that while we still have substantial resources at home we should spend as much as necessary to build the national defense so strong that no aggressor nation will be under the slightest temptation to attack us. But I further believe that the strongest national defense we have and can have is a sound economy at home, and I look with dim eyes upon ERP, because I believe its inevitable result is to weaken the economy of the United States.

Mr. JENNER. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield for a question.

Mr. JENNER. The Senator spoke of maintaining strong defenses at home. I wonder whether the Senator from Missouri noticed the recent statements of Mr. Krug, Secretary of the Interior, in regard to our becoming a have-not nation in the very strategic materials and resources which we need to maintain in order to build that strong defense?

Mr. KEM. I think it was the Senator from Indiana who referred to that point a few days ago in the debate. I was very much interested in it and I was impressed with the evidence he presented, that we are reaching or nearing the bottom of the barrel in the United States,

and that it is time for us to take stock of just where we are.

IV. WE ARE BUILDING COMPETITION TO PLAGUE US LATER

Mr. President, I now want to address myself to another and a different proposition, namely, that under the ERP we are building competition abroad which, like Banquo's ghost, will rise to plague us later.

In addition to the drain on our economy due to the tremendous payments required by the ECA program, there is another effect of the program which, for my part, I do not believe has received the attention and consideration it deserves by this body or by the American people. This was brought out in a striking way in statements made by the distinguished Senator from Georgia [Mr. GEORGE], during hearings before the Senate committee. As the Senator said:

What we are doing is modernizing, for instance, textile plants in Great Britain and elsewhere.

Again:

You may be putting a whole lot of industry in this country pretty well out of business.

The distinguished Senator from Georgia said further:

When unemployment multiplies and things begin to get tight, then there will be a tremendous kick-back in this country.

Finally, this colloquy occurred:

Senator GEORGE—

He was addressing this to Administrator Hoffman.

Senator GEORGE. What I want you to remember is that I warned you that you may be greatly aggravating the problem we have been dealing with all the time in liberalizing trade policies and you are going to greatly emphasize the necessity of more and more protection. I have warned you.

"I have warned you." It seems to me, Mr. President, those words are prophetic. They remind one of the great Roman Senator who climbed to the rostrum day after day, saying "Carthago delenda est." Continuing the quotation:

Mr. HOFFMAN. Yes, sir.

But later on Mr. Hoffman made his thoughts and ideas very plain about the matter. He expressed himself as bluntly as did the Senator from Georgia, when he said:

Sir, I cannot tell you how little concerned I am about European competition.

I repeat Mr. Hoffman's statement:

Sir, I cannot tell you how little concerned I am about European competition.

Upon being pressed further, Mr. Hoffman expressed his opinion thus:

If any manufacturer in this country is not in a position to manufacture at a sufficiently low cost, as a result, as I say, of perhaps lying awake nights figuring things out, we should not worry too much about him.

In other words, he says, "If any manufacturer is not able to meet this European competition, we should not worry much about him."

Mr. President, that seems to me to be the doctrine of economic survival pushed to the nth power.

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

Mr. KEM. I yield for a question.

Mr. MALONE. I should like to ask the distinguished Senator from Missouri if that is not right in line with the three-phase free-trade program, to allow the whole world to compete with the United States, and simply to say that the survivors will be the fabricators and the manufacturers of machinery? At least, they will be the longer survivors, because, under the plan, the machinery necessary to manufacture large fabricated equipment, such as agricultural equipment, road machinery, automobile machinery to manufacture automobiles, compressors, and so forth, is being shipped to Europe, and it will mean only one thing, which is that all workmen will be alike throughout the world because their living standards will be leveled. Is not that true?

Mr. KEM. It seems to me it is the exact result of what Mr. Hoffman has said. It also seems to me that Mr. Hoffman's statement affirms in every respect the remarks of the able Senator from Nevada on that subject.

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

Mr. KEM. I yield to the Senator from Ohio for a question.

Mr. BRICKER. Does the Senator regard the statement he has just read as being one made in disregard of the interests of the American businessman?

Mr. KEM. It seems to me it is an expression of the law of the jungle—let the stronger survive.

Mr. BRICKER. Would it not appear that this whole program is being administered by Mr. Hoffman, according to his own testimony, without any consideration of its effect upon American business interests?

Mr. KEM. None whatever, apparently.

Mr. BRICKER. In the judgment of the Senator from Missouri, can we disregard the interests of business and the employment of labor?

Mr. KEM. There is nothing in history which indicates that that can be successfully done.

Mr. BRICKER. The ultimate conclusion, then, from what Mr. Hoffman has said, is that, "I shall administer this fund in Europe without regard for American business or American labor." Is that correct?

Mr. KEM. "Let American business take care of itself."

Mr. BRICKER. American business will go down and labor will go down with it. Is not that true?

Mr. KEM. That is it, exactly. I shall deal with that subject further in a moment.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield to the Senator from Nevada.

Mr. MALONE. I ask the distinguished Senator from Missouri if he agrees with my conclusion that there has long been a paradox with relation to workingmen in America, speaking again of the moderate-income groups who work with their hands? The administration has been following the same plans, dur-

ing the past 10 or 12 years, as have the very rich, the very top of the manufacturing, producing, and investing groups. It has always seemed a paradox that though they never meet on a common ground in any other way, they are both for the same program. I said yesterday that the administration is giving lip service to labor legislation, and pulling jobs right out from under labor's feet. The able Senator from Missouri is making it much more clear than I was able to do yesterday. But I wish to ask the Senator if it is not possible that one explanation of Mr. Hoffman's statement might be that money is fluid, and that if one man or a group of men control a billion dollars—and many men control much more than that—if an import fee is to be lowered on a certain type of textiles manufactured in New England, in the Southern States, or anywhere else in the United States, and it is known when it is to be lowered, they can pick up a telephone, and, through a broker, can buy into a textile plant in Scotland, or anywhere else in the world, which manufactures the same type of material? Could that be one explanation of it? At long range the workingman does not see this. He sees the immediate legislation, but misses the implication of the lowering of economic levels with the lowering of the import fee. He does not see that, in the long run, it is against his best interests. Is not that correct?

Mr. KEM. I think that is exactly true. Mr. Hoffman says to the American manufacturer, "If you lie awake nights and cannot figure out how to meet European competition, then just close up shop." But, as the able Senator from Ohio [Mr. BRICKER] suggests, what about the employees of the American manufacturer who has to close up shop?

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. KEM. I yield.

Mr. MALONE. I believe the able Senator is putting it right on the nail head. Is it not a fact that we must meet the competition of \$2 labor, which is just as efficient as is our own, or even more so, because of the customary habits of working long hours in Scotland, England, and other countries? Is it not, as a matter of fact, reasonable to suppose that Mr. Hoffman knows that, in order to meet this competition, labor will have to lower its standard of living, and that the manufacturer will force the workingman down to a lower standard of living on a par with that of the workers of the rest of the world?

Mr. KEM. Mr. Hoffman is an able and experienced man, and it seems to me he must know that. But I cannot help but wonder whether he thinks that the working man or woman who gets a close-down slip in his or her envelope can lie awake at nights and figure out the answer.

Mr. President, I pose this question: Are not the American workers, who have made America strong, entitled to some consideration at the hands of the American Congress? Are we willing to say to them, "We cannot tell you how little concerned we are about European competition"?

We are told, Mr. President, that history has a way of repeating itself. There is a story of a Roman emperor who sat on the wall of the Imperial City playing a fiddle while Rome burned. We may imagine a slave calling the conflagration to his attention, and his reply: "Sirrah, I cannot tell you how little I am concerned about fire." He was a Roman emperor, and he could do as he pleased.

Then, Mr. President, there was a queen of France who was told that the people were without bread. "Let them eat cake," she said.

So, Mr. President, are we of the American Congress to say to our fellow citizens who earn their bread by the sweat of their brows, "My friends, we cannot tell you how little we are concerned about European competition"?

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. MALONE. As a matter of fact, are not those of us who are in the Congress, who have to vote on these important matters, making up our minds as to whether or not the standard of living of the workingmen in the United States is too high, and whether we want to lower the standard below the critical point I described yesterday, which represents the differential between the cost of producing articles here and in countries under other standards, where there is competition? Are we not making up our minds as to whether we should uphold our standard of living in some manner, while assisting the countries where standards of living of the workingmen are low?

Mr. KEM. I think the Senator from Nevada is exactly correct. I cannot help feeling that if the working people of the United States understood this subject they would make up our minds for us.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. KEM. For a question only.

Mr. PEPPER. I am not sure I caught the full import of the statement of the able Senator. Was he inferring that the working people of the country were against the proposal we are discussing?

Mr. KEM. I was inferring that any working man or woman in the United States who understood it ought to be against it.

Mr. PEPPER. Would the able Senator not consider that great workingmen's organizations such as the American Federation of Labor and the CIO are capable of understanding issues of this character, and does not the Senator recall that they have evidenced their support of the proposal by their resolutions?

Mr. KEM. I have the highest regard for the leaders of those organizations, but I have known them to be wrong before.

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

Mr. KEM. I yield.

Mr. MALONE. Is the Senator from Missouri aware of the fact that some organizations which have adopted resolutions stated in the resolutions in no uncertain terms that certain import fees were too low at this time, and are not protecting the workingmen and that

they are concerned about that? Is the Senator from Missouri aware of the fact that they did not, in the brief submitted to the Committee on Foreign Relations of the Senate, wholeheartedly support this free-trade theory?

Mr. KEM. I appreciate the suggestion of the Senator from Nevada.

Mr. President, I am not going to pursue this matter further. I am going to let it rest on the solemn warning of the Senator from Georgia.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. DONNELL. In connection with the Senator's very powerful statement a moment ago about the warning of the Senator from Georgia, I am wondering if the Senator would have objection to language used by the Senator from Georgia being inserted at this point.

Mr. KEM. I am always glad to have a suggestion from my able colleague from Missouri.

Mr. DONNELL. I thank the Senator. Immediately preceding the response by Mr. Hoffman, "Sir, I cannot tell you how little concerned I am about European competition," which response my colleague has quoted, the Senator from Georgia stated:

I do not mind putting our own people to the test and I go all the way on a rehabilitation program. When, however, you are going to put a weapon in the hands of a competitor in France or Great Britain or Germany or elsewhere, with which they can certainly undo us, there is another day coming in this country, and somebody is going to be held responsible for it, Mr. Hoffman.

I ask the Senator if that is not in itself a very strong warning.

Mr. KEM. It emphasizes the statement of the able Senator from Georgia. Let me say that the able Senator from Georgia has just entered the Chamber, and I express the hope that some time during this debate he will give the Members of this body, and, through them, the American people, the benefit of the solemn warning he gave in the committee.

V. INDUSTRIAL DEVELOPMENT IN FOREIGN COUNTRIES

Mr. President, I wish to speak a little further about the matter of industrial development in foreign countries. The Marshall plan, supplemented, as the Senator from Nevada told us yesterday, by the reciprocal trade program and the ITO is, of course, definitely building up industry abroad owned privately and owned by governments, all at American expense. This operation is bound to have serious effects on American business and American industry.

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

Mr. KEM. I yield.

Mr. MALONE. In line with the question I asked a moment ago, I ask the Senator to permit me to preface my next question by reading one of the paragraphs from the statement made by Mr. Walter J. Mason, national legislative representative of the American Federation of Labor, before the Senate Committee on Finance, found on page 675 of part 1

of the hearings on House bill 1211, where he said:

In supporting the trade-agreements program, we recognize the need of safeguarding American labor in some activities, especially where wages are a relatively heavy factor in the cost of production, against competition that threatens to undermine our labor standards.

Is not that exactly what the distinguished Senator from Missouri has been trying to outline, that this protection must remain?

Mr. KEM. That states the proposition better than I could state it myself, and I thank the Senator from Nevada.

Mr. President, many of the countries in which we are building up industry are important sources of raw materials for American industry, and many of the countries from which we draw these raw materials are only too glad to be put in a position where they can process the materials themselves.

Let us not deal in generalities. Let us get right down to brass tacks. Let us look at some specific instances of what is going on. Let us look to our great neighbor to the north, "The Lady of the Snows."

(A) CANADA

Canada has put up numerous barriers against the export of timber, logs, pulpwood, and the like, to the United States, in order, frankly, to force processing of those materials in Canada. Quotas provided by law limit the export of wood for plywood and pulp. The land laws provide that the timber taken from certain lands may not be exported. In the Government administration of timber leases contracts often provide that the timber taken from the land shall not be exported.

It goes without saying that plywood, paper mills, and pulp mills in the United States have been hurt by these provisions. It is not surprising, therefore, that we find the Celanese Corp. putting up a factory in Canada because of the greater availability of wood there.

Much of Canadian nickel is processed in Canada, but some in this country, for instance, in Huntington, W. Va. I am informed that removal of these plants to Canada is likely to increase the proportion manufactured in Canada. It is a well-known fact, which was brought out in the debate in the United States Senate on the St. Lawrence seaway project, that the quantity of iron ore in the United States is decreasing and the supply is running short. Canada has relatively abundant supplies. May we indulge the hope that the Canadian policy with respect to wood will not be repeated in the case of iron ore?

(B) SCANDINAVIA

Let us now look at Scandinavia. The United States has been shipping paper-making machinery to Scandinavian countries to put them in a position to manufacture paper by using the very latest American machinery and technology. What we are doing is to put them in such a position that they can manufacture paper instead of exporting pulp to the United States.

We hear that there is a shortage of pulp in the paper mills in New England. I cannot help but wonder how much of the pulp which would otherwise have gone to the paper mills in New England is being processed in Marshall-plan plants in Norway and Sweden.

Mr. MALONE. Mr. President, will the Senator yield for a question at that point?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada?

Mr. KEM. I yield.

Mr. MALONE. I wish to ask the distinguished Senator from Missouri if he thinks it is a good thing for the United States to foster and keep up the illusion of wealth among the foreign countries which we have encouraged? In other words, the people of every foreign nation with which I am familiar believe that every man, woman, and child in the United States is wealthy. They believe our Treasury is a bottomless pit. Therefore their attitude is that they are entitled to this machinery and the money we are forwarding to them each year under some name—different at times, it is true, beginning with lend-lease, then UNRRA, then the British loan, then the Marshall plan, and ECA, and continuing indefinitely, but all fostering the idea that we are an ultra-rich nation, that our strategic and critical materials with which these things are manufactured are inexhaustible, that our wealth is inexhaustible. Therefore they have no compunction whatever in accepting the machinery to which the Senator has so aptly referred. But does the Senator from Missouri think it is a good idea to have that illusion kept up, or should we describe to the people of the various countries in some detail that presently, perhaps not very long from now, we in the United States are likely to experience some of the difficulties and conditions they are now experiencing?

Mr. KEM. The statement of the Senator from Nevada calls to mind the very apt characterization of the Senator from Indiana a few days ago when he spoke of the United States as the playboy of the Western World. It also calls to mind the observation made by a leading businessman of the largest city in my State who has just returned from Europe. He said the Americans have demonstrated that they have a lot of money and darned little sense.

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

Mr. KEM. I yield.

Mr. JENNER. Does the Senator from Missouri know whether or not the Voice of America has been playing "Stop the Music" to the rest of the world; whether the people of other countries might have gotten that idea from some radio program of that kind?

Mr. KEM. It is entirely possible, but I should think they could have gotten it from the operations and the administrations of the ECA.

Mr. JENNER. Mr. President, will the Senator yield for another question?

Mr. KEM. I yield.

Mr. JENNER. Is it not a fact that the national debt of the United States,

which is approximately \$252,000,000,000, is greater than the national debts of the 16 western European nations that are under the Marshall recovery program?

Mr. KEM. Perhaps that is why some of our European friends are supposed to be joking about us as "Uncle Sap."

Mr. JENNER. I thank the Senator.

Mr. MALONE. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nevada for a question?

Mr. KEM. I am glad to yield.

Mr. MALONE. I ask the indulgence of the distinguished Senator from Missouri to allow me to read a very short dissertation in preface to my question. It is taken from the January 1947 issue of American Affairs. The article is headed "The American proposals for a collectivist world system," and is written by Garet Garrett. I read:

The one brilliant solution that has been offered is that we shall regularly and in a systematic manner give our surplus away instead of lending it and expecting ever to receive it back.

This is apropos of the question to be propounded to the Senator from Missouri as to the attitude and the belief of others respecting why this policy is consistently being carried on by America.

This suggestion comes from the Eastern Economist, New Delhi.

I may say I had a long visit with the publisher of the Eastern Economist when I was in New Delhi. He really understands things very well, and has a penetrating mind.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. Is the statement now being made by the Senator from Nevada to be interpreted as being a question?

The PRESIDING OFFICER. The Chair desires to see how it is put. The Chair does not know how it will turn out. The Senator from Missouri yielded to the Senator from Nevada only for a question.

Mr. MALONE. Mr. President, I had asked the Senator from Missouri if he agreed with the interpretation of the Eastern Economist of what we are doing. I can repeat it from memory, virtually, but it would be very helpful if I were permitted to quote the language exactly.

Mr. McMAHON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McMAHON. If a Senator may read for 2 or 3 hours, and then ask, "Now, do you agree with that?", then of course, the rule would cease to have any meaning whatsoever.

The PRESIDING OFFICER. The Senator from Nevada will state his question.

Mr. MALONE. I thank the Chair. I am asking the Senator from Missouri if he agrees with the interpretation of the Eastern Economist in the excerpt I now propose to read, which I assure the Senator from Connecticut, will not require

2 or 3 hours to read. I can, of course, understand the assumption of the Senator from Connecticut that anything which does not agree with the customary methods—

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER. The Senator from Nevada will proceed with his question.

Mr. MALONE. I read:

The United States lend-lease plan of helping the Allies in the recent war has been acclaimed as an act of unparalleled generosity, and so it was. But it was also a brilliant and ingenious way of solving what would otherwise have been an intractable problem resulting in a world malaise.

The productive power of America has multiplied itself so fast that it is now admitted that she cannot continue to give 60,000,000 jobs unless she is able to have a large export trade. But in the long run—not so long as even a decade—exports cannot continue unless imports are allowed to flow in. But United States economic organization is such that the possibilities of her being paid in imports are not very bright. Lending her surplus would mean only a postponement of the day of reckoning and accounting. Sooner or later imports should enter America in a flood. But imports will or at least might create unemployment. In such circumstances it would not be such a foolish thing—as some might imagine—to give away goods to other countries, for on balance it would be better to part with surplus goods than to create unemployment.

Now, Mr. President—

Mr. McMAHON. Mr. President—

Mr. MALONE. Mr. President I ask—

Mr. McMAHON. I ask the Chair to enforce the rule, because what the Senator from Nevada has just now done certainly does not comport with it.

The PRESIDING OFFICER. The Chair will have to enforce the rule.

Mr. MALONE. I ask the Senator from Missouri to answer my question.

The PRESIDING OFFICER. Very well; the Senator may do so.

Mr. KEM. Mr. President, I appreciate the contribution of the Senator from Nevada.

(C) ARGENTINA

I know that Argentina is not a Marshall-plan country, at least not yet; but it is interesting, since Argentina is the source of considerable raw material which used to be processed in the United States, to inquire just what General Peron and Madame Peron are doing in that country.

Argentina a few years ago decided it would be more profitable to process her hides and skins locally than to ship them to the United States. She has therefore developed a tanning industry, and this has been an important factor in the shortage of hides in the United States. Similarly, Argentina has been processing at home her own dyewood formerly exported to the United States.

(D) INDIA

Now let us look at India. India decided to manufacture her mica into built-up mica rather than to send so many splittings, as they are called, to the United States to be manufactured here. This threatens to cause a shortage of unmanufactured mica in the United States. The American plants cannot get raw material with which to work because such

material is being processed elsewhere in the British Empire. India has also placed higher export taxes on raw jute than on manufactured jute; and the inference is permissible that they are trying to encourage their industry at home.

Mr. MALONE. Mr. President, will the Senator yield for a question?

Mr. KEM. I yield.

Mr. MALONE. Does the Senator understand that India is a part of the sterling bloc area, and that the import and export fees are slanted toward the sterling bloc, meaning that the fixing of the import and export fees favors the sterling bloc area? It is more profitable for businessmen to trade with that area; and there may be a deliberate purpose on the part of the sterling bloc area to bring about the very condition of which the Senator from Missouri is complaining.

Mr. KEM. My understanding is that there are three levels to the house of sterling. Members of the Empire get in on the ground floor, or the lower level. A preferred class comes in on the second floor. The *hoi polloi* are relegated to the third floor. Senators may not be surprised, Mr. President, when I say that Uncle Sam is on the third floor.

(E) CHILE

Chile is developing a local copper-fabricating industry. As a result—I suppose I should say partly as a result—copper is in short supply in the United States.

(F) BRITISH EMPIRE

Let us look at the British Empire a little further. The British have what is called a tin cartel, in which they monopolize to a substantial extent the entire supply of tin of the world. They are enacting and have been enacting a series of laws and regulations to favor members of the Empire. England and some other countries in and out of the British Empire have increased their production of steel. Of course, that has contributed to the shortage of scrap iron in the United States.

Let us consider the subject of cocoa beans, vast quantities of which are processed in the United States. Great quantities are consumed by Americans of all ages. This production is in the hands of a highly organized and skillfully operated cartel. The world's supply is allocated by the International Emergency Food Committee of the United Nations. The United States producers of chocolate and cocoa are of the opinion that competing countries obtain the beans at lower prices than those paid by the United States, partly because of the exchange differentials caused by the three-storyed house of sterling. At any rate the supply of the raw material is short in the United States, and in part it is due to the machinations of the British-controlled cartel.

Present supplies of essential metals such as manganese, chromium, tungsten, nickel, lead, zinc, copper, tin, and bauxite are far from abundant in the United States, and in several cases short. On the other side of the picture, the industrialization of South Africa and Australia, going on apace, is making demands on some or all of these metals.

VI. THE APPROACH OF ECA IS UNREALISTIC

Mr. President, I have talked long enough, and I am about to conclude. I wish to make just one more point, and that is that the approach of the ECA is wholly and utterly unrealistic. The proposed extension of industrialization to the under-industrialized countries will do two things—and these are the two principles things it will do: First, strengthen the announced programs of those countries to process their raw materials at home; second, so increase the demand for raw materials that they will be hard to get, even at advanced prices.

Mr. President, I claim no gift of prophecy, although I sometimes think that since I have been a Member of this body I have been more successful in prophecy than in persuasion. However this may be, it seems clear to me that soon—very soon—the Congress of the United States will abandon its evangelical approach to these problems and face with courage and decision the hard realities of an international existence in a very matter-of-fact world.

It has been pointed out by competent authorities on both sides of the aisle in this Chamber—by the able Senator from Georgia [Mr. GEORGE], to whom I have previously referred, on the other side of the aisle, and by the able Senator from Ohio [Mr. TAFT] on this side—that unless we cut expenses we cannot avoid higher taxes, and that higher taxes at this time would have an undesirable, and perhaps an unfortunate, effect upon the economy of the United States.

I shall vote to reduce the authorization in the pending bill.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2101) to abolish the Regional Agricultural Credit Corporation of Washington, District of Columbia, and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes, and it was signed by the Vice President.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 1209) to amend the Economic Cooperation Act of 1948.

Mr. TYDINGS and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair has no list before him. He does not know whether or not any Senator has made previous arrangements to speak.

Mr. DONNELL. Mr. President, does the Chair mean that it is appropriate or proper that a list should be prepared?

The PRESIDING OFFICER. Not necessarily. Sometimes the Chair makes a moral commitment.

Mr. DONNELL. I should like to voice a word of criticism, not of the present occupant of the Chair, in whose judgment I have the greatest confidence, as he well knows. However, I think it has been previously pointed out in this

Chamber that the practice of having a list is entirely contrary to the rules. As one Senator I desire to voice a word of opposition to any such precedent being established or countenanced. Again I say that my statement is not meant in criticism of my good friend from Mississippi.

The PRESIDING OFFICER. The Chair appreciates the remarks of the Senator from Missouri. The Chair merely wished to ascertain whether there was such a list.

The Senator from Maryland [Mr. TYDINGS] first addressed the Chair. The Senator from Maryland is recognized.

Mr. TYDINGS. Mr. President, I have had nothing to say in the long course of this debate; and perhaps a continuance of that silence would be just as well as an effort to bring some small arguments to the support of the pending measure. However, this debate has taken such a wide range that I am literally astounded at some of the arguments which I have heard on this floor in opposition to the proposal.

For the moment I am not addressing myself to the pending amendment, which seeks to reduce the amount by 10 percent, but to the arguments of those who would oppose the program in toto. Certainly they have been some of the most unique arguments I have ever heard.

For example, it is argued that under this bill we are furnishing money to Great Britain so that she may embrace and further the socialistic experiment on which she is in part now engaged. The inference clearly sought to be drawn from that assumption is that we are furnishing the money to socialize the British Government and people, and that if we did not furnish the money Britain would not go in for socialism to the extent that she is now embracing it.

As I see this proposition, the contrary is true. If it were not for the aid which comes to Britain under the Marshall plan, the need and the urge for socialism in government there would be infinitely greater than it is now, with the money that is going to Britain, for that money acts as a deterrent against widespread socialism. So I cannot accept for a moment the premise that the grant of money to Great Britain under the Marshall plan is made in furtherance of British socialism. Heaven knows, if there is anything in the British picture that is slowing down the march of socialism, it is the aid which Britain is receiving from the United States under the Marshall plan. All the talk that this money is aiding the socialism of Great Britain, on its face is mere tommyrot, for without this financial aid, Britain would be embracing a far greater measure of socialism than she has so far embraced. That is simply common sense. Socialism by governments springs primarily from a need to spread what little there is over a wider and thinner area.

I have also heard the unique argument that we shall be better off from a military and security standpoint if we stand alone, rather than if we take those who are likeminded with us and bind ourselves together with them in a common purpose to keep the peace. That is so

childish, according to my lights, that I find it difficult to find the words to meet such a ridiculous argument. To oversimplify it, it comes down to this: that one man can fight another man with more assurance of success than nine men together can fight another man. That is about where that argument seems to end.

Then, too, I have heard some wonderful military strategy in the course of this debate. I have heard statements made—and with some accuracy, I think—about how few divisions we had in Europe and in Japan during the last war, and that therefore all the money for the North Atlantic Pact and the Marshall plan and for military support is money thrown down the drain. Mr. President, it seems to me that those who embrace that idea have entirely overlooked the significant fact that American air power, plus British air power, was equal to many dozens of divisions in the effect it had upon beating Germany under Hitler to her knees. We are assuming that we are discussing land operations as they existed in the time of Napoleon. But, Mr. President, actually we are talking about, not the science of war as it existed under Napoleon, but the science of war in the years 1938 to 1950. Therefore, we did not need the great number of divisions, once we had established a foothold on the Continent, to keep up the pressure which eventually brought the victorious Allies into Berlin, because there were divisions in skies which were heaping devastation upon the cities of Germany, the bridges of Germany, the transportation systems of Germany, at a rate greater than the rate at which a thousand artillery brigades could level such destruction. Yet I have heard it said that we should not associate ourselves with these other European countries, because mere numbers of divisions do not count.

Mr. TAFT. Mr. President, will the Senator yield, merely for an inquiry?

Mr. TYDINGS. Yes.

Mr. TAFT. The inquiry relates in general to the matter the Senator from Maryland has been discussing. He is, of course, the distinguished Chairman of the Armed Services Committee. I notice in the column by Mr. Marquis Childs, appearing in this morning's Washington Post, the following statement:

That secret has to do with the war plan conditionally agreed to by the United States Joint Chiefs of Staff. While the details of the plan are carefully guarded, it is rather generally known that it is based on the broad assumption that the Continent must be retaken after it has been occupied by the Russian invader.

Many of America's own military planners are pretty unhappy about the assumptions on which the war plan is based. They had an opportunity in World War II to see how close conquest, occupation, and liberation came to erasing the structure of civilization in western Europe.

Is the Senator advised of any such plan or of the nature of the military plans which seem to be involved in the North Atlantic Pact?

Mr. TYDINGS. Mr. President, the Senator from Maryland appreciates the compliment, implicit in the question asked by the Senator from Ohio, that he

would be able to answer such a question on the level of high military strategy. I cannot live up to that implied compliment by my good friend, the able Senator from Ohio, but I think I can say this without losing my amateur status: I know, as I am sure the Senator from Ohio knows, that in our military planning against any contingency in the future every phase of the problem is taken into consideration. For example, if we were to be confronted with a war against country X, we would assume that certain bases would be in our hands, that they might be lost, that we might have to regain them, that we might hold them, that we might lose them permanently, that we might have to drop back to other bases. So I think the question implied by the article from which the Senator from Ohio has read, stems from the fact that that is one of the contingencies which would have to be embraced in a plan, so that every reasonably emergent circumstance would have been covered, and a plan adopted to deal with it.

I hope that answers the question asked by the Senator from Ohio.

I have just come from the marble room, Mr. President, behind the Senate Chamber, where the great globe rests on its stand. Alongside that globe is a yardstick by which one can measure the distance by air between any two points on the globe. It is startling almost beyond belief to find that the distance from Maine to Moscow is only 3,500 nautical miles; that is all, 3,500. How far is it from Honolulu to New York, Mr. President? I think it will be found to be more than 3,500 miles. However, only 2 weeks ago a gentleman in a plane—one of the old-fashioned single-motored planes—left Honolulu and flew all the way to New York, nonstop; and that distance is greater than the distance from Maine to Moscow. Yet, some gentlemen seem to have the idea that Moscow is 10,000 miles away from us. Actually, the distance from here to Moscow is only the distance of the width of this country plus half that distance again. Only 2 or 3 months ago, we read that one of our great planes, a B-36, had flown nonstop 8,800 miles without refueling. There is a plane capable of going almost halfway around the earth.

What does all of this have to do with the Marshall plan, Mr. President? It has this to do with it: First of all, we cannot use World War II as a yardstick by which to gage the possibilities and contingencies which might exist in world war III. Science and invention have moved so far ahead that for the first time in the history of man it is possible to bomb Europe from the American continent and for the first time in the lives of men it is possible to bomb the United States from the European continent. That is an entirely new circumstance, which never existed before. Therefore, when we concede that we are trying to build up western Europe, we are trying to keep from falling into enemy hands the possible bases which might otherwise fall into the hands of potential enemies even before the war starts, and from which they could attack us instantly on the outbreak of war.

Already we have seen Poland picked off. Already we have seen Czechoslovakia picked off. Already the pressure has been brought on Greece. Already the pressure has been brought on Turkey. Pressure was brought on Italy, and a gigantic internal uprising was fomented, born of a desire to have allies of Russia take over Italy and her government, if possible. That effort was largely frustrated by the effect of the first Marshall plan. The same thing happened in France. It was not long ago that little Norway was threatened with being put in the nutcracker. Are we now to sit down here and twiddle our thumbs until this pattern, already in effect and with much of Europe already gobbled up, take over the whole of the European continent, in this day of intercontinental bombers and the atomic bomb? That is something we might ponder. I for myself would rather have the bases and the potential abilities of the great countries that line the Atlantic Coast in western Europe on our side rather than on the other side, and particularly on our side prior to the time war starts.

I admit that as presently constituted, perhaps, a great country like Russia, as it exists today, could roll down to the Atlantic seaboard. There is very little there in the way of enemy opposition to withstand such a Russian thrust. But 4 or 5 days or 3 or 4 weeks, now, are more important than 3 or 4 months were in World War I or World War II. Warfare is not the slow overland proposition it once was. It is a matter of exceedingly great swiftness. The plane that left Guam and flew to Nagasaki and dropped the bomb that killed so many people consumed in the operation less than 24 hours. Think of it. In 24 hours, from a distance far, far away, an entire city with its entire population behind the enemy lines was wiped out. I like to think that, as of the moment, 3 or 4 weeks might be decisive at the present juncture of things, and if we have friends who can delay a possible enemy advance for such a length of time, we could shorten the war immeasurably, in my opinion, and we could save life, save treasure, and save the western alliance and western European civilization.

So it seems to me that most of the arguments which have been advanced against the over-all policy of our country are not well grounded in fact. I think it is perfectly obvious to say that Great Britain would be more socialistic than she is now, if it had not been for the Marshall plan, for, without Marshall-plan aid, the need in Britain would have been greater, and socialism thrives more on need than it does on ideology. It is possible to attract converts to socialism because people are hungry or out of work or poorly housed, just as it is possible to attract people to communism, the more extreme doctrine down the road of political ideologies. So the argument that all we are doing is furnishing money to help socialize England is not true. What we are doing is furnishing money to slow down the socialization of the great British Government. It stands to reason that without this money there would be more socialization than there is with it. That is merely plain common

sense. Nobody has offered any proof thus far to the contrary.

It is my opinion, too—and it is as good as an opinion on the other side—that without our aid to Italy, during the last year particularly, it is perfectly possible that the number of seats held in the Italian Government by the Communists would have been much greater than the number actually is.

The same thing is true of France. There has been a turning point. I shudder to think what might have been the conditions there without the Marshall plan. But how gentlemen can take the position that we can, sit here and twiddle our thumbs, while all Europe is taken away, state by state, and still be more secure than we would be by resisting an attack on the western European states by an enemy country, is beyond my comprehension.

The Marshall plan may not hit the bull's eye every time; it may be possible to point out some transaction which is not altogether to my liking; it may be possible to point out some phase of it which could be held up to scrutiny, and about which it might be said, "Is not this bad?" and I should have to agree. But I am arguing the over-all general effect, and this is the way I see it: A strong western Europe, with stabilized currency, with a reasonably well-employed people, devoid of immediate wants, is a Europe that can help the United States of America financially, economically, and physically to share some of the responsibility of fighting communism and keeping world war III in check.

I do not want to look ahead for a hundred years, and I am not prophesying that far, but I am prophesying that for the 4 years contemplated by the Marshall plan western Europe will be much stronger than it would have been without the Marshall plan aid, and that, the stronger Europe is, the less need there is for the United States of America to be as strong as she would have to be if Europe were weaker. The more divisions France has, the more airplanes Britain has, the more tanks Belgium has, the more machine guns Holland has, the less we have to have here. The more men who march under the colors of the countries of western Europe, the less need there is for military training in this country, and the lower our defense expenditures will be.

Moreover, in my humble judgment, for the long pull, we ought to get back from the employment of the help given under the Marshall plan financial advantages of great worth. Once there has been achieved some degree of foundational stability in Europe and we all stand together, it will not be so necessary for us to appropriate the huge sums necessary for our own defense, as would be necessary for us to appropriate for our own defense if we were standing alone. It stands to reason, Mr. President, that if we are going to stand alone, we must make up our minds to spend many more millions of dollars for our national security, to have larger forces for national security than we now have, to impose heavier taxes on our people for our national security than are now imposed upon them. If we are going to stand

alone, we must have bigger and better everything, including taxes and restrictions on our economy, in order to support the load. To those who want to know where the money is going under the Marshall-plan appropriations, my answer is, "You will spend just as much, and more besides, if this Nation stands completely alone. You will spend \$600,000,000 this year alone for universal military training; and that is merely a starter."

The testimony before our committee shows that when universal military training has been in existence for a couple of years it will probably cost \$2,000,000,000 a year. That is one expense we will have to undertake if we stand alone.

We have been talking about a 70-group air force. That runs into an enormous sum of money. There is another thing we shall not be able to spread over the years if we are going to stand alone—and that is what some arguments on the floor have indicated—and that is that we must have that 70-group air force immediately; and if we have it immediately, we shall have to have higher taxes. My good friend from Maine [Mr. BREWSTER], who is a military man, I am sure will bear out that observation. In other words, while it may be said that our appropriations to aid those who might assist us in time of war are large, we will spend many times more here at home, because we will be standing by ourselves.

The position of my good friend from Indiana [Mr. CAPEHART], who does me the honor of listening to me, is this: He says he would rather have nothing to do with any of the countries of western Europe; he would rather have them bear none of the share of responsibility for keeping peace in the world; he would rather have American dollars, American boys, and American resources meet Russia by itself than to have the help of our allies in the western area of Europe—

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

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

Mr. CAPEHART. Mr. President, the able Senator was never more wrong in his life. I have never made any such statement. He must be wrong.

Mr. TYDINGS. Then I take it back. I had inferred from the remarks of the Senator a day or two ago that he considered all Marshall-plan expenditures very inadvertisive.

Mr. CAPEHART. Mr. President, the Senator is wrong again. I did not say any such thing. All I said was—and I still stand on it, and I shall make a speech a little later in regard to it—that I felt we might well reduce Marshall-plan expenditures from \$5,800,000,000 to \$3,000,000,000. At no time did I say anything that the able Senator from Maryland is intimating I said. I believe, in order to keep the RECORD straight, that the able Senator from Maryland should either quote what I said, or withdraw his statement, because I am certain it is not true.

Mr. TYDINGS. Mr. President, I am very glad to have that statement of the

Senator from Indiana. I take his statement at face value. If he says he said nothing of that kind, or conveyed no inference of that kind, or intended to convey no inference of that kind, I withdraw all I have said in that respect about him. But I renew the attack to say that the Senator feels that it is not a good thing to appropriate the sum requested. Am I wrong in that?

Mr. CAPEHART. I am perfectly willing to appropriate \$3,000,000,000, and I shall make an effort, a little later today, to show how I arrived at the sum of \$3,000,000,000. I have said repeatedly on the floor of the Senate, and I think the RECORD will bear me out, that Mr. Hoffman has done an excellent job. I think the recovery in western Europe has been splendid. My position is simply that we can reduce the amount and still get the job done. That has been my position straight through, and I do not think the RECORD will show that it has been anything other than that.

Mr. TYDINGS. Mr. President, I am certainly glad that I asked the Senator directly the question which I asked him, because he has disabused my mind of a thought I had when I listened to him a day or two ago, that he was in general opposition on the broad front to what we may call cooperation. If he says he is not in opposition to that, I am certainly glad to hear it. I am glad to know that he approves of the Marshall plan, differing only as to the amount of the contribution. I am glad to know that he is not a party to the philosophy which believes that America should stand alone and have no commitments with western Europe in the form of the Atlantic Pact and related institutions, for its own security and for its own protection.

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

The PRESIDING OFFICER. The Senator can yield only for a question.

Mr. TYDINGS. I yield for a question.

Mr. CAPEHART. The question is simply this: The records of ECA show that in practically every instance production in western Europe and in England has increased above prewar levels. The record also shows that as of January 29, 1949, only \$2,300,000,000 of last year's appropriation had been sent. The record likewise shows that \$2,700,000,000 of last year's appropriation is not to be sent. The record shows that we are now asked to appropriate \$5,800,000,000. I am delighted that western Europe has had such an excellent recovery. If they have had such a fine recovery on \$2,300,000,000, then if we send \$2,700,000,000 more out of last year's appropriation, and appropriate \$3,000,000,000 for the next year, that makes a total of \$5,700,000,000, which is approximately the same amount we are asked to appropriate for next year.

My position is that that is sufficient to do the job, in light of the fact that this Nation has a debt of \$250,000,000,000, and will possibly have a deficit for the fiscal year ending June 30, 1950, in my personal opinion, of anywhere from \$5,000,000,000 to \$10,000,000,000, because in the present fiscal year we are likely to have a deficit, according to the President's statement yesterday, of from \$600,000,000 to \$700,000,000.

My position is that the people of western Europe are our friends, and we are their friends; and that we have been trying to help them, and I think we have done a good job, and that, as our friends, they should be willing to see our position, which is simply that we have a \$257,000,000,000 debt, that we are at the present time running a deficit, and that next year, due to falling prices, we are going to have less income, and that they as well as we ourselves, should be interested in maintaining a strong economy in this Nation. That is my position. That is the basis on which I arrive at my position; I feel that it is a sound position, and I propose to offer an amendment in keeping with it. I hope I shall not lose a single friend on the floor of the Senate as a result of my position, because I believe it to be in the best interest of the United States to do what I propose, as well as in the best interest of all those we desire to help, because all of us—

The PRESIDING OFFICER. The Senator from Maryland can yield only for a question. The Chair has some obligation to the other Members of the Senate, and while not desiring to cut off any Senator, the Chair will have to enforce the rule.

Mr. CAPEHART. In view of the fact that the able Senator from Maryland brought me into this discussion originally by stating what he understood I had said, I think I am at least entitled to defend myself at this particular point in the RECORD.

Mr. TYDINGS. I am very glad, even if the Chair had to stop the statement of the Senator by enforcing the rule, to have had his remarks. I congratulate the Senator, because while I do not agree with him in toto, I think basically he is more or less in accord with the program, which means that we cannot go along forever being the great big boy who carries all of his little brothers by the hand, and that back of this program is the desire to help the little brothers from year to year to the point where they can stand alone, and then, as they become men again in the society of nations, they can help us to carry some of the burdens, financial, moral, physical, and otherwise, in keeping peace in the world and stopping communism.

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

Mr. TYDINGS. I can yield only for a question.

Mr. CAPEHART. The question is, Should we, in leading these little brothers until such time as they grow up to be men, take too big a gamble so that we might likewise break our own backs in the process of leading them?

Mr. TYDINGS. I can see that some might take that view, but I think we are taking less of a gamble in what is proposed. I should like to point out in a phrase or two, using the remarks of the Senator from Indiana, why I differ slightly with him in his conclusion. The Senator has pointed out that the testimony abundantly shows that Britain has made a phenomenal industrial production recovery. I concede that, and if all the other facts which existed prior to World War I were in consonance, then the productive record of Britain would

be sufficient to enable us to say, "There, you are back in good health. Throw away these American canes and walk down the international street."

The truth of the matter is that Britain, prior to World War II, and to a greater extent before and after World War I, was a nation which never did balance its budget, which always bought more in dollars than it sold in dollars. So that even if Britain's production had risen to mountainous heights, it would not fill the void of the losses which have resulted from the cessation of the flow of income on investments overseas, an income that has come in as a result of her being the world's carrier of the water commerce of the world for many years, from her great and far-flung banking income, from her tremendously large insurance income. Britain's insurance company is among the primary insurance companies of the world. Her insurance has largely gone to pot, the banking income has gone to pot, her investment income has gone to pot, her merchant marine has likely gone to pot, so, even though her production was greater than it was before the war, there is nothing yet to take care of the other void which has appeared.

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

Mr. TYDINGS. I yield.

Mr. CAPEHART. Will not the able Senator admit that we likewise have a \$257,000,000,000 debt which will be left to our great great-grandsons to pay, and will not the Senator likewise agree that we have the largest peacetime budget in the history of our Nation, and will not the able Senator from Maryland likewise agree that we are now running, even this year, in the red, and that we are going to run in the red next year? Will not the able Senator agree that we went into debt to the extent of almost \$200,000,000,000 as a result of World War II, with approximately a million men killed and injured, and will not the Senator admit that there should be some degree of mutuality, and that if we give the participating countries \$3,000,000,000 under all the circumstances, they, as well as we, will be better off?

Mr. TYDINGS. I think the Senator has a good point, but I do not see the situation as he sees it, and I will tell him why. Let us assume he and I are both medical doctors, and have been attending a sick patient who has been through a very harrowing experience, equivalent to what England and the other countries of western Europe passed through as a result of World War II. The Senator and I meet at the bedside of the patient in this year, 1949. We take the patient's pulse, we take his blood pressure, we ask the patient to stick out his tongue, we take the blood count, and do the other things necessary to size up his condition. The Senator from Indiana says to the Senator from Maryland, "Our patient is coming along better than I believed possible." The Senator from Maryland says, "I agree with you." The Senator from Indiana then says, "I do not think he need take this medicine for more than 80 days more." The Senator from Maryland says, "Well, you know, we should guard against a relapse. We are assum-

ing that everything during the year 1949 is going to conduce to the patient's continued recovery. It is true that he has surpassed our diagnosis up to now, but so long as we have him coming out of the slough of despond, out of his sick bed, let us keep up the treatment, just to make certain that we have not underestimated his vitality, until he can stand on his own feet beyond question, and help our taxpayers and help our soldiers, our sailors, and marines to bear some of the responsibility of meeting the onslaughts of communism, so that our own country will not have to do it all by itself, in the event this good old sick man is unable to stand with us when the emergency comes."

Mr. CAPEHART. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. For a question.

Mr. CAPEHART. My question is this: I can certainly agree with the able Senator from Maryland that we do not want a relapse of our patient, but, by virtue of the same reasoning, does the Senator want—I certainly do not—the doctor who, in the first place, is the United States, to catch the disease which the patient has, and then have both of them on our hands, both of them in bed, both of them crippled, neither one of them able to walk, and neither of them able to help to defend the world against the communistic threat?

Mr. TYDINGS. If I were to be completely frank with the Senator from Indiana, I would assume that if we cut out the Marshall plan entirely its immediate effect upon the economy of this country would be disastrous. First of all, to take the Senator's argument, we would lose the sale of many hundreds of millions of bushels of grain. In my judgment the farmers of Indiana would ask for some sort of treatment in the form of a subsidy, perhaps, from the Treasury of the United States if we were to withdraw the purchasing power which the Marshall plan puts into the grain market, because the price would go down so precipitately that farmers would ask for a floor at some point higher than it is today.

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

Mr. TYDINGS. I have not finished yet. I have only come to grain. I am going to take up some other products, but I shall yield to the Senator before I come to them. What the Senator from Indiana says in effect is that it would be a good thing for the wheat and the hog and the cattle farmers of Indiana if they lost now the market for a part of the products which are at the present time going to Great Britain.

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

The PRESIDING OFFICER. Does the Senator yield for a question?

Mr. TYDINGS. Yes, I yield.

Mr. CAPEHART. If our economy is so weak and so synthetic at the moment that it depends upon the difference between \$3,000,000,000 and five and a half billion dollars, when the able Senator from Maryland admits that in 1950 or 1952 we are going to stop the Marshall-plan spending—I say if our economy is so weak at the moment, and if we are so dependent upon about \$2,500,000,000

appropriations to be used in the Marshall plan, then, in all seriousness, we had better keep the five and a half billion dollars. If our economy is so weak I hate to think of what is going to happen to this Nation. I am sincere and honest in that statement.

Mr. TYDINGS. I can yield only for a question.

Mr. CAPEHART. That admission that the economy of the United States is on the way out is one of the most frank admissions I have ever heard. I simply cannot conceive of \$2,500,000,000 making the difference between the success and failure of this Nation, when we have a national income of \$260,000,000,000 a year.

Mr. TYDINGS. Let us take the reverse of the Senator's statement. Instead of reducing the appropriation \$2,500,000,000, let us, for the sake of illustration, increase it by \$2,500,000,000 and serve notice on the farmers of this country that a large proportion of the \$8,000,000,000 is going to be used to buy farm products. If the Senator does not think that would be important in raising the price of American farm products, then I do not know how to add up the figures 2 and 2 to make 4.

By the same logic, those who are talking about cutting down this program being good for America may conceivably have an argument which may apply over a longer period of years. But after our farmers at the request of the Government have gone forth to raise the largest crops in history, and produce cattle and hogs in such number that our cattle and hog population is one of the largest of all time, if we were to announce that we are going to cut the Government's purchases of these agricultural products by 50 percent in order to cut down the expenses of the Government, I am sure many of the farmers of Indiana would say, "Well if that is all you have in mind, we would rather not have the cut made until we can work the surplus out of our feed lots, out of our granaries, and get down to a normal production where supply and demand will equalize, so we will not be at the mercy of those who have the money to speculate while we do not have the money to store or keep our products." That is only the agricultural part of it. That is merely one little side of the agricultural part of it.

How about the people in industry? How about all the various products which are coming from industry? I understand that in the last 2 or 3 months the unemployment figures have gone up considerably. Four labor men stopped me in the lobby today to tell me that employment has tumbled quite a little momentarily. It stands to reason that if we withdraw the effect of the purchases which come under the Marshall plan this year from the industrial market, there is bound to be more unemployment.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. Yes.

Mr. CAPEHART. The question is very simple. Are we appropriating money

now to stop communism, to promote peace in the world, or are we appropriating money in order that our own manufacturers and our own people may enjoy a certain degree of prosperity?

Mr. TYDINGS. I shall be glad to answer the question. Will the Senator allow me to answer his question?

Mr. CAPEHART. Yes; I should like to have the Senator answer the question, because it is something which is bothering many people.

Mr. TYDINGS. Without the threat of communism, without the threat of world war III, without the threat of more Russian aggression such as we have already witnessed, in my judgment we might make only a small appropriation for the aid of western Europe, which would be directed primarily to food, clothing, and shelter. That would be all. But, with the threat of communism we have had to go further. We have had to look around to the next international election.

Mr. CAPEHART. The Senator says "international election?"

Mr. TYDINGS. Just a minute. The next international election, just as the Senator from Indiana and the Senator from Maryland sometimes have to look around to the next State election. We have to size up the counties that are likely to be with us in the next election, and the counties that are likely to be against us in the next election. Just as we try to weaken the forces of our opponents while building up our own forces, so we do with Russia, that is, we take those European "counties" that are likely to be with us in the next international election, and we try to make them so strong—

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

Mr. TYDINGS. I will not yield until I have finished. We try to make them so strong that when Uncle Sam comes out of this election and all the votes are counted, we will have a majority, and we will have peace, civilization, and a perpetuity of what may reasonably be called democratic liberty.

Mr. CAPEHART. Will the Senator please answer my question as to whether we are appropriating this money to stop communism and establish peace, or whether we are appropriating this money in order to give business and our manufacturers and farmers a certain degree of prosperity.

Mr. TYDINGS. I thought I had answered that question, but I shall do so in a sentence. We are doing it to stop communism and, incidentally, as the result of that effort we are able to help our own people in what might have been for certain groups such as farmers one of the most critical economic periods in the history of our country. But primarily the motivation for it, the reason for it, the sine qua non, without which there would not be any legislation, is our desire to survive vis-à-vis communism as it encroaches from the east farther and farther toward the west.

Mr. President, have I answered the question?

The PRESIDING OFFICER. The Senator from Maryland can yield only for a question.

Mr. CAPEHART. The Senator said "Yes" and "No," "but do not quote me." The Senator said "Yes, we were doing it both to stop communism"—

Mr. TYDINGS. I did not say "do not quote me."

Mr. CAPEHART. "And also to help our manufacturers."

The PRESIDING OFFICER. Just a moment. Will Senators suspend for a moment, please?

Mr. CAPEHART. My question was this—

The PRESIDING OFFICER. Will Senators suspend a moment, please? The Senator from Maryland has the floor.

Mr. TYDINGS. I yield for a question.

The PRESIDING OFFICER. The Senator from Maryland yields for a question only.

Mr. CAPEHART. My question is: Does the Senator think it is good business, does he think it is ever good business to do such a thing? I am talking now about the Senator's philosophy, or premise that we should do what he suggests in order to help our manufacturers and farmers. When we do it as we are doing, that is, giving money away to various countries, are we not in the same position as though I would give the Senator \$10,000 and say to him, "Now, go out and find somebody you think might like to buy what I am making—give him the \$10,000 and then give him the merchandise, too"? If the Senator wants to discuss it from an economic standpoint or a practical standpoint, that is his—

The PRESIDING OFFICER. The Chair rules that that is an argument.

Mr. TYDINGS. Mr. President, I am going to ask the Senator from Indiana the same question he asked me; and if he cannot answer it because of the parliamentary situation, I shall answer it for him.

The Senator from Indiana asked me whether I was supporting this appropriation as a means of halting communism or as a means of aiding the people of the United States. I tried to give him what I thought was a pretty honest answer. I take it that he is supporting the proposal because he is doing it primarily to aid the people of America. I am glad that I interpreted the Senator's state of mind so accurately.

Mr. CAPEHART. Mr. President—

Mr. TYDINGS. I yield for a question.

The PRESIDING OFFICER. The Senator from Maryland has been recognized to make a speech. He has no authority to ask the Senator from Indiana a question.

Mr. CAPEHART. Mr. President, in one breath the Presiding Officer says that I cannot answer, and then the able Senator from Maryland desires that I answer. What am I to do?

The PRESIDING OFFICER. Let the Chair make this statement: The Chair was indulgent in the interpretation of the rule because he thought the Senator from Maryland, in undertaking to quote the Senator from Indiana, had made a remark which gave the Senator from Indiana the privilege of answering in the form of a speech. To that extent the Chair indulged the Senator from Indiana. The Chair rules that the Senator

from Indiana has fully covered his position. The Senator from Maryland may not ask the Senator from Indiana a question. The Senator from Maryland is recognized to make a speech, and for that purpose only.

Mr. TYDINGS. Mr. President, I do not want to put the Senator from Indiana in a false position. Inasmuch as he rose very promptly when I pointed the question in his direction, I think it would be only fair to assume that he is supporting this proposal not because it helps the people of the United States, but because it is directed against the spread of communism. I think that is a pretty fair interpretation. I am supporting it for both reasons; but I do not want to put the Senator from Indiana in a false position.

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

Mr. TYDINGS. No; I cannot yield further. I wish to finish.

Mr. CAPEHART. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. I do not understand exactly what the Senator is saying.

Mr. TYDINGS. Mr. President, that is not a point of order.

The PRESIDING OFFICER. The Chair believes that the RECORD will reflect the situation.

Mr. CAPEHART. Mr. President, I rise to a point of personal privilege.

Mr. TYDINGS. The Senator cannot rise in my time. I should be very glad if the Senator from Indiana could do so without my losing the floor; but I cannot yield to him.

Mr. WHERRY. Mr. President, I ask unanimous consent—

Mr. TYDINGS. Mr. President, I do not yield for any purpose whatever. I cannot yield for a unanimous-consent request. I will yield for a question only.

The PRESIDING OFFICER. The Senator from Maryland yields for a question only.

Mr. CAPEHART. Mr. President, will the Senator yield for a question?

Mr. TYDINGS. I yield for a question.

Mr. CAPEHART. Will the Senator restate his understanding of the position of the Senator from Indiana? It is not clear to me. The Senator's last remarks were not clear to me. I did not hear them.

Mr. TYDINGS. The Senator from Maryland will request the official reporters to furnish him at the earliest opportunity a transcript of the last question he asked the Senator from Indiana; and if the Senator from Indiana will indicate that the Senator from Maryland has unfairly assumed what the attitude of the Senator from Indiana is, the Senator from Maryland will be very glad to correct it.

Mr. CAPEHART. I did not say unfairly—

Mr. LUCAS. Mr. President—

Mr. TYDINGS. Mr. President, I cannot yield except for a question.

The PRESIDING OFFICER. The Senator from Maryland is recognized for the purpose of making a speech.

Mr. DONNELL. Mr. President—
Mr. TYDINGS. Does the Senator wish me to yield for a question?

Mr. DONNELL. Yes.

Mr. TYDINGS. I yield for a question.

Mr. DONNELL. The Senator indicated that the Marshall plan instead of furthering socialistic designs in Great Britain, has held them back.

Mr. TYDINGS. That is correct.

Mr. DONNELL. The question I desire to ask first is this: Did not the Senator himself, at page 509 of the hearings, quote from the remarks made by Mr. Mayhew, which the Senator stated were couched not in the language of a politician, but of a statesman?

Mr. TYDINGS. I did; and if the Senator had been sitting opposite me and looking at me, he would have known how to interpret that remark. Quite obviously, to anyone who is not too naive, the humor is self-evident.

Mr. DONNELL. I should like to ask this further question: The speech by Mr. Mayhew, quoted by the Senator from Maryland—

Mr. TYDINGS. In derision.

Mr. DONNELL. Is that the one beginning on page 493 of the record?

Mr. TYDINGS. Mr. President, I can yield only for a question.

Mr. DONNELL. That is a question.

Mr. TYDINGS. I do not know. I have not the book before me.

Mr. DONNELL. I have it before me; and the Senator has a copy of it before him.

The VICE PRESIDENT. The Senator from Maryland cannot yield to the Senator from Missouri to read from a book.

Mr. DONNELL. I ask the Senator from Maryland if Mr. Mayhew, a Member of the British Parliament, did not make a speech before the United Nations Economic and Social Council on February 23 of this year?

Mr. TYDINGS. My answer is that I think he did; and in order to anticipate the next question of the Senator from Missouri—

Mr. DONNELL. I have not asked it.

Mr. TYDINGS. I have the floor. The Senator will have to listen, whether he is anticipating it or not.

Mr. DONNELL. Yes; it is compulsory.

Mr. TYDINGS. The Senator is about to use the illustration of Mr. Mayhew to prove that the British would have been less socialistic without Marshall-plan aid than they have been with it.

Mr. DONNELL. Mr. President—

Mr. TYDINGS. That is what the Senator is obviously leading up to.

In the first place, I do not think Mr. Mayhew is a competent witness. In the second place, I doubt very much whether the Senator from Missouri even knows Mr. Mayhew.

Mr. DONNELL. No; I do not.

Mr. TYDINGS. In the third place, I do not believe the Senator from Missouri has ever read Mr. Mayhew's autobiography. In the fourth place, if he had, neither he nor I would take Mr. Mayhew's statement as an answer to the question which is implicit in the

preliminary interrogation of the eminent and able Senator from Missouri.

Mr. DONNELL. Mr. President, the Senator from Maryland now having anticipated the question, and having made a statement about my lack of biographical research, I should like to ask him a question.

The VICE PRESIDENT. Does the Senator from Maryland yield for that purpose?

Mr. TYDINGS. I yield only for a question.

Mr. DONNELL. This is a question, if the Senator will wait. [Laughter in the galleries.]

The VICE PRESIDENT. The Senator will suspend a moment. It is against the rules of the Senate for occupants of the galleries to give vent to any expression of approval or disapproval. The Chair hopes that the occupants of the galleries will cooperate in observing the rule.

Mr. DONNELL. The first question I ask is this: If the Senator will look at the book before him, he can answer the question whether or not, at pages 493 and following in the hearings there appears an address by Christopher Mayhew, a Member of Parliament, to the United Nations Economic and Social Council on Wednesday, February 23, 1949.

Mr. TYDINGS. I accept the word of the Senator from Missouri that it is there.

Mr. DONNELL. It is. Will the Senator yield for another question?

Mr. TYDINGS. I yield for a question.

Mr. DONNELL. I do not propose to read all of this speech, I assure the Senator; but if he thinks I am merely quoting excerpts out of their context, I shall be glad to read it all.

I ask the Senator from Maryland if Mr. Mayhew did not make the following statement, among others:

ERP aid began arriving in the middle of 1948. It arrived just in time to save western Europe from a truly desperate position. It gave us a breathing space in which to renew our efforts to solve the dollar problem, by expanding exports to the Western Hemisphere, and by increasing dollar import saving production in the countries of western Europe and in other countries outside the dollar area. United States lending to other countries, though on a smaller scale, continues to assist them to meet their needs for dollar supplies.

Then did not Mr. Mayhew say this, after some intermediate portions:

Let me emphasize this point, which some may not have fully understood. The purpose of Marshall aid is to set us free from dependence on America. We have not the slightest intention of modifying our economic, our social, or our political plans in order to qualify for aid. On the contrary, we are using aid, as it comes to us, to forward those plans on which we know our particular future depends.

I ask the Senator from Maryland if Mr. Mayhew did not make the following further statement:

This means concentration on capital investment, increasing productivity, integration with Europe, strengthening the sterling area, and liberalization of our trade with the whole world.

Mr. TYDINGS. In legal terms, this is called cumulative interrogation.

Mr. DONNELL. I ask the Senator if Mr. Mayhew did not say further:

In capital investment, Britain is currently devoting one-fifth of her gross national production to the reequipment and modernization of her production resources. This is an investment of some £2,000,000,000, or \$8,000,000,000, and just under one-half is new investment. More than 700 new factories have been completed since the end of the war.

Then this sentence:

Our new investment covers vast coal-modernization plans, huge steel and electric power plants, and very considerable developments in agriculture.

Did he not also state as follows:

A major element in the success which Britain has been able to achieve has been the great weight we have given in all our planning to what we may call human welfare and social progress. The years since the war have seen a great ferment of ideas and social experiment in Britain. We have set in train a great expansion of education—including technical education—a unique system of national insurance, linked with a comprehensive system of industrial injury insurance and a complete national health service, great plans for town and country planning, and a reorganization of our key industries and services under public ownership.

Then did he not further say, finally:

From what I have said, Mr. President, it is clearly time to cease talking of the recovery of Britain. We have long passed that stage. For us, the social and economic standards of the prewar years are not things to be recovered but rather things to be repudiated. Big problems still face us but we are no longer interested in recovery—but in breaking fresh ground, in terms of new social and economic experiments.

Did not the gentleman so testify; and does not that indicate to the Senator from Maryland that Mr. Mayhew, regardless of what the Senator may think of him, thought the ERP aid was highly material in furthering those programs of modernization and socialization, including coal modernization plans, developments in electric power and in agriculture, human welfare, and social progress, national health service, great public ownership plans, and town and country planning? That is my question of the Senator from Maryland. [Laughter.]

Mr. TYDINGS. Mr. President, does the Senator have his whole question in now?

Mr. DONNELL. For the present; yes.

Mr. TYDINGS. Then if the Senator from Missouri will be as patient with me as I have been while I listened to these cumulative interrogatories, I shall try to give him an answer.

First of all, I appeal to the Senator's good, old-fashioned, native-Missouri, horse-sense intelligence.

Mr. DONNELL. I thank the Senator.

Mr. TYDINGS. When I appeal to that, I know the Senator will agree that if there had been no Marshall-plan aid for Great Britain, Britain would have had a harder time to come out of her difficulties than she has had with Marshall-plan aid. I am assuming that the Senator will answer that in the affirmative.

Mr. DONNELL. I do.

THE VICE PRESIDENT. A Senator who is speaking cannot command of a sitting Senator that he answer a question.

MR. TYDINGS. Mr. President, I only requested, not an immediate reply, but that the Senator be cogitating with the good, old-fashioned, native-Missouri, horse-sense intelligence which I know he possesses.

The Senator from Missouri has already stated that without the Marshall plan, conditions in Great Britain would have been tougher than the present conditions there, which have been described by statesmen all over the world—both British, American, and those of other countries—as embracing one of the most austere programs in the history of mankind; and the British people have been described as embracing that program with a degree of patience, tolerance, and forbearance which has challenged the admiration of the world. It stands to reason that if it had not been for the Marshall-plan money, it would have been necessary from the British point of view to have carried the socialization faster and in a more widespread pattern than actually was necessary, inasmuch as many of the hardships were alleviated.

But finally to come back to the main premise of the Senator from Missouri and the main thing he wishes to know: If Mr. Mayhew, being a witness, had furnished testimony which had been decisive, so as to cause us to cut off at this good instant all Marshall-plan money which either has now been pledged and expended or has been pledged but is unexpended, and thus to serve notice upon the British people that, "Beginning on April 1, 1949, you shall not receive another pound of wheat, another pound of flour, another pound of meat, another piece of machinery"; and if a great many British people knew that that decision and the loss of Marshall-plan aid was due to Mr. Mayhew's testimony, if he were to return to Great Britain, notwithstanding their long reputation for law and order and having resort to the processes of the courts, they would meet Mr. Mayhew at the pier with one of the biggest lynching parties ever held in that or any other country; and I am constrained to believe that Mr. Mayhew would take part in his own lynching, so outraged would he be, if such action terminating our aid to Britain under the Marshall plan were to occur.

The Senator from Missouri knows that in our own country, need is 90 percent of the urge for socialized programs, regardless of whether he or I agree with them. I am sure he will agree that all over the world the drive toward socialism has had its mainspring in hardship, need, wrong, and injustice, in many cases. So the greater the need, the greater the injustice, the greater the hardship, the more accurate it is to say that socialism moves along at an accelerated pace.

MR. DONNELL. Mr. President, will the Senator yield for a question?

MR. TYDINGS. Yes; provided it is not more than 550 words long. [Laughter.]

MR. DONNELL. I shall make it within that limit.

MR. PRESIDENT. the question I ask the Senator from Maryland is this: Will he be kind enough to answer the previous question, which was this: Did not Mr. Mayhew, a Member of Parliament, in the language which I read, clearly indicate that, whether mistaken or not, it was his opinion that the relief by ERP had furthered and advanced the socialistic designs and progress of Great Britain?

MR. TYDINGS. Mr. Mayhew may have said that, but that does not make it so, because the Senator from Maryland, for example, takes issue with him. It is simply human nature, as I have tried to focus the good, hard, common-horse-sense of the Senator from Missouri on the problem, that if there had not been any World War II, there would not have been any socialized program in Great Britain. Out of the hardships of that circumstance that socialized program has developed; and to the extent that our aid has alleviated those hardships, the less socialism will take place.

To prove my point again, let me say that one of the greatest deterrents, as the Senator from Missouri knows, to the inroads of socialism in Italy was the aid furnished by the United States; and one of the most effective measures in restricting the growth of socialism and communism in France was the aid coming from America; and one of the greatest restrictions upon the growth of socialism or communism, if you please, in Britain has been the economic aid we have furnished.

The Senator from Missouri, I believe, voted last year for the Marshall plan.

MR. DONNELL. May I interrupt?

MR. TYDINGS. I do not know that he did.

MR. DONNELL. May I state—

MR. TYDINGS. I cannot yield, except for a question.

MR. DONNELL. Mr. President, is there unanimous consent that I may answer?

THE VICE PRESIDENT. There is none as yet.

MR. DONNELL. Then I ask unanimous consent that I may. My answer will be very brief. It arouses a very sad memory, but I should like to state this—

MR. TYDINGS. I can yield only for a question.

MR. DONNELL. I ask unanimous consent that inasmuch as the inquiry has been propounded to me, I may state the answer to it.

MR. TYDINGS. Will the Senator limit his reply to 1 minute?

MR. DONNELL. Well, Mr. President—

MR. TYDINGS. The Senator certainly can state "Yes" or "No" in 1 minute.

MR. DONNELL. The question cannot be answered simply "Yes" or "No." I shall have to state this, Mr. President: As I have previously stated, I was called to Missouri by reason of the death of my mother, which occurred on March 9 of last year. On the way back, I stopped for 1 day in St. Louis. Consequently I was not here at the time when the vote was taken on the Marshall plan. But I telephoned from Webster Groves, Mo., where my daughter has her home, to the effect that were I here, I should vote for ERP; and that is the way the

matter is recorded in the CONGRESSIONAL RECORD.

MR. TYDINGS. Then the Senator has been at least an indirect party for 1 year to the spread of socialism in England.

MR. DONNELL. Mr. President, may I ask the Senator to yield?

THE VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Missouri for a question?

MR. TYDINGS. I yield for a question.

MR. DONNELL. Did not the Senator from Maryland understand that the question which I asked of him a few minutes ago, in which I quoted so extensively from Mr. Mayhew, was in substance designed to bring out the fact that, although the Senator from Maryland, in whose judgment and ability I have great confidence, as he knows, expressed the view that the ERP aid from this country had not furthered socialism in Britain, yet there is at least one man, namely, a member of Parliament, who has made those statements to the United Nations Economic and Social Council, who disagrees with the learned Senator from Maryland? Is not that correct?

MR. TYDINGS. I think Mr. Mayhew's statement is probably subject to a different interpretation from that which the Senator from Missouri puts on it. But I would say that so far as the naked language at first blush is concerned, it does seem to support the interrogation by the Senator from Missouri.

MR. DONNELL. I thank the Senator.

MR. TYDINGS. But I do not believe that the facts in the case warrant reaching the conclusion which Mr. Mayhew reaches.

MR. DONNELL and MR. McMAHON addressed the Chair.

MR. DONNELL. Mr. President, will the Senator yield for just one final question?

THE VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

MR. TYDINGS. I yield first to the Senator from Missouri.

MR. DONNELL. I appreciate very much the Senator's patience and the frankness of his last response, which I know is characteristic of him. I do not limit it to his last response, for the Senator's responses have been perfectly frank throughout. The Senator himself has called attention to certain language of Mr. Mayhew's, without as I see it in any sense stating anything against Mr. Mayhew.

May I ask the Senator to state whether, on page 510 of the hearings, near the middle of the page, the chairman of the Foreign Relations Committee [Mr. CONNALLY] did not say this:

THE CHAIRMAN. May I make just one observation? I may be in error; it is largely speculation. From the reading of Mr. Mayhew's address, it occurs to me that he wanted to acknowledge that the aid that had been already given them had put them in a fair way. He was talking over the heads of some of them to the labor government and to the radicals who were pressing for more nationalization: "Just keep your hats on, now. We are going to have nationalization, and more of it, because we are in fine shape toward recovery," and so on and so forth.

Did not the Senator from Texas [Mr. CONNALLY] so state?

Mr. TYDINGS. I would say to the Senator from Missouri that he has read the record accurately. But if I might interpret that, too, I should say that I think Mr. Mayhew, being one of the species of human beings, the genus to which the Senator from Missouri and the Senator from Maryland belong, who walk on two legs and depend in large part upon the support of people living in a local community for their prestige and position, Mr. Mayhew was making that speech for publication back in Britain to those who put him in power, more than he was making it for any purposes within the United States of America. I say that merely because I do not want to pick out Mr. Mayhew and put him in a class that is different from all the other statesmen who have trod the halls of legislation through time immemorial.

Mr. DONNELL. I thank the Senator for permitting me to propound that final question.

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

Mr. TYDINGS. I yield to the Senator from Connecticut for a question.

Mr. McMAHON. Would the Senator from Maryland undertake to write the policy of this country on the basis of speeches made by certain of the Senators and by certain Members of the House of Representatives, who might travel around the earth and find occasion to express their individual impressions of the world situation?

Mr. TYDINGS. I certainly would not want to be compelled to adopt all that has been said by them.

Mr. BREWSTER and Mr. PEPPER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I should prefer that Senators would not ask me to yield further. If I yield to one, there are three other Senators desiring me to yield to them. I desire to conclude. There are other Senators who want to speak.

The VICE PRESIDENT. The Senator declines to yield.

Mr. TYDINGS. I am afraid if I continue yielding, my remarks will grow to such a length that I shall preclude other Senators from having an opportunity of speaking today. So I shall conclude, Mr. President.

The VICE PRESIDENT. The Senator from Maryland declines to yield.

Mr. TYDINGS. I shall conclude with these observations: Let us look backward for a moment, in dead seriousness, for none of us has a patent on tearing the veil from the future. As Patrick Henry said, "I know of no way of judging the future but by the past." If we will judge a little from the past, I think it will aid us in charting a course for the future. It is easy to look backward after something has happened and say what should have been done. If we had known 3 years before it happened that Pearl Harbor would be attacked on December 7, 1941, the course in this body would have been different. We would have been a stronger country. We would have been

more united. We would have had to meet the enemy things which we never had. In the last analysis, we would not have had the defeat at Pearl Harbor. But we did not know. We did not give our country in all respects that degree of support to which the facts of life should have entitled them.

What happened in World War II. First Austria, then Poland, then Holland, then Belgium, and then France fell. Then there was Russia. And so the pattern went, country after country. As the plan unfolds, after having pursued a course of error twice before, costing our country billions of dollars and hundreds of thousands of precious human lives, we this time are trying to take from the lessons of the past the knowledge and the teachings of our error and apply them to the present and the future.

As this plan unfolds, the first thing is to try to build up countries that are like-minded with our own, having a common system of government with ours, having certain reservoirs of freedom similar to ours, so they can stand on their own feet, have a stable currency, a reasonably satisfied people, and a satisfactory standard of living, so that they will be so strong economically that the blandishments of new ideas and new ideologies will not be able to win them away from the orbit of liberty and of democratic institutions and free enterprise and all the other traditions we hold dear. That is my first point.

The second thing is this time to profit by the errors of the past. This time we are going to put the democratic world community behind a good strong iron fence. That fence is called the North Atlantic Pact. It is not built for attack, it is not built for conquest, it is not built for aggression. The whole purpose and philosophy of erecting that fence is to protect civilization, world civilization, I should say, and the democracy and the free institutions we love and cherish. We are trying to do that so that in the coming emergency no one nation can be singled out without inviting attack from all the others on the aggressor nation.

To me it makes sense. To some Senators it seems to be a danger. They say, "We will be stronger to let the world go hang. We will be stronger to stand here by ourselves, to have nothing to do with Britain or Denmark or Norway or Holland or Belgium or France. Let them stew in their own juice. Let them go communistic. Let them ally themselves with whomever they want. Let them make more agreements with Russia. That does not concern us. We will simply stand here by ourselves, and allow ourselves eventually to be surrounded by world communism. What of it? We will be better off."

It is a little difficult for me to adhere to that belief. I say, looking back over history, that those people gave us our Anglo-Saxon civilization, our form of government, and our present-day liberties, to a large extent. England, Scotland, Wales, Ireland, Holland, Belgium, Denmark, Norway are the whole warp and woof of these United States. They are our forefathers. They have our form of government; they think as we do; they

are democracies, as we are; they fear communism as we do; they have less to offer than have we. We have said to them, "Come and join with us, and if you promise you will stand ready to fight when any one of us is attacked, we too will promise to stand ready to fight. If we do, we shall command over half the world's industrial plant, we shall command over half the world's natural resources, we shall command over half the world's wealth, we shall have as many people in our orbit as Russia will have in hers, eliminating Asia. Our people are a strong people. We have fought side by side in two recent wars. We know, by the bond of blood and sacrifice, that your ideals and ours are things we hold in common."

Mr. President, that is the policy of this administration, and I thank God that it is. I give it my wholehearted support, because the alternative is unthinkable.

A day or two ago, in a colloquy with an eminent Senator, there was taken, as an example, the fact that country X might be attacked by another country after the North Atlantic Pact had gone into existence, and that under that pact we might have to go to war instantly. Whether we went to war instantly or eventually, suppose we definitely had to go to war anyway, as we have done twice in the past. If we went to war instantly we would probably shorten the war, save lives, treasure, and a great national debt. We are assuming, too, that the next war will be like the other one. What an erroneous assumption that is. There will be no battle front in the next war, no place where men dig trenches in the ground and oppose each other, no place where the artillery shoots at the opposing army. The battle front will be every city in every nation that is engaged in the war. In this country the battle front will be Baltimore, St. Louis, Chicago, New York, Boston, and the countries of western Europe—men, women, and children. Already we have had an illustration of it in Nagasaki and Hiroshima, two cities in Japan, where a bomb on each one practically wiped out the entire population.

Mr. President, we need the countries in western Europe. We need them in peace and we need them in war.

Let me give another illustration before I come to the paths of peace in which we need them. If they were allied with us and could delay an attacking enemy for only a month, in this day when we can fly the ocean in a mere matter of hours, in this day of the atomic bomb, in this day of the guided missile, a month is almost the difference between survival and extinction, modern weapons being what they are. Never again will this country or the world have the luxury of time in which to get ready for the great scientific blood-letting that will come in the wake of world war III, if it shall come. The time to fight that war is now, by amassing the forces of democracy, the military forces, the financial forces, the spiritual forces, the natural resources, in a way so strong that no country on God's earth will dare to attack, because an attack on one is an attack on all, and such an avalanche of might and strength will

be brought down upon the aggressor as will give him pause.

Therefore, I say the Marshall recovery plan is wise from a military standpoint. It is wise from the standpoint of building up the strength of the democracies as a preparedness measure against world war III. But it is also good as a peace measure.

Many people are talking about the future of the United States. Let us suppose that no country on earth bought one article manufactured here, or one product grown on our farms. Let us suppose we had no customers outside the United States. Then we should have to rearrange our economy. It is true that only a small percentage of our total production of farm and factory is sold outside the United States, but that small percentage is mountainous in its effect upon the over-all economy, the velocity of trade, the economic strength of our country, and the employment of our people. We must make up our minds that we can never sell to Great Britain, to France, or to any of the other countries in western Europe unless they can also sell to us. We cannot have one-way trade. The farmer must take his eggs—to use an everyday illustration—into town and sell them for dollars in order to get the dollars he needs to go into the store next door and buy for himself a pair of shoes. He cannot purchase the shoes until he sells his eggs. The British people cannot buy our products until they are in a position to produce something which they can sell to us or to other world customers, and thereby get the money to buy the things which we have in superabundance.

It is a belief of mine, and I think it is supported by most of the economists in the world, that the great need of a prosperous world is velocity in trade as well as volume in trade. The more countries that are able to produce and sell goods, the greater the volume, the greater the velocity of trade; and in the wake of the velocity of trade comes a quickening of transportation, a quickening of communication, more banking business, more insurance business, more repairs, more agencies, more offices, more homes, more prosperity. A prosperous England will do more to make the United States prosperous than will a poor England. Create a whole world outside of the United States into one great, prosperous community, and the United States will be prosperous beyond the dreams of men. But put beyond our borders a world which is impoverished, without trade, without productivity, without means to get the wealth to buy the things we produce, and our prosperity will correspondingly decline.

Therefore, Mr. President, we need the Marshall plan, because every dollar we spend on it will be bread cast upon the waters. Revive the world, get it moving again, and increase the velocity with which money and goods find their way into other countries, and it means dollars and cents in the pockets of the people of the United States.

I can see no greater incentive to a great depression in the United States of America than would be an impoverished world

outside of our own country. If it should remain impoverished, the doom of this Nation, to a large extent, is sealed, for then, and then truly, not only would we find in the back-wash of that economic circumstance the end of our own high standard of living, our own prosperity, but such a world would embrace communism very rapidly, because, as we all agree, communism grows and thrives on want, misery, and deprivation.

Therefore I see in this program, not money going out to aid the British, not money going out to aid the French, not charity for taking care of the poor, the victims of the recent great world catastrophe. I see money going forth in the self-interest of the people of the United States. I see our own security strengthened by strengthening the vitality of the people of western European countries. They have been our allies before in great wars, and I like to think and believe they will be our allies in any future war.

I see a lessening eventually in the burden of taxation, through the western European countries reaching a higher economic level than they otherwise would. I see in that a possible opportunity for us to reduce our own expenses, because without a strong western Europe we will have to have universal military training, if we are to stand alone. We will have to have a 70-group air force, and get it quickly. We will have to spend more money if we stand alone in this world, in its present state. We will have to have allies, or everyone of our citizens will have to be a part of the National Defense Establishment. That is plain common sense.

I would rather spend \$20,000,000,000 to help the Marshall program now than to spend four or five hundred billion or possibly a trillion dollars on world war III.

The pending proposal presents one of the best opportunities, through the strengthening of the participating countries quickly, spiritually, and eventually, through alliance, militarily, to serve notice on the world that the day of world wars is over, that united we stand, and, God willing, no aggressor will ever start again picking off one nation at a time, as Japan did in the Orient, as Germany did in Europe, and as Italy did in Europe and Africa. The next time they will take us all on at once, and we will say, "You had better watch out. You cannot defeat us all. Get that in your minds, and be a good boy and don't start a war. If you want to play fair we will play with you, but if you start a war, what we will do to you, combined and acting as a unit, you already know, so don't make any mistake about it."

Therefore I say the Marshall plan is an element in stopping world war III away back before it breaks out. It is preparedness for our own country. It is saving us money which we would otherwise have to spend now for our own national defense. I say to my colleagues that if we stood alone, with the whole world arrayed against us, I would not be satisfied with the present defenses of the United States of America.

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

Mr. TYDINGS. I yield.

Mr. MORSE. As a colleague of the Senator on the Armed Services Committee I find myself in agreement with the general thesis of his remarks, and I ask him this question: In his opinion will there not be a much greater need for the adoption of such a defense program as universal military training, in the absence of the approval of the ECA program, than with it?

Mr. TYDINGS. There can be no question in the world about it. We on the Armed Services Committee, many of us, at least, have weighed whether or not it is better to do things as we are doing them on the floor of the Senate today, or to take the money and spend it for our own national defense. The Senator from Oregon and I have been privileged to hear in certain secluded places strategy at the highest possible level, and it does not present a pretty picture. At the rate the world is moving ahead in the field of science and invention, with the things we already know, which have been told to us, and what we can reasonably imagine by the slightest stretch of our imagination, there could be no more unfortunate circumstance from the standpoint of preserving the democracy and the civilization of the world than to have the countries of western Europe turn their backs on us and look to the East, as they make one alliance after another with Soviet Russia, until we stand all alone.

Mr. President, I am not making this address because I am a Democrat; I am not making it to help the administration. The Senator from Ohio is perfectly correct when he says the amount of money involved is huge. He is perfectly right in wanting to save every dollar he feels can be saved without hurting the enterprise. I am not quarreling with that attitude. I hope that if there is to be a reduction it will be brought about in the Committee on Appropriations, and if a good case is made out there that the fund can be reduced in the light of the circumstances as they exist, then we should support such a reduction on the floor of the Senate. There is nothing sacrosanct about it. But we have already taken testimony once in regard to this matter, and as the situation is today, we think this authorization should go through without reduction. That is our opinion, and we are united about it. As I remember, we are practically a unit, if not a unit.

After the Committee on Appropriations has all the facts so as to bring the situation down to date, if they think the appropriation will stand a 2- or a 5-percent reduction, or more, that is a matter we should consider. I am not debating that today.

What astounds me is that some of my colleagues, who I know are acting in the best of faith, are assuming that in authorizing the appropriation of this money we are motivated because we want to do something only for Great Britain or France or Holland or Belgium. I have not \$5,500,000,000 worth of charity in me today to lead me to vote out of the pockets of the American people money for these countries. I am voting in self-interest, to prevent a larger bill falling

upon the people of the United States as a part of our defense, as a part of building our outposts, as a part of strengthening our line far beyond the United States, because the great oceans which have protected us, and over which the enemy could not come, are only theoretical now, they are only little streams. The airplane goes over them as if they did not exist. Therefore we are dealing with an entirely new situation.

While I hope I am actuated to some degree by the humanities which are implicit in this appropriation, I could not vote for it if I did not believe that in the last analysis it is not only good for the world, but extraordinarily good for the United States of America.

I should like to recall—and hope I am not violating any confidence—one little incident of World War II. We used to read in the newspapers, somewhat in mystification at first, about the bombs which were shot from the European Continent and directed primarily at London. When we first read about them, knowing that those bombs were coming from a distance of 75 to 100 miles, and that our greatest naval guns would shoot only 20 or 25 miles, we used to say to ourselves, "There is some trick about this. There must be an airplane up high, which no one can see, that drops these bombs. The enemy could not shoot those things from 100 miles away." Yet, we had to adjust our thinking to the fact that artillery—for a guided missile is largely a piece of artillery—had leaped ahead four times the known range of artillery up to the time when World War II broke out. When we finally did come upon the fields and the dugouts in Germany where these things were manufactured, we found in the arsenals a great many of them capable of flying 200 miles, not 80, and data showing what the Germans hoped to accomplish in the eventual future.

Mr. President, I have nothing to support the brash statement I am about to make. It is only my own idea. I do not know how far in the future the day is—perhaps it will never come, and perhaps I am merely a Jules Verne—but if I am given a normal lifetime, I expect to live to see the day when a guided missile will go from one shore to another across the Atlantic Ocean. Do Senators call me a dreamer? Yes; call me that.

I remember when General Marshall came before the Appropriations Committee and asked us to give him \$1,000,000 and said he did not want anyone to ask him what it was for. We gave him the \$1,000,000,000. Years afterwards we learned it was for the atomic bomb. Had he told us he was going to spend this money on atomic fission, on continuing with experiments which many scientists had conducted, we laymen might have said, "General, do you not think you had better buy some tanks and airplanes with that billion dollars?" But one day the war was over, almost that quick, after two bombs had fallen on two great Japanese cities.

When we talk about the aviation we had in the last war, how fast the planes flew, what they accomplished, and so on, we are talking about something of the past. This world has had a complete metamorphosis since that time.

In 1946 I was seated at a table in Japan with General MacArthur. There were air officers there, fine, wonderful men, great heroes, General Kenney, General Whitehead, and others, men who had flown the Pacific, men who had guided air squadrons and destroyed the enemy. Here were these wonderful generals who had been engaged in so many desperate encounters all sitting around the table talking about the great air arm. They discussed what it had done in the war. General MacArthur was silent. He had nothing to say. My eyes were as big as oranges. I was drinking it all in. "Yes," they said, "we were at such and such a place, and here we were carrying on, and did so-and-so, and at another place we did so-and-so." MacArthur nodded his head. "Ah," one of these great generals said, "there is no use talking, the air arm is coming into its own." General MacArthur looked up from his plate and said, "Gentlemen, you are talking about a weapon that will probably be obsolete when the next war breaks out."

Mr. President, what he said is true. Given enough time, these men who are talking and thinking in the realms of the cosmos, who already have confounded all our assertions that they could not do it, are working on ways and means that none of us can clearly discern to exterminate, if necessary, our enemies.

So Mr. President, in the name of national defense, I ask that the authorization for the appropriation be adopted, so that these allies of ours may be strengthened and may be brought up to the point where they will be self-supporting, so that eventually they may share with us some of the burdens of blood, of physical contribution, of natural resources, of money, of wealth, to help keep the peace and order of this world, for otherwise, if they remain poor and weak, we are likely to have to carry them all ourselves, with all that means.

Mr. President, I ask that the amendment be voted down, and after the Appropriations Committee has gone over the matter, if they feel that a 5-percent or a 10-percent reduction is possible, let them bring the bill on the floor and if they make out a good case I shall want to support it. We should not give a dollar that is not necessary to complete this picture. But let us have a thorough examination of it first.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Georgia [Mr. RUSSELL], on page 5, lines 14 and 16.

Mr. VANDENBERG obtained the floor.

Mr. WHERRY. Mr. President, I do not want to be presumptuous, but since the senior Senator from Michigan is about to speak, I wonder if he would yield to me to suggest the absence of a quorum.

The VICE PRESIDENT. Technically the Senator from Michigan cannot yield for that purpose. The Senator from Michigan may surrender the floor temporarily, and the Senator from Nebraska may make the suggestion.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Aiken	Hill	Morse
Bricker	Hoey	Mundt
Capehart	Humphrey	Murray
Chapman	Ives	Neely
Chavez	Jenner	Russell
Connally	Johnson, Tex.	Saltonstall
Donnell	Johnston, S. C.	Sparkman
Douglas	Kem	Taft
Eastland	Kilgore	Taylor
Ellender	Knowland	Thomas, Utah
Ferguson	Langer	Thye
Fulbright	Long	Tydings
Gillette	Lucas	Vandenberg
Green	McCarthy	Wherry
Gurney	McClellan	Williams
Hayden	McMahon	Withers
Hendrickson	Martin	Young
Hickenlooper	Maybank	

The VICE PRESIDENT. Fifty-three Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I think it is an understatement that the general issue involved in the pending bill has been adequately discussed. I wish to bring the debate back, if I can, to the immediately pending amendment. If I can, I wish to do it with a brevity which may precipitate the business of starting to vote as soon as possible. Therefore, since I wish to achieve this latter result particularly, I ask that I be permitted to proceed without interruption, so that I may be sure of not detaining the Senate more than 10 or 12 minutes.

Mr. President, I am always reluctant to disagree with my distinguished friend from Ohio [Mr. TAFT]. I wholly recognize the good faith and able judgment which inspire his proposal, the pending amendment, and the kindred proposals of others.

But in this instance it seems to me that all the equities, all the logic, and all the prudence—I underline the word "prudence"—argue in favor of sending this authorization to the Appropriations Committee in the form recommended by the Foreign Relations Committee, and not in the truncated form in which it would be if the amendment of the Senator from Ohio were adopted.

Let us never forget that, in the final analysis, we here deal with our own national security. Let us never forget that we here deal with an instrumentality of peace which is proving—I repeat, proving—to be the greatest stimulus to independent peoples to grow in their capacity to resist aggression. It is difficult to put any price tag on such an enterprise—although the Soviets have done so for us by their relentless and often hysterical opposition to ECA. I am simply undertaking, Mr. President, to say that we must proceed with solemn care and with maximum precaution when we legislate in this area. It is solely in respect to this question of procedure that I make this brief appeal.

The Foreign Relations Committee very frankly said that it felt that some readjustment in the ECA figures might prove to be justified by changed conditions as demonstrated by intervening events since the estimates were originally prepared. We held open the ultimate appropriation and urged a new and independent scrutiny by the Appropriations Committee as a basis for ultimate and final Senate action.

But I respectfully submit, Mr. President, that this scrutiny by the Appropriations Committee can be neither free nor open if it is prejudiced and circumscribed in advance as proposed by the pending amendment. We of the Senate Foreign Relations Committee have specifically asserted that we do not consider this authorization figure to be automatically "the last word". Indeed, I shall be surprised if ECA itself does not volunteer some changes resulting from changed conditions since the early winter when these figures were made.

I respectfully submit that this candid procedure deserves the Senate's cooperation. The authorization as written in the pending bill, represents the minimums which the ECA believed essential to successful self-help rehabilitation during the second year of the Marshall plan, after a first year which undeniably worked miracles in the winning of what has come to be known as the cold war. In support of the painstaking figures submitted by ECA, let it be said that it is generally conceded that ECA has superlative management which is faithfully reflecting the intentions and attitudes of Congress. Its figures are entitled to comparable respect. It must be conceded that ECA clearly demonstrated that its figures have been scrupulously and expertly screened, and that the figures had already taken heavy cutbacks before they were submitted to our committee. It would be absurd to say the ECA figures are infallible. But it would be equally absurd to say that they do not represent the best advice available to the Senate.

I respectfully submit—I earnestly urge—that ECA has earned the right to this full authorization, in the first instance—and that is all I am talking about at the moment—as the basis for study by the Appropriations Committee. Otherwise an orderly study by the Appropriations Committee is impossible.

I remind Senators that there have been no committee hearings whatever on this amendment or on any of the other proposed horizontal reductions. There has been no committee study of its effects. There has been no opportunity for ECA itself to present its considered opinion as to what a horizontal cut of this magnitude would do to the objectives which this legislation seeks to serve. I spoke a few moments ago about the solemnity of our approaching decision. Surely it is much too solemn to admit of quick judgments on the Senate floor in respect to the very lifeblood of this enterprise.

I submit, Mr. President, that the Appropriations Committee itself is entitled to—and indeed requires—this full original authorization if it is to have a free and adequate chance to give intelligent attention to the problem which ECA will present to it. Otherwise the entire ECA concept is thrown out of gear ahead of time and the Appropriations Committee has no rational take-off point from which to proceed with its analysis, and has left no basic pattern with which to deal. The result is that ECA is asked, at the very outset, to defend what it would believe to be an indefensibly crippled and incompetent budget. Even though this new

and independent audit by the Appropriations Committee might result in a conviction that the total, arbitrary cut proposed by the pending amendment is unjustified—as a matter of sound national economy and security—the committee would be powerless to register this judgment. I submit that we want the unhampered judgment of the Appropriations Committee.

The figures in this authorization are not set figures. They represent a ceiling. We are not asked to authorize \$5,430,000,000 for the next 15 months. We are asked to authorize not to exceed this amount—which, by the way, is \$1,370,000,000 less than ECA asked for its first 15 months. "Not to exceed." Those are words of latitude. They could even describe the figures proposed by the distinguished Senator from Ohio—or any of the other pending amendments.

Now let me say, Mr. President, that I fully agree with Senators who argue that we dare not overcommit our resources. A solvent government, under livable taxes, is our first and indispensable contribution to the hopes of our own people and the people of the world for peace with justice. I shall never consciously violate that principle. In pursuit of this objective, my able friend from Ohio commendably says he intends to apply this same sort of a flat percentage reduction generally to other appropriation bills. I submit that even if such a formula shall, by some happy miracle, be universally applied, its application to ECA ought to be in the same place where it is applied to every other appropriation, which is in the Appropriations Committee itself. Otherwise, it may get a double dose which not even my distinguished friend would approve.

Let me be entirely frank about my own attitude at this point. I have said that I am opposed to arbitrary, horizontal reductions, unrelated to specific realities, in this ECA budget for the next 15 months. That will continue to be my position. But if I should be confronted with actual reductions in other appropriations, comparable to what is proposed by the pending ECA amendment, I must confess that I should find it far more difficult to make my case. Therefore, I submit that even those who may be inclined to sympathize with the pending amendment will find themselves on far firmer ground if they deal with the ultimate appropriation rather than with this authorization.

I have been asked whether the ultimate total of all foreign-aid bills some of which have not yet even been presented—does not have a definite bearing on the amounts which we can safely and wisely assign to each of the segments. My answer is "Yes." But my answer also is that we have no effective way to deal with this over-all problem at the moment here. Clearly the place to deal with it is in the clearing house for all these bills, namely, in the Appropriations Committee.

Mr. President, so far as I am personally concerned, I make no sort of advance commitment that I shall agree with the findings of the Appropriations Committee. But I urge and I welcome its independent scrutiny of ECA on a

basis which allows it a full, free, fair field of action. Serious consideration must be given to the ultimate recommendations of the Senate Appropriations committee, and it certainly will have that consideration from me. I frankly assert that the pending authorization is not untouchable when measured in appropriations, although, in my opinion, it starts with preponderant presumptions in its favor.

I ask my colleagues, Mr. President, to give themselves the advantage of an unhampered double-check through the Appropriations Committee before they determine the ECA appropriation. I ask them to give themselves this protection against error. I ask them to give ECA a fair chance to justify its own persuasive mathematics before this new jury. I ask it because I believe that ECA's able administrators have earned this consideration in return for the splendid and obviously effective job they have thus far done; and because the cost of ECA, if it successfully completes the task it has so ably started, is, even at the full authorization asked, infinitely less than the cost to us if this great western European objective limps or falters or fails.

Mr. President, I hope the pending amendment will be defeated.

MR. MORSE. Mr. President, I wish to make brief comments on two matters in connection with the pending legislation. In order to keep them brief, I shall not yield until I finish my main remarks.

First, I wish to address myself, Mr. President, to the so-called guaranty-clause amendment which has been reported by the committee. In examining the ECA bill as reported from the Foreign Relations Committee, I am impressed with what I consider to be the meaningless character of the proposed amendments to section 111 (b) (3) as set out on page 3 of the bill. It is impossible for me to believe that these amendments proposed by ECA and approved in good faith by the Foreign Relations Committee were intended to help the guaranty clause accomplish its original purpose of providing an avenue for greater participation of private enterprise through the extension of American techniques and know-how of production to the problem of European industrial recovery—giving the impression, Mr. President, that guarantees may still be issued up to the \$300,000,000. But I have ascertained that this is not true, and any Member of the Senate can ascertain that it is not true if he will take the time to read the hearings on this issue that have already taken place before the House. I want to make perfectly clear at this point in my remarks, the purpose of this speech, as far as the legislative record is concerned on the legislation pending before us. It is to be noted that the junior Senator from Oregon is not himself offering any amendments on this point, for what I consider to be good and sufficient reasons from a parliamentary standpoint, because the amendments I favor are already in the House version of the bill. The amendments that I favor have had an adequate hearing on the House side and have been adopted by the House.

In checking through the hearings on the Senate side, I have satisfied myself that adequate consideration of this very important problem has not been given by the Senate committee. I am satisfied also that in view of the lateness of the hour and the pressure for a vote, any proposal on the part of the Senator from Oregon for the adoption in the Senate of the amendments which have already been adopted in the House might result in the defeat of those amendments in the Senate, because I do not believe that it is reasonable to expect the Senate at this late hour to give the kind of consideration that was given to this very important issue on the House side. But this matter is going to conference, Mr. President, and I do not want the record on the Senate side to close with even a presumption that the recommendation of the committee has received anywhere near unanimous support in the Senate. I am satisfied that I speak here today not only for myself but for a considerable group of Senators who believe that this section of the Senate report is not satisfactory, whereas the corresponding handling of the issue on the House side is satisfactory. I hope the protest I am making here this afternoon to the Senate committee's handling of the problem will be of help when the matter goes to conference. I hope that on this issue the conference report will adopt the action taken by the House and reject the Senate committee's recommendation.

The amendment of the Senate committee starts by saying that the guarantees "shall not exceed \$300,000,000," giving the impression that guarantees may still be issued up to \$300,000,000, but I have ascertained that this is not true. Only \$27,700,000 of this sum is committed for guarantees, and none of the balance of the \$300,000,000 is available. This is due to the fact that what we authorized for guarantees was to be deducted from a \$1,000,000,000 loan fund for participating countries. Very naturally the participating countries were reluctant to approve guarantees if they constituted a deduction from their lines of credit. And, of course, that is the position we ought to expect them to take today, if the deduction was to be from their lines of credit. The \$1,000,000,000 loan fund was fully committed, except for \$27,700,000 which ECA appears to have reserved for guarantees.

The proposed amendment perpetuates this competition between guarantees and loans by a further statement which is completely misleading to the Members of the Senate unfamiliar with this clause. The amendment says that—

After the amount of notes sold for the purpose of extending assistance on credit terms (i. e., loans to participating countries) * * * and the amount of guarantees made reach in the aggregate \$1,000,000,000, any further guarantee * * * shall create an obligation against funds appropriated * * * (i. e., grants to participating countries) (p. 3, line 17).

The language is really quite deceptive in that it would lead one to think that there is a possibility of getting guarantees under this amendment, whereas in truth and in fact there is no such possibility. It was fatal to the guarantees to

be placed in competition with participating countries for the \$1,000,000,000 line of credit, and now this amendment not only perpetuates that error of the original act but adds a further and even more fatal competition with funds granted to participating countries. If a participating country would not approve a guaranty because it might reduce its allocation of credit from the \$1,000,000,000 loan authorization, there would be no chance at all for securing approval of a guaranty which would not in any way or to any extent diminish that country's allocation of funds granted from ECA.

Furthermore, it has not been made clear by testimony or otherwise that guarantees in the amount of \$27,700,000 plus the allocation of credits has already exhausted the \$1,000,000,000 limit so that any guaranty in the future would have to come out of grants to participating countries and would therefore not be approved.

The sum and substance of this proposed amendment in the Senate bill completely defeats the purpose of Congress in originally authorizing guarantees in the aggregate amount of \$300,000,000. All of these facts are most certainly well known to ECA but not to the Senate. There is only one possible explanation of sending such a proposal to the Senate, where it was not fully examined before the Foreign Relations Committee. It must have been the purpose of ECA to scuttle the guaranty clause. This is as effectively accomplished by this proposed amendment as it could be by outright repeal which they did not dare suggest in view of the very strong support for this guaranty clause in both Houses of Congress.

I wish therefore to enter the strongest possible objection to the adoption of this clause as proposed by ECA and submitted by the Foreign Relations Committee unquestionably in all good faith and without perceiving the fatal character of the language used.

I am glad to say that the Foreign Affairs Committee of the House in careful and extended hearings threw out this provision in toto and adopted in H. R. 3748 amendments which in my opinion will fully accomplish the original purpose of this guaranty clause by making the authorization for \$300,000,000 in guarantees completely separate and distinct from loans or grants, by expanding the clause to include the conversion of earnings or profits, if any, in addition to the amount of capital invested, to the extent provided by the contract of guaranty approved by the Administrator, and by expansion of the risk coverage to include—not only ordinary business risks, confronted by any industrial enterprise started in the United States, but to include—and this is the heart of it—the extraordinary risks of confiscation, seizure, riot, revolution, or war, or loss of the property forced by any law, ordinance, government regulation or decree which "in the opinion of the Administrator prevents the further transaction of business." These are all risks which are confronted in a world of revolution—risks which lie properly in the realm of our national foreign policy rather than on the level of private business manage-

ment. We must bear in mind that the guaranties are limited to \$300,000,000—a relatively small proportion of the billions we are spending as a part of the calculated risk to preserve our way of life, and besides in the event of a liability accruing to the United States under any guaranty the Government acquires the currency, credits, or assets of the enterprise guaranteed. There will be no such tangible recovery for the billions spent in grants.

With these changes so wisely adopted by the House there is every reason to hope that the unused resources of reconstructive power which are inherent in American private enterprise can be released on the problems of bringing greater industrial production, more goods and more employment in the permanent form to those areas which the Marshall plan was designed to help rehabilitate.

I would say, Mr. President, that I thought one of the purposes of the Marshall plan, the primary one being, of course, to rehabilitate these countries economically, was that production would be reestablished in the recipient countries. I thought another purpose was to demonstrate the desirability of the American system of private enterprise in those liberty-loving countries over the other system which Communist totalitarianism is seeking to foster. But when we cannot adopt a guaranty clause which will protect the investments of private enterprise against the very dangers of revolution themselves, it seems to me it is rather hopeless to expect American investors to do their part by way of private investment in those countries by establishing factories that will bring to Europe the American know-how, the business acumen, and the production methods of America in an endeavor to get those countries back on their feet economically, so they can compete with the Communist ideology. So I say, Mr. President, that those changes, so wisely adopted by the House, offer every reason to hope that the unused resources of reconstructive power which are inherent in American private enterprise can be released on the problems of bringing greater industrial production, more goods, and more employment to those areas which the Marshall plan was designed to help to rehabilitate.

Favorable action on the guaranty clause proposed in the House would be an effective answer to the Communist line in Europe today, which maintains that we are not anxious to establish plants for production because they will compete with the United States.

Mr. President, if I stress nothing else in this speech, I would stress the point that the guaranty clause and the proposals for which I am arguing today—incidentally, proposals recommended by the appropriate committee of the American Bar Association—are proposals which seek to establish in Europe private enterprise production plants which, in the last analysis, will compete in world markets with American plants here at home. So my proposal is not one which seeks to protect the American businessman in any selfish enterprise of his, but rather to spread to Europe the American know-how, the American production

methods, so that on European soil we shall have an economic line of defense against the advance of the communistic ideology.

In the Soviet overseas broadcast from Moscow to North America, on March 28, at 6:20 p. m. eastern standard time, an article from a Dutch Communist paper, *De Waarheid*, was quoted as follows, in respect to the attitude of the ECA representative in Holland:

De Waarheid says that the talks with the Dutch Economic Ministry held with Valentine [ECA representative] about having America provide the needed machinery [to the Netherlands] brought no results, for quite understandable reasons. It is not advantageous for America to have industry develop in the Marshallized countries, because this leads to infringement of the American market.

Of course, Mr. President, I deny—and I think the RECORD is perfectly clear the denial is sound—that we have any such motivation in this country. But that article in the Dutch Communist paper shows the tactics to which communistic propaganda resorts in seeking to twist and falsify the motivations of the Congress of the United States. To combat that type of news propaganda I suggest that we might answer it by seeing to it that a guaranty clause, such as was adopted by the House of Representatives, finally comes back to us in the conference report.

Mr. President, I am not endeavoring to discuss the House amendments individually, in the interest of saving time, but I should like to submit for the RECORD a simplified explanation of them, because this matter, in my judgment, has not had adequate consideration on the Senate side. Therefore I ask unanimous consent to have printed as a part of my remarks, at this point, a summary of the principal changes in the guaranty clause of the revised ECA Act introduced on March 23, 1949, by the chairman of the House Committee on Foreign Affairs.

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

SUMMARY OF PRINCIPAL CHANGES IN THE GUARANTY CLAUSE OF THE REVISED ECA ACT, INTRODUCED ON MARCH 23, 1949, BY CHAIRMAN KEE OF THE COMMITTEE ON FOREIGN AFFAIRS IN THE HOUSE

(Sec. 111 (b) (3), pp. 4, 5, and 6 of H. R. 3748)

1. Inclusion of plant modernization or expansion: The act is amended to make perfectly clear that guarantees could be issued not only for investments in new projects but for expansion or modernization of existing projects. This was done by adding the words, "including expansion, modernization, or development of existing enterprises" (p. 4, lines 5 to 7).

2. Addition of earnings or profits: The original guaranty clause extended only to the conversion into dollars of foreign currency up to the amount of the capital invested. This was a top limit: Earnings and profits could be converted instead of capital, but the total sum of both could not exceed the amount of the original investment. Now, however, it is proposed that both the "amount of dollars invested" and "actual earnings or profits on said project to the extent provided by such guaranty" can be converted (p. 4, lines 15 to 19).

It is contemplated that the Administrator shall determine in the contract of guaranty he executed with each approved applicant

what rate of earnings or profits should be convertible into dollars—in addition to the original investment—under the guaranty. It is recognized, as pointed out in the bar committee report and the writer's testimony before the House Foreign Affairs Committee, that investments in different industries, projects, and enterprises will bear different rates of return or earnings. It is intended by the committee that the Administrator shall take this into consideration in writing each contract, and the committee deliberately left the matter for his determination by saying that the earnings or profits could be recovered to the extent provided by such guaranty.

3. Definition of investment: Great confusion arose under the original act as to what constituted an investment. This has been specified in liberal terms so as to include credit transactions involving capital-goods items and related services. It is understood that this was intended to include long-term loans to finance the exportation of capital equipment in approved cases—as well as more complex investments in approved projects (p. 4, line 22; p. 5, line 2).

4. Expansion of the risk coverage: Previously the guaranty clause only protected an investor in respect to the convertibility of currency. Besides adding earnings and profits to the capital investment heretofore protected in this respect the new guaranty clause proposes also to guarantee the payment of compensation in dollars for loss of all or any part of the approved investment by reason of one or more of the following causes: "(a) Seizure, confiscation, or expropriation, (b) destruction by riot, revolution, or war, (c) any law, ordinance, regulation, decree, or administrative action (other than measures affecting the conversion of currency), which in the opinion of the Administrator prevents the further transaction of the business for which the guaranty was issued" (p. 5, lines 10 to 21).

This expansion of the risk coverage is designed to give reasonable protection to private investors against other phenomena—which are political rather than economic—encountered in a world of revolution, and is designed to remove the obstacles which have thus far prevented the full participation of private enterprise and its production know-how in the task of reconstruction.

The amendment recognizes that certain risks be on the level of national foreign policy rather than in the realm of private risks, but business risks of the ordinary character are not guaranteed.

5. Subrogation of United States: When payment is made by the United States to any of these additional guaranties, all the "currency, credit, or assets on account of which such payment is made" become the property of the United States Government, which is subrogated "to any right, title, claim, or cause of action existing in connection therewith" (p. 5, line 21, to p. 6, line 3).

The provision for subrogation of the United States is to be construed with section 115 of the act, which provides that all participating countries shall submit to the jurisdiction of the International Court—which all have agreed to do in the bilateral agreements—in any case "espoused by the United States" on behalf of any of its nationals claiming compensation or damages. When the United States Government has paid, pursuant to its guaranty of one or more of the above risks, it may pursue the claim itself in the country where the loss occurred. There is not room here to develop all the implications of this provision—its importance as a substitute for battleship diplomacy, for instance—but at least it is clear that the party having the guaranty would be relieved of years of diplomatic negotiations and possible futile litigation in the event of a loss.

6. Revolving fund where guaranty discharged: Under the old clause, if a guaranty

had once been approved it would constitute a deduction from the \$300,000,000 authorized for guaranties—even though the guaranty might never be paid by the United States and might be abandoned or discharged for reasons which resulted in no liability to the United States. The present amendment, therefore, provides that any funds allocated to a guaranty and remaining after all liability to the United States "has been released, discharged, or otherwise terminated," shall be available for allocation to other guaranties (p. 6, lines 7 to 11).

7. Separation of guaranties from loans and grants: A fatal error in the previous guaranty clause was that it treated the \$300,000,000 authorized for guaranties as a deduction from the \$1,000,000,000 authorized for loans, so that a participating country, considering whether or not it should approve a guaranty, would have to weigh the possibility of a corresponding reduction in its own credit line. Every guaranty reduced the loan funds pro tanto, and no country could tell with certainty whether or not the approved guaranty might be deducted from its own share of the \$1,000,000,000 authorization. Under the amendment as adopted by the House Foreign Affairs Committee, the amount authorized for guaranties would not be increased and is stated to be in the aggregate of \$300,000,000 (less any amount allocated prior to April 3, 1949, for such purposes, which according to recent estimates cannot exceed \$27,700,000). However, the guaranty authorization would be separate and distinct from loans or grants so that there could not be the competition between applicants for guaranties and the participating countries which must approve those guaranties (p. 6, lines 5, 6, and 15 to 23).

Mr. MORSE. Mr. President, I ask unanimous consent that there may be printed at this point, as a part of my remarks, two editorials appearing in the *Journal of Commerce*, one of them on the subject of foreign investment guaranties, and the other entitled "A Real Chance"; both editorials, Mr. President, being in the form of strong support of the major arguments which I have advanced in this brief statement on the subject this afternoon.

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

[From the *New York Journal of Commerce* of March 22, 1949]

FOREIGN INVESTMENT GUARANTIES

The House Foreign Affairs Committee has paved the way for increased participation of private American capital in the economic reconstruction of western Europe.

It has proposed, in a formal amendment to the ECA Act, changes in the so-called ECA guaranty clause which, if enacted by Congress, would promise to break the complete log jam that thus far has blocked American private investments in western Europe under the Marshall plan.

But ever more, in taking the leadership in this question, the House Foreign Affairs Committee has focused public attention on the fact that, without the existence of adequate guaranties for private American investments in foreign countries, President Truman's (point 4) program of American assistance in the development of economically backward areas will never get past the blueprint stage.

The ECA guaranty clause, as developed by the House Foreign Affairs Committee through close cooperation among the old-timers on the committee and its new members as well as among Democrats and Republicans, may not be the final answer for the economic implementation of the President's point 4 program; but by opening

the way for free-enterprise participation in western Europe's reconstruction, it will at the same time bring the vast dependencies of Great Britain, France, Belgium, and Holland under its scope and thus serve as a laboratory, or as sort of a pilot plant, for the ultimate extension of the President's program to other parts of the world.

This newspaper hopes that the full House as well as the Senate will accept the House-proposed changes in the ECA guaranty clause—formalized over the week-end as the so-called Ribicoff amendment to the ECA Act—and that the administration itself will use its influence to push for the adoption and the quick practical application of these changes.

The proposed changes in the ECA guaranty clause are based on the realization that American companies must be protected against all foreign losses that do not stem from an ineffective operation of their foreign investments and that they must be able to convert not only their original investments but also the profits on these investments back into American dollars.

But, in addition, the Ribicoff amendment realizes that foreign governments, in turn, will be reluctant to approve American private investments within their boundaries as long as they know that this would cut into the funds which otherwise would be available to them directly either as ECA loans or grants.

That is why under this amendment a guaranty fund of \$300,000,000 would be set up completely outside the appropriations for ECA loans or grants. The guaranty behind these investments would be a contingent liability as far as the Treasury is concerned. In subsequent years, though not immediately, it may actually prove possible to cut ECA appropriations once the new guaranty mechanism has proven its worth.

The proposed broadening of the risk protection would meet all requirements. The conversion would cover profits, as well as the original investments. Political risks against which American companies investing in ECA countries are to be protected would include seizure, confiscation, destruction by a foreign government, riots, revolution, war and forced abandonment as the result of discriminatory regulations of a foreign government.

The inclusion of war damages even exceeds the scope of the coverage which had been suggested by proponents of the changes in the guaranty clause.

While ECA officials still do not seem particularly keen to take over administration of such a revised guaranty clause, this should not induce Congress to separate the private investment guaranty from ECA and to postpone its application until a complete system of private investment guarantees under the President's point 4 program can be worked out.

Such a decision would involve a considerable delay in the recruiting of American capital and know-how in the economic reconstruction abroad and would needlessly sacrifice a number of instrumentalities already available for this purpose.

There is every reason to speed up rather than delay the economic development of the vast dependencies of Great Britain, France, Belgium, and Holland because, by opening up the rich raw-material sources of these countries, our strategic stock-piling policy would receive an important boost.

Moreover, the Marshall-plan countries already have signed bilateral agreements with the United States which guarantee American contracts and concessions and in which these countries, as well as the United States, have agreed to submit to the jurisdiction of the International Court all cases espoused by the United States for her nationals for compensation and damages.

These bilateral agreements would have to be renegotiated all over again if the private-

investment guaranty were to be divorced from ECA. That, of course, would result in long delays.

It is for these reasons that this newspaper favors immediate enactment of an improved guaranty clause as part of this year's amendments to the ECA Act.

[From the New York Journal of Commerce of March 11, 1949]

A REAL CHANCE

One of the most important decisions Congress will have to make before the program for the second ECA year is formalized, is whether or not private enterprise is to be given a real chance to cooperate in the economic reconstruction of western Europe.

This decision involves the so-called guaranty clause of the ECA Act which, as the law now stands, is the provision whereby private investments abroad of an approved character are given a Government guaranty assuring the convertibility of currency into dollars to the extent of the amount of dollars invested in the foreign country. No other risks are assumed by the Government in connection with these guaranteed investments at present.

This guaranty mechanism has been a complete failure to date and if the amendments to the Economic Cooperation Act of 1948, as spelled out in the House bill No. 2362 (introduced by the late Representative Bloom, on February 7, 1949), are all the changes the administration wants made in the act at this time, the guaranty clause may as well be written off as a useful instrument of western European reconstruction for another year.

That was clearly brought out in a recent hearing of the House Committee on Foreign Affairs in which Norman M. Littell, former Assistant Attorney General and now a practicing lawyer in Washington, D. C., as well as chairman of the Foreign Economic Cooperation Committee of the American Bar Association, and Roy W. Gifford, chairman of the board of the Borg-Warner International Corp., testified.

ECA itself apparently is quite ready to give up the guaranty provision as a useless gesture—at least for the present time. Representative Vorys, one of the committee members, stated at these ECA hearings that the committee had been "told by ECA that there are simply no takers, and we have been told there would be no takers, even if the guaranty provision was made more attractive." He also revealed that "ECA officials are reluctant to continue in the guaranty field and would be quite happy, I think, to have that and the loan provisions handled by others."

Mr. Littell went a step further and accused ECA of having "agreed on a policy line to negate this participation of private enterprise through the guaranty clause in the recovery program of Europe because they are afraid that if they introduce principles such as I have suggested here and which we have approved in the bar report for improving and increasing the guaranty clause to \$1,000,000 that Congress will promptly deduct \$1,000,000,000 from the other appropriations for the Marshall plan."

Both Mr. Littell and Mr. Gifford are convinced that properly encouraged, a large number of American enterprises would be quite willing to take an active part in western Europe's reconstruction. We believe that a great many businessmen and bankers share this view.

There is general agreement, however, that without the proper construction of the guaranty mechanism nothing can be accomplished. Moreover, by the same token, the President's new bold program—as outlined in point 4 of his inaugural address—also will be doomed to failure from the start unless we succeed in developing a satisfactory mechanism for the protection of American capital in foreign countries. This adds considerable weight to the problem now before Congress.

A number of proposals have already been made which are designed to make the guaranty provision more effective. Among these are (1) the recommendation to permit conversion not only of the original investment but of interest and profits as well; (2) the extension of the risk coverage to losses caused (a) by seizure, confiscation, or destruction by a foreign government; (b) by riots or revolution, or (c) through forced abandonment as a result of discriminatory policies of a foreign government, such as the establishment of a state monopoly; (3) the encouragement of short-term investments as well as of long-range projects; this to be accomplished by an increase in the guaranty authorization from the present \$300,000,000 to \$1,000,000,000 and definition of the word "investment" to include any loan of 6 months or more; and (4) an extension of the guaranty of long-term projects beyond the present 1962 deadline.

These are refinements in the guaranty clause without which it will be impossible to induce American capital to seek employment abroad under current world conditions.

But even their adoption still would not open the road for any impressive increase in western European investments by American companies. Something else will have to be done simultaneously.

As long as the guaranty fund remains in direct competition with ECA funds available for loans to foreign governments or grants, foreign governments will, of course, be very reluctant to approve investments by private industry because such ventures will cut directly into the funds they can obtain directly for their own uses.

As the law now stands, it is wrong to imply that investment guarantees could have been issued up to an amount of \$300,000,000. These guarantees would have to come out of the \$1,000,000,000 loan fund established last year and this loan fund actually has been allocated for other purposes—with the exception of a piddling \$27,700,000 which actually has been set aside for guarantees.

This factor has been widely overlooked to date. It is Mr. Littell's chief argument for a change in the present ECA set-up. The guaranty fund must be increased and set up independently from other ECA funds. Otherwise the whole scheme will remain stagnant.

Maybe the best way to resolve the present stalemate is to divide ECA into two separate units, as Borg-Warner's Mr. Gifford has suggested. Such a step would, of course, first require establishment of a new policy by Congress.

It is not too late to do that this year. We do not doubt that Congress ultimately will provide for a better protection of American capital abroad. Then, why not do it quickly?

We would like to see this done this year—and we believe the administration should ask Norman M. Littell to take over the direction of such a new policy, if he is available for the return to a Government job.

Mr. MORSE. Now, Mr. President, I want briefly to call attention to statements made by our committee in its report, starting on page 9:

15. GUARANTIES OF CONVERTIBILITY

Sec. 6 (b). The committee considered several proposals, including those made by the American Bar Association, to alter the provisions of the basic act authorizing the Administrator to guarantee the convertibility into dollars of foreign currency secured from new American investments in participating countries.

I most respectfully say, Mr. President, that the consideration which the committee gave to these proposals, as shown, at least, by the written record, was a very cursory consideration. The record fails to show that anything approaching the

very thorough and careful hearing on the subject as was given on the House side was indulged in by the Senate committee. I want to say further, Mr. President, that when a committee of an organization such as the American Bar Association, composed of men learned in these foreign-relations problems with respect to investments, prepare as careful a study as that which the committee has prepared on the subject, I think more careful and thorough consideration to the report should have been given than the written record indicates that the Senate Foreign Relations Committee gave to the American Bar Association's recommendation.

I stand here today, Mr. President, endorsing the American Bar Association's recommendations on this point as being superior to the recommendation of the Senate Committee on Foreign Relations. They are recommendations which, on the House side, were found to be exceedingly meritorious, and the principles thereof were adopted by the House committee and approved by the House.

Our committee continues to say:

Three questions were presented by these proposals:

- (1) Should the terms of the guarantees be broadened?
- (2) Should part of the ECA appropriation be earmarked for the sole purpose of making guarantees?
- (3) Should a separate fund, additional to the ECA appropriation be provided for this purpose?

The committee felt that, insofar as the ECA countries were concerned, broadening the terms of the guarantees would not result in substantial amounts of increased investments unless the guaranty was made so broad that, in fact, this Government would assume most of the risks which private capital should be expected to carry.

I enter for the RECORD a categorical denial of the soundness of that conclusion of the committee. I say that conclusion of the committee itself represents a confession on the part of the committee that it has not studied in detail the recommendation of the American Bar Association committee. Had it done so, it would not have reached that conclusion, which I consider and believe to be a highly fallacious one.

Next the committee says:

The proposal to earmark a certain part of the ECA appropriation for the sole purpose of making guarantees would, in the opinion of the committee, jeopardize the program. If private investors did not come forward promptly with projects of the right type at the right time the effect would be that the segregated funds, which are urgently needed in the coming year, would be used ineffectively or would be immobilized and not be used at all.

I merely say that the committee fails to point out that the Administrator of ECA has jurisdiction and power to prevent any such result as that which the committee here sets forth as necessarily following from adoption of the bar committee's proposal. I deny the statement. I say that the statement itself shows that the committee has not given careful consideration to the guarantee clause proposal of the American Bar Association committee.

I read further:

As to the proposal to set up a separate fund additional to the ECA appropriation, the committee noted that there is currently under way a study of the desirability of developing a program of promoting American investments abroad on a world-wide basis. It is understood that recommendations will shortly be made to the Congress by the executive branch with respect to such a program.

Mr. President, that is a common parliamentary tactic. We find on the fringes that some study is being made of some issue, and use that as an excuse for not meeting it head-on directly. We pass the buck to some future recommendation which some time may be made, some recommendation which may come out of that study.

I say that here we have an opportunity, in a small way, to effectuate and implement and put into practice some of the recommendations in the President's inaugural speech in regard to the economic part he thinks America should play in the world economy, and to put it into effect under the type of control, under the type of check, under the type of administration, that would demonstrate to the world the superiority of the American enterprise system over any of the socialistic or totalitarian schemes which are competing for men's minds today.

I merely say that that paragraph of the committee's report represents a passing of the buck, that the issue should be faced as the House faced it. The House version would establish a policy with respect to the guaranty clause which in my judgment would be a great contribution to the economy of Europe, in the way of demonstrating by actual practice the superiority of the American system over any of the phases of totalitarian economic forms which are seeking the approval of the people of Europe.

I am disappointed that our Foreign Relations Committee came back with a paragraph in its report which is subject to the fair criticism that they ran away from the problem rather than face it. The report proceeds to say:

The committee is disappointed that the guaranty program has not been more productive but hopes that, as recovery proceeds and stability develops further, American risk capital will increasingly seek investment opportunities in Europe.

That is a pious wish, but the fact remains that the amendment itself continues the same causes which to date have been responsible for the failure of the guaranty clause. It interferes, as it is now written, with the lines of credit, with the \$1,000,000,000 loan provision. The recipient countries are not going to proceed under the guaranty clause, or ask to have the guaranty clause put into operation, if it means that thereby they will cut down their lines of credit. That is understandable, and instead of correcting that as the House has done, the Foreign Relations Committee of the Senate continued with the very system which has produced the result which causes the committee to express its disappointment in the words, "the committee is disappointed that the guaranty program has not been more productive but hopes that, as recovery proceeds and stability develops further, American

risk capital will increasingly seek investment opportunities in Europe."

I say that the committee should not have indulged in such a pious wish. It should have done something about correcting the causes which have resulted in the fact that the guaranty program has not been more productive.

Then the committee says, lastly:

At the present time guarantees can be made only from the \$1,000,000,000 public-debt funds provided for in the original act. Only about \$20,000,000 of these funds remain available. The amendment proposed in section 6 (b) of the present bill would authorize the continuation of the guaranty program with appropriated funds after this \$20,000,000 has been exhausted.

I respectfully say, Mr. President, that on the basis of those statistics the committee is wrong in its facts, and we have to go only to the hearings on the House side to see how wrong they are, as I pointed out in my main remarks.

I close this part of my speech by saying that I have made these remarks because I wanted the RECORD on the Senate side to show that even though the pending bill may pass with the committee's amendment in it, it did not pass without objections being raised on the floor of the Senate. I hope that when the bill goes to conference the position taken by the House of Representatives on this matter will prevail. I think the Committee on Foreign Relations has failed us on this point by not coming forward with an amendment which really would correct the trouble the committee deplored when it said, "The committee is disappointed that the guaranty program has not been more productive."

I think the committee should do something about it by coming forward with an amendment such as that recommended by the American Bar Association committee, so as to establish in Europe clear examples of the superiority of the private enterprise system over any form of socialistic enterprise.

Mr. President, I am not one who takes the position, as I think some during this debate have done, that we should tell the recipient countries in Europe whether or not they should follow a socialistic course of action in respect to some particular industry. That is their business, not ours. I repeat what some have heard me say before—so long as the free ballot exists, so long as the people of those countries have the right of self-determination, so long as they can walk into a secret voting booth and decide for themselves whether, as in England, for instance, they wish to nationalize their transportation system, that is their business, and not ours. In this country I would oppose such reforms in our economy, but the fight in the world today is not a fight as to how freedom-loving people in the recipient countries shall operate their economy. The fight is whether or not their freedom shall be preserved.

Thus I say, Mr. President, that under such a guaranty clause as I am arguing for here today, and as the House has adopted, we have an opportunity to demonstrate to the peoples of the participating countries the superiority of our private enterprise system over the various

proposals which have been made and will in the future be made to nationalize or socialize some of their industries.

Mr. President, I turn for just a few minutes to an entirely different issue, quite independent of the one on which I have just spoken. I turn to the question of the Brewster amendment, in regard to whether or not we should grant ECA funds to the Dutch Government so long as it stands openly and notoriously in violation of the rights of free men in Indonesia, and in violation of the clear findings of agencies of the United Nations in respect to the merits of the Dutch and Indonesian issue.

I know, Mr. President, that some of my friends on the Democratic side of the aisle find themselves somewhat embarrassed because at least up until this hour the principal defense on this great issue of human liberty has come from the Republican side of the aisle. I have differed with the Senator from Maine, as the RECORD shows, on some issues, but I want to say that on this issue I stand shoulder to shoulder with him. It is pure hypocrisy for our Government to represent to the peoples of the world that we stand behind the human-rights section of the United Nations Charter; that we stand for the protection of free people who are making a fight for liberty, and then countenance the conduct of the Dutch Government in respect to Indonesia.

The Indonesians are the only people in that part of the world, who, up to this hour, have made a successful fight against Russian communism within their borders. Having made that fight, which will go down in the pages of modern history as an heroic fight for freedom, we now apparently find the United States Government aiding the Dutch Government in its insistence upon the right further to exploit the Indonesians.

Mr. President, I am as equally opposed to the exploiting methods of imperialism as I am to communism. I am as much opposed to the imperialistic exploitation of the Dutch in Indonesia as I am to Russian communism or Hitler fascism, because Dutch imperialism in Indonesia tramples the freedom and the liberties and the rights of people as much as do communism or Hitlerism.

Mr. President, I say the time has come to make perfectly clear to the Dutch Government that there are at least a few of us in the Senate of the United States who are not going to sanction the conduct of the Dutch Government in Indonesia.

I think it is also clear that the time has come when we should make it known that there are at least a few of us in the Senate of the United States who are not going to become parties to any proposed amendment which rests upon the basis of either political strategy or political expediency.

Mr. President, we cannot honestly face those millions of peoples in the world who are today raising questions as to whether or not we mean it when we say we are ready to stand as the protector of the people who are willing to resist aggression upon the liberties and the freedoms of people who oppose the advance of totalitarian government.

I say that if we have any partnership under ECA with a government such as the present Dutch Government, that is willing to exploit the Indonesians, and at the same time say that "unless our program is sanctioned or unless the funds under ECA are made available to us we will not cooperate in this world endeavor to protect freedom," the sooner we find that out the better.

Mr. President, I understand the proposed substitute for the Brewster amendment that is being formulated, at least in the minds of some of my Democratic friends in the Senate—and it has reached the point that at least the recipe, the ingredients, have been put on paper—contain such language as this:

(3) The provision of such assistance would be inconsistent with the obligations of the United Nations under the Charter of the United Nations to refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

My answer now, in advance of the introduction of any such amendment, Mr. President, is that it is not worth the paper on which it is written. It is a subterfuge. It is a face-saver. I suspect it is motivated by some regret that the Democrats themselves were not the first leaders in this fight to protect the right of the Indonesians to be free from the exploiting practices of the Dutch Government. In that sad country we see imperialistic exploitation at its worst. So the amendment is not worth the paper on which it is written, because in the last analysis it plays right into the hands of the Russian veto power on the Security Council.

Let us not fool ourselves about that, and let us not be guilty of misleading the American public as to the true meaning and effect of any such proposed amendment.

Well, it is argued that to follow the Brewster amendment would be to follow a unilateral course of action. Why, Mr. President, we have followed unilateral courses of action in these matters in a great many instances. In fact, the cutting off of the \$15,000,000 of ECA funds to Indonesia itself, as far as giving the Dutch any right to those funds in Indonesia, was a unilateral action. If the action was justified in that case, if it was proper to act unilaterally in that instance, I know of no logical premise for arguing that we are not justified in taking unilateral action against the Dutch Government in respect to the totality of its grants under ECA unless it changes its course of action in Indonesia.

Certainly we have the right, I insist, to say to the Dutch Government, "We cannot give assistance as long as you maintain a record of trampling underfoot the freedom of liberty-loving people."

Our selection of countries to receive ECA aid and exports—and I am not disputing the desirability of the exercise of such choice—constitutes unilateral action.

The truth of the matter is, and let us be frank about it, that the Indonesian case is a "hot potato." There are strong economic forces at work in America and

abroad that want us to follow a wrist-slapping course of action in regard to the Dutch, making a paper record of pretense against their exploiting of the liberty-loving people of Indonesia, but at the same time knowing that all it is is a gesture of reprimand against the Dutch, knowing full well that in the last analysis we will give them their full funds under ECA.

I say, Mr. President, that if our Government does that we are guilty of aiding and abetting a nation that has a black record, a disgraceful record in Indonesia insofar as living up to the principles of the United Nations Charter themselves is concerned.

We cannot have a strong world organization through the United Nations if we, as a member of that body, aid and abet a nation which stands in disgraceful violation of the ideals and the objectives of the Charter of that organization.

Therefore, Mr. President, I say to my Democratic friends that I am not going to support what I understand will be their substitute amendment, because on its merits it does not deserve support. I shall support and vote for the Brewster amendment.

Mr. MARTIN. Mr. President, the outcome of these deliberations and the course we take in related matters may be the deciding factors between national solvency and national bankruptcy.

Therefore, in my opinion, it is incumbent upon us to weigh carefully and consider thoroughly the implications contained in the measure before us.

It should be tested in the light of the whole financial structure that has been erected in years of mounting debt, increasing taxation, and overgrown spending.

No thinking American could fail to be deeply impressed by the masterful presentation of the situation by the distinguished chairman of the Finance Committee [Mr. GEORGE] when he asserted that we must cut down expenditures or we must increase taxes. He warned that if taxes are increased we shall face the grave danger of a depression in 1949.

Mr. President, at a time when the American people are burdened with a national debt of almost \$252,000,000,000 we are not justified in regarding as sacred any item in the budget, with two exceptions.

One is the interest on the national debt, and the other is our solemn obligation to the disabled veterans and the dependents of those who made the supreme sacrifice.

I recognize the vital importance of national defense. For a whole lifetime I have been one of the strongest advocates of a national defense program that would give us military, naval, and air superiority over any nation that would dare attack our national sovereignty.

But at this time I insist that careful scrutiny be given to every proposal for expanded expenditures—even for defense purposes—in order to make certain that we do not spend beyond our capacity. The same care must be exer-

cised in considering every proposal that would increase the cost of Government.

I have favored social welfare advancement that would benefit all the people. Nevertheless, under no circumstances would I agree to go beyond our financial ability to attain these objectives, no matter how deserving or how desirable.

I have recognized the value of many reclamation proposals, conservation programs, and other public-works projects, but I submit that in this period we must curtail every project that is not of immediate necessity and which would add unnecessarily to the taxpayers' burden. I have consistently subscribed to the principle that payment for such projects should be made from current funds. Otherwise we would be forced into deficit financing.

The only alternative is increased taxation. I am convinced that higher taxes at this time would be detrimental to the public interest. Nevertheless, I would support higher taxes in preference to the enactment of legislation that would result in deficit financing.

Let me make it perfectly clear that throughout my public life I have supported progressive legislation. I do not say that any of the essential functions of Government should be curtailed, but I do say that we should advance in accordance with honest principles and sound fiscal policies. Furthermore, we must remain within the limits of our ability to pay without danger to the over-all national economy.

Let me illustrate. During the 4 years that I had the honor of serving as Governor of Pennsylvania I recommended and was supported by our State legislature in a progressive program based on sound fiscal policies and within the limits of our means on a pay-as-you-go basis.

We enacted into law a comprehensive program of conservation, stream purification, flood control, and reforestation. We expanded and improved the State highway system. We assisted local communities in airport construction. Our educational system was strengthened by giving more aid to financially handicapped school districts and by increasing compensation to teachers. We enacted into law provisions for a compulsory, thorough, and periodic physical examination of every child of school age in the Commonwealth.

We expanded recreational parks. We inaugurated a program to modernize our mental and penal institutions. We established health clinics and provided funds for cancer research.

Workmen's compensation, unemployment insurance, and occupational-disease laws were liberalized and benefits increased. A second injury fund was established for the first time so as to return handicapped workers to gainful employment. Our health and safety laws were enlarged and strengthened in order to protect our workers.

We established the best system of blind pensions in the United States. We increased old-age-assistance grants; also grants for dependent children and for direct relief.

Legislation was enacted to regulate strip mining so that land so utilized would be restored to useful purposes.

Large sums of money were appropriated by the legislature to carry out these worthy objectives. The point that I want to make is that despite increased appropriations for these various programs carried on in Pennsylvania, State taxes were reduced during the 4-year period by \$322,900,000. We did not borrow one cent or increase the bonded indebtedness of our State. Instead, we reduced the State debt \$79,784,000 and left Pennsylvania with a net debt of only \$44,642,000.

That was progressive legislation based upon honest principles, sound fiscal policies, and within the limits of our ability to pay. It is the application of these principles that I am appealing for today in the fiscal policies of our Federal Government.

Mr. President, I bring these matters to the attention of the Senate because it is our responsibility to place before the American people the full facts of our financial condition so that they can judge with some degree of accuracy how much aid we can give to other nations without endangering the safety and security of our own people.

It is not my purpose to question the value of continuing the assistance we are giving to the nations of western Europe. I am sure the American people strongly desire to restore the free people of Europe to economic stability and to build up their resistance against domination by communism. We want to help them get back on their feet, but in so doing we do not want to destroy the economic strength of America. We do not want to bankrupt ourselves. The most solemn warning that can be sounded in America today is a warning against the rapidly increasing cost of government.

The distinguished Administrator of the Economic Cooperation Administration, Hon. Paul G. Hoffman, in submitting his recent report stated:

The Congress and the American people, before deciding to assume the heavy burden of continuing this undertaking, should have full evidence assuring them that it deserves their support.

Mr. Hoffman is right. But, Mr. President, I contend that the American people are entitled to more than that. They should have not only full evidence that the European recovery program is deserving of support, but they should also have full, complete, and convincing evidence that they can afford it. At least they should have some guidance as to how much they can afford to spend without danger to their own well-being.

Mr. Hoffman's report gives a glowing recital of progress—splendid progress—toward recovery in western Europe. "The economic recovery achieved in 1948 is impressive," he states; and, pointing to one outstanding achievement, he reports as follows:

The British budget has been brought into balance and the importance of this accomplishment cannot be overemphasized.

I do not mean to minimize the importance of balancing the British budget, but it is my earnest hope that from this day forward we will have equal success in keeping our own budget balanced. That is so much more important.

Mr. President, a little less than 2 years ago we had before us a proposal from the President of the United States for the expenditure of \$400,000,000 for aid to Greece and Turkey. I supported that proposal, with the warning that we must make a survey and inventory of our financial condition and we must determine whether we were willing to make the necessary sacrifices.

At that time I said:

The people of the United States and the Congress of the United States should be told the facts. They should be advised that they cannot burn the candle at both ends, or we shall find ourselves tomorrow where Britain finds itself today.

Our people must learn that there is a bottom even to the American pocket. I hope we shall not have to learn it the hard way, as the British did.

Our people must be told without equivocation and without deceit that if they spend abroad, they must pinch at home. I understand I am saying things that many people do not like to hear. Perhaps many will resent my saying these things.

However, I am not engaged in a popularity contest. I am after facts. I am gravely concerned, just as all other Senators are, about the future of America.

Our people must be made to understand that if we build that barrier of gold in Greece and Turkey and Korea and elsewhere, we cannot spend the same money twice—we cannot use it to buy comforts and luxuries for our homes.

Our people must realize that they cannot expect new and expanded services from Washington.

Our people must be made to understand that it will be necessary to cut, and cut sharply, into Federal services which have been built up in the past 15 years. They must be told now that sacrifices will be in order on the home front.

A year ago I vigorously supported the Economic Cooperation Act and urged its immediate enactment. I took occasion at that time to repeat the warning that its tremendous cost would demand the strictest economy at home.

At that time I said:

The United States is a rich and powerful Nation. But there is a limit to our resources. As our national defense and foreign obligations rise, frugality should be the watchword on the home front. * * *

We must eliminate every frill, every proposal for new Federal services which cost the taxpayers money.

Every project not immediately necessary should be either postponed or wiped out.

The cost of Government functions must be stripped to the bone, and the lobbyists and pressure groups and their pet projects should be booted out of the door.

We must remain solvent. We must be strong physically and spiritually if we are to meet the challenge that America must meet today.

In addressing the Senate at that time, I obtained unanimous consent to insert as part of my remarks a speech which I delivered a few days earlier before the Philadelphia Bulletin Forum. In the course of that address, I again sounded the warning, in these words:

The people who pay the bills must know the value of their freedom and must be prepared to pay the price.

They must insist upon the elimination of new Government services and projects that eat up the money they pay in taxes. The people must know that we cannot spend the

same money twice. If we spend it for preparedness we cannot afford an ever-increasing bureaucracy, swollen pay rolls, and expanded Federal functions on the home front.

The people must choose between liberty and independence and expensive governmental embroidery. If we love freedom we must be willing to forego the high-priced frills that have become part of our Federal system. We must insist that all projects not immediately necessary be eliminated or postponed.

It means paring to the bone the cost of every governmental function. It means that money expended, even for necessary functions, must be utilized to the maximum value of every dollar. It means that the lobbyists and pressure groups must be denied their pet projects.

Only by the strictest economy can we provide the necessary funds to insure ourselves against tyranny and aggression.

The Communists would like to see us in financial collapse, debt ridden, and bankrupt. That is the soil in which the seed of communism thrives.

Those who advocate unlimited spending are unwittingly giving aid and comfort to the forces that would destroy our freedom.

Yet, in the face of an uncertain future and the necessity for huge expenditures for peace and preparedness the administration in Washington has come forward with the most expensive proposals.

They would add billions of dollars to the cost of government here in America.

Whether we like it or not, this is the time for Spartan courage and sacrifice. We must keep America dynamic and solvent.

Mr. President, other Members of this body have sounded similar warnings, but these warnings have gone unheeded. The people of the United States should give a vote of thanks to the Senator from Virginia [Mr. BYRD] for the work he has done in calling the attention of the people to our reckless spending. Now we find every level of government in nearly every section of our country reaching out for higher taxes and new areas of taxation. States, counties, cities, townships, districts, and boroughs are all reaching into the pockets of the taxpayers in order to provide money for increased spending.

Unless we check the tendency in that direction one thing is certain—we will go broke. The free enterprise plan of America will be destroyed.

Mr. President, if through such reckless extravagance we fail to keep our own economy sound, how can we expect to continue our aid to other nations? That is why I appeal to every legislative body in the land to put the brakes on spending; to place economy and prudence foremost in their objectives; to give encouragement to productive enterprise; and to aid in every way in maintaining our national income at a high level.

Unfortunately, we have witnessed in the last two decades a change in the whole thinking of millions of our people. They have been misled by false promises into believing that hard work and thrift are outmoded virtues. They have been taught that government is the source of everything that is needed to make life comfortable and secure.

Mr. President, no more dangerous theory has ever threatened our national existence. The tragic fact remains that the trend toward a socialistic form of government is interwoven with the false notion that government is better able to do things for the people than they can

do for themselves. Too many of our people have accepted the idea that governments, State and national, have inexhaustible sources of revenue. They seem to think that money spent by the Government does not cost the individual citizen anything. The result has been a mad scramble for higher taxes all over our country. New ways and means of increasing taxation are being devised in order to provide funds for bigger Government spending.

Every level of Government is involved in this move to dig deeper and deeper into the pockets of the wage earner and into the resources of business and productive industry. Tax and tax, spend and spend, has become the slogan in so many places all over the Nation. The statistics of the rapid increase in the cost of Government and the heavily increased burden of taxation and debt reveal one of the most shocking stories in American history.

It is not my purpose, Mr. President, to give a recital of all the figures, but I should like to point out some of the things that indicate clearly how dangerous the present tendency has become.

In 1930 the cost of operating the Federal Government was less than \$4,000,000,000. Ten years later it had more than doubled, to \$9,000,000,000. Our current bill for Federal Government is more than \$42,000,000,000 a year.

In 1940, only 8 years ago, tax collections for all levels of Government were only \$14,000,000,000. That was nearly 19 percent of the national income, or \$109 for every man, woman, and child in the United States.

In 1948, the total tax collections had skyrocketed to above \$55,000,000,000, better than 26 percent of the national income, or \$377 for each individual.

Every time \$1,000,000,000 was added to the cost of Government, the tax bill went up \$7 for every person in the United States, or \$28 for the average family of four.

Spending by the Federal Government alone is now greater than all the money spent for food by all the people of all the 48 States.

Let us now consider the debt which must be paid.

In 1930, the Federal debt was only \$16,000,000,000. In 1940 it had climbed to nearly \$43,000,000,000, and today we owe approximately \$252,000,000,000. That is about \$1,800 per capita, or \$7,500 for the average family. In other words, the Federal Government owes—listen, Mr. President—\$15, for every dollar it owed 18 years ago.

Let us look at the debt from another angle: In 1930, the total debt of all levels of Government, plus the private debt, was \$188,000,000,000. That was 44 percent of the national wealth, which then amounted to \$428,000,000,000.

Mr. President, I hope all Senators will listen to this: Today the same public and private debt has shot up to almost \$444,000,000,000, or 71 percent of the present national wealth of \$620,000,000,000. Mr. President, let me repeat those figures. In 1930 the public and private debt was 44 percent of the national wealth. Today, the public and private debt is 71 percent of our present national wealth.

Is it not plainly evident that at the rate we are going, it will not be long before the debt of our country will be greater than our entire national wealth?

We all know what happens to a corporation when its debts exceed its assets.

With the expansion of big government, the number of civilian employees has increased from about 600,000 in 1930 to approximately 2,200,000 today.

In 1930 there were less than 500 separate units in the Federal Government. Today there are more than 1,800 boards, bureaus, divisions, agencies, and commissions.

With these horrifying figures before us, let us look ahead and see what there is in store for us.

The budget offered by President Truman calls for the expenditure of nearly \$42,000,000,000 during the next fiscal year. He has asked Congress to approve and to provide the funds for 15 new domestic programs to be financed out of general tax funds. In addition, he has asked for three new or expanded so-called social-welfare programs to be financed by pay-roll deductions.

He has proposed that an additional load of \$4,000,000,000 be added to the tax burden of our people.

It must be remembered, however, that many of these new spending proposals are of the foot-in-the-door variety, opening the way to vastly increased expenditures when they are in full swing.

It has been estimated by experts that the minimum cost of these new projects, when they are in full operation, will shoot the Federal tax bill above \$56,000,000,000.

It has been estimated also that if all the objectives of those promoting the new programs are realized, the added cost could reach the staggering figure of \$42,700,000,000 a year, or an annual tax burden of approximately \$64,000,000,000. That would be double the tax bill we are paying today.

Those figures should cause every American to stop, look, and listen. They are frightening. If we fail to check the trend toward unlimited spending now, we may never have another chance.

Last year's national income of \$220,000,000,000, great as it was, cannot possibly sustain a spending program of such vast proportions, or any substantial part of it.

Furthermore, no one, whether an average citizen or an expert economist, can expect that we shall go on year after year with a national income as large as at present.

In fact, it is now clear that the income for 1949 will fall far short of the national income of 1948, because already employment is off in many industries.

There are now 3,500,000 unemployed in the United States. Lay-offs are increasing in metals, glass, pottery, textiles, plastics, electrical appliances, furniture, television, automobiles, and other products. In most cases the men laid off are skilled mechanics. It now looks as if unemployment would increase during the next few months.

When the inevitable drop comes, disaster will loom over us.

If the national income should drop to \$175,000,000,000, the loss of Federal rev-

ence would throw the present budget out of balance by at least ten to twelve billion dollars. We would be forced into deficit financing, and instead of reducing the present national debt of \$252,000,000 we would go deeper and deeper into debt.

This deficit does not contemplate the additional spending programs not included in the budget, nor does it contemplate the North Atlantic Pact that we will consider in the near future.

At this time, nobody can predict how much it will cost to carry out the provisions of the North Atlantic Pact.

Will this be followed by a Mediterranean Pact and a Far Eastern Pact which will require the spending of additional billions?

Will we be called upon, during this session of Congress to make appropriations to furnish the know-how to improve the undeveloped areas all over the world, as was suggested by our President?

I cannot take the time of the Senate to discuss the continually increasing spending and taxes and debt at the other levels of Government, but the figures show that the same spending infection is spreading throughout State and local governments all over the Nation.

I regret that it has become necessary to paint such a gloomy picture. The sooner we come to a realization of the grave danger that confronts us, the better off we will be.

It means, very definitely, that unless we stop this drunken-spending spree we will soon find ourselves at the end of the road we have been traveling, the road to bankruptcy.

This threat of disaster is not something that may worry us in the far-distant future. It hangs over our heads at this very moment.

Unless checked, many of us in this Chamber today will see the tragic result—a bankrupt Nation, our businesses destroyed, and our freedom lost.

That is not comforting. It is, however, the price that we will be forced to pay if through carelessness, indifference, wasteful spending, and excessive taxation we allow the liberty that is our sacred heritage to slip from our hands.

In my career as a public official and as a soldier, covering 50 years, I have fought constantly to preserve and safeguard individual freedom. I do not propose, and I am sure the Senate does not propose, to permit reckless and extravagant spending to destroy the freedoms that have been bought by the blood of patriots and heroes in every generation.

Mr. President, I have been criticized many times because I have constantly preached economy in government and lower taxes.

I shall continue to do so, because I am firmly convinced that it is the most positive program that can be presented to the American people.

With this crisis before us, it is the only program that will insure a future of freedom and opportunity.

I realize that it would be pleasant and popular to advocate spending, a something-for-nothing policy, without regard for the future of America, but I assure you, Mr. President, with all the emphasis

at my command, that I shall never engage in such tactics. There is too much at stake for our country and the world.

Oh yes, Mr. President, the free spenders of today may receive popular acclaim. But the young of this generation and others that will follow will heap condemnation upon them.

The burden placed upon our children and their children will be back-breaking. It will be unbearable. They will have been deprived of all opportunity, even their very freedom.

Mr. President, on February 23 of this year, there appeared in the Detroit Free Press an editorial which sets forth, in language much more eloquent than any words of mine, the dangers which await us at the end of the road we have been traveling.

The writer of the editorial was discussing the Hoover proposals to eliminate Government waste and to establish a saving estimated at \$3,000,000,000 a year.

His warning has direct application to the whole philosophy of unrestricted spending, inefficiency and mismanagement, which he terms "The American disgrace."

I should like to quote, in part, from that editorial. It has for its theme Our Greatest Danger: Financial Rocks Ahead. The editorial states:

This country is faced with the greatest danger in its history.

It is a disaster worse than war.

For we have always been able before to rebuild after war and to grow mightier. That time has gone.

The imminent danger with which we are confronted transcends all political differences.

It is not a question of Republicans against Democrats or New Dealers against Old Dealers. It is not a conflict between unions and management. It has nothing to do with the progress of social security, national health or any other controversial question.

The cold, stark, ugly fact is that the United States is rapidly drifting into national bankruptcy.

Unless something is done to stem the tide we will be, within a very few years, no better off than the nations of Europe.

It is this condition for which the Moscow Communists are patiently and hopefully waiting.

They know what is coming unless we wake up. They can well afford to wait * * *

The insidious enemy which is serving Moscow as the deadliest of fifth columnists is mismanagement.

It is bitterly ironic—but a great laugh for Stalin—that America, upon whose altars we have placed the god of efficiency, is dying of dry rot because of gross and stupid inefficiency.

The most powerful business corporation in the United States would go into bankruptcy within a year if it were so wretchedly managed as is the business of our Federal Government today.

There is this difference, however: The private corporation, mismanaged and criminally extravagant, would pay for its own sins and go broke; but the Government does not go out of business.

It simply borrows more money which has to be paid through taxation until all business ceases, the factories remain idle, and the people starve.

That is the history of all mismanaged nations since civilization began.

We are now rapidly coming to that period. Only courage and vision can save us.

Again, this newspaper states as emphatically as possible: This is not a party issue.

We are victims of our own follies and the follies of past generations.

The guilt rests with both parties and all classes. We thought our wealth would never end.

Referring directly to the Hoover report, the editorial continues:

No American of intelligence can read these reports without gasping in horror at our dangers.

Yet, there is a grave possibility that the greatest task of its kind ever accomplished in the history of America will go for naught.

The mean and petty politicians of both parties are seeking to destroy it for their own selfish ends * * *

Here, then, is the call to the American people of every honest shade of political belief.

Here is the challenge to save us from the fate for which Moscow is waiting.

Shall we continue to drift?

Or shall we be aroused in time by a mighty outburst of public sentiment?

The people of America have crusaded for war bonds, for Red Cross, for community chests, for every worthy effort devised by the mind of man.

Twice in one generation they have gone to war to fight for human liberty. They have poured forth the lifeblood of their youth and their treasure. They have willingly and without protest taken upon their backs the most staggering burden of debt history has ever recorded.

Has all this been in vain?

The Bible has said that where there is no vision the people perish.

Will the leaders of the Republican and Democratic Parties, the National Association of Manufacturers and the A. F. of L. and the CIO, the church leaders of all denominations, every civic-minded group, every noon-day club, every individual citizen unite as we have always done in war, to campaign against the evil which is destroying us?

Will there come a clarion call for battle?

Only public opinion can save the United States from the bureaucrats who stifle us.

"Public sentiment is everything," said Lincoln. "With public sentiment nothing can fail. Without it nothing can succeed."

Our one hope is the people themselves.

Facing the Communist horde—surrounded as we are by darkness and chaos across the world—this must be a holy crusade—a fight for God, for country, and for humanity.

That is the end of the editorial. I strongly urge my colleagues who have not already done so to read the full text. It was inserted in the Appendix of the RECORD of March 1 by Representative Roy O. WOODRUFF, of Michigan, and may be found on page A1150.

This editorial lays down a challenge to each of us and to every other red-blooded American.

Again I say that under existing conditions we are not justified in regarding any item in the budget as sacred, excepting the interest on the public debt and our duty to the disabled veterans and the dependents of those who gave their lives for their country.

Mr. President, there is nothing sacred about the sum of \$5,580,000,000 that we are asked to authorize by the terms of Senate bill 1209.

But there is something sacred about preserving the solvency of America because to remain free a nation must be solvent.

I shall, therefore, support an amendment to reduce the requested authorization by a reasonable amount.

I am convinced this can be done without impairing the effectiveness or the progress of European recovery. I most sincerely urge my colleagues of the Senate to support such a reasonable reduction.

Mr. RUSSELL. Mr. President, I do not propose to discuss the so-called European economic program in its broad aspects. With respect to that program we have adopted a policy of undertaking to extend assistance to the peoples of western Europe who are willing to do those things to help themselves which would prevent them from falling under the domination of communism. I have supported that program. I believe in it, and I propose to continue to support it in the future.

I cannot, Mr. President, accept the philosophy that the authorizations of appropriations submitted, even though from the powerful Committee on Foreign Relations, composed, as it is, of able men, are sacred and that the Senate should desist from any idea of reducing them. I am glad to testify that the administrators of the program are able men. They all have my admiration. Mr. Hoffman, Mr. Harriman, Mr. Douglas, and others on the upper level, who are responsible for the expenditures, are among the ablest Americans of their generation. They are not, however, infallible. I do not believe we are obligated to accept each and every recommendation made by those gentlemen to the Congress of the United States, nor do we have any definite responsibility to complete each and every project submitted by the nations of Europe which they might approve.

I should be willing to vote for an actual reduction in the authorization, but, I submit, Mr. President, the amendment proposed by the Senator from Ohio [Mr. TAFT] on his behalf and on behalf of the junior Senator from Georgia does not amount to an actual reduction in the authorization. It is in the nature of an adjustment of the figures in the light of conditions which exist today, with respect to furnishing funds which will be adequate to supply the same goods and services contemplated on November 30, when these figures were arrived at. It will, in effect, if the amendment be agreed to, provide an increase in goods and services for the nations of Europe, as compared to the goods and services which could have been acquired for the same number of dollars at the time the proposals were suggested.

Mr. President, we all know there are substantial reductions in almost every commodity going, under this program, into the export of goods to the nations of Europe. There have been substantial reductions in costs since the 30th day of November. Only yesterday the press quoted the Director of the Bureau of Labor Statistics, the official agency of the Federal Government for gathering statistics, as anticipating that there would be a 10 percent reduction in living costs in the coming calendar year. I happened to pick up a commercial periodical, the *Wall Street Journal*, a few

moments ago, and noticed on the front page a news article bearing the headline "Raw Materials Prices Tumbling as Supply Meets Demand." It tells of steel scrap falling to \$33 a ton, and reductions in the price of copper, lead, and so forth. In the body of the article there is a very startling little paragraph with respect to one important commodity, tallow, which shows that tallow has dropped from a postwar high of 27 cents a pound in January 1948 to 5 1/4 cents a pound as of today's market. So there has been a substantial reduction in the prices of goods of every kind and character that are required for this program to rebuild, rehabilitate, and strengthen Europe to withstand the assaults of communism since this program was arranged on November 30, 1948.

I was talking only yesterday to a member of the editorial staff of one of the great weekly news magazines of this Nation. A study has just been conducted of construction costs. It discloses that for the first time in almost a decade the bids which are now being submitted for the construction of all types of buildings—of roads, structures of all kinds and descriptions—are running far below the engineering estimates. For 8 or 10 years engineering estimates have meant very little. The bids which have been submitted for construction have always exceeded the engineering estimates. But today the bids for actual construction are running from 7 to 15 percent below the engineering estimates.

Mr. President, it is perfectly apparent to me that this small reduction of 10 percent can be completely absorbed in the appropriation without in anywise impairing the efficiency of the European recovery program. The only thing that would be impaired if the Senate should see fit to vote this reduction would be the pride of the administrators of the program, who have taken the position that Congress should not in any event seek to tamper with the figures and the projects they have submitted to us for our consideration.

Mr. President, I think it would be a fine thing for the Congress to reduce this amount, even though it be the token reduction, which is proposed in the amendment. I think it is time that the Congress was asserting itself in some way with respect to the tremendous spending program overseas—whereby we have provided approximately twenty-four thousand million dollars for the relief of foreign nations—without making any reduction whatever in the figures which have been submitted by those who were charged with the responsibility for the administration of the funds or the requests which have come to us from the nations abroad. I think it is high time that we at least made this token cut, though it would not in any way impair the program, and put the world on notice that we do not propose indefinitely to allow every dollar of appropriation and authorization that is sought, and also to put the administrators of the fund on notice that Congress is scrutinizing their actions, that Congress does not propose to have any waste in the operation of the fund, and that we are aware of

the fact that declining market prices will enable this 10-percent reduction to be made without in any way denying to any nation in Europe the help that is necessary to enable it to get on its feet.

Senators have been beguiled with the argument that we should pass this appropriation just as it is, and then submit the matter to the Committee on Appropriations, that an authorization is not final, that the Committee on Appropriations will scrutinize the program, and that they will then make reductions, but that reductions should not be made now.

Mr. President, as one who has served on the Committee on Appropriations during the entire time these huge sums have been voted for these foreign programs, I wish to say that those who make that statement can tell that to the marines, but they need not undertake to tell it to me. We heard the same argument upon the floor of the Senate last year. We had before us the authorization bill, and the distinguished Senator from Michigan and the distinguished Senator from Texas made practically the statements which have been made here this week, to the effect, "It is all right, now, we must maintain this authorization just as it is, but let the Committee on Appropriations go into the matter, and if the Committee on Appropriations sees fit to recommend any cuts, we can then scrutinize the whole situation the second time." Those statements were made last year. Unfortunately for some members of the Committee on Appropriations they took them seriously, and the committee held long and exhaustive hearings on the European recovery program.

When it was proposed to touch the appropriations and reduce them in any amount, a veritable avalanche of protests and abuse was leveled at the Committee on Appropriations. The distinguished Senator from Michigan came and made an appearance before the committee, and stated that it might be all right to make cuts, but that the cuts which had been proposed and were being suggested at that time would absolutely paralyze the program. Of course, as a practical matter, when the Senate votes this authorization, it is practically fixing the appropriation, it is fixing it at least within 1 or 2 percent.

Mr. President, not referring to what occurred in the Senate, but what appeared in the press, one would have thought last year, from the protests that appeared in the newspapers, that those who were trying to reduce the appropriation were a group of impious vandals who were seeking to profane the very Ark of the Covenant. They said, "This is not like an ordinary authorization. It is a commitment to foreign powers. They do not understand our system. They do not realize that the Committee on Appropriations and other committees have to pass on the appropriations after the authorization has been enacted into law. The ordinary rules that apply to domestic authorizations should not attach to an authorization for the Economic Recovery Administration, that being a combination of foreign nations."

As a practical matter, despite the almost herculean efforts by the chairman

of the committee and others, I think we finally cut \$225,000,000 out of an appropriation of five or six billion, if my memory serves me correctly.

I therefore say to Senators who would like to see some adjustment in these figures, in keeping with today's prices, and those in the 15 months that lie ahead, that if this is not their last chance, it is at least their best chance to secure some reduction in the expenditures.

Mr. President, we also are confronted with the argument that we should pick out specific items in which reductions are to be enforced. To hear Senators discuss this matter, one would think that the administrators of the fund had created the Congress and had charged it with responsibility for the operation of its details, rather than that the Congress had created the administrators and delegated to them powers and duties with respect to the operation of the funds.

It has gotten to such a point that if one talks about slicing a dime off the authorization—and it will be exactly the same way in the case of the appropriations—if we start to cut off a dime, Senators have to delve down into the shipments made overseas, and perhaps finally they will come up with two pairs of shoelaces out of, say, a hundred thousand going to the Free City of Trieste on other side, and someone triumphantly shouts, "Here, you can take off these two shoelaces, and thereby save a dime." It is impossible to go into the matter in any such detailed fashion as that.

We have provided for the administrators, we have prescribed for the operation of the fund, we have delegated to them great powers, they are men of ability and patriotism, and it is their duty to take such funds as the Congress sees fit to authorize and appropriate and utilize them to the best of their knowledge and ability in promoting the accomplishment of the purposes of the program.

Mr. President, it is their duty to adjust the program to fit the authorization of Congress. Of course Congress should scrutinize very carefully the recommendations of the administrators. They are our agents, they are our creatures, they are our advisors, but certainly we are not bound by any rule that we have to take the figures exactly as they hand them to us.

I could make some suggestions to them as to what I think should be done in applying this very modest reduction to this fund. In the first place I have never been able to understand why Ireland and Sweden and Portugal were brought into any rehabilitation program in Europe. We set about at the outset to repair the ravages of war, and three of the countries that were brought into the program were Ireland, Sweden, and Portugal. Not one of them was in the war. All three of them enjoyed unparalleled prosperity during the time the war was raging. None of them suffered any damage. We bought from them, and we had to do preventive buying from them at extremely high prices, to prevent them from selling to Germany and her allies during the war. Yet we are told that we cannot even cut off the funds that are going to Ireland, Sweden, and

Portugal. If we adopt the pending amendment I am willing to suggest to the Administrator that I think it might be well to consider the advisability of either eliminating completely or reducing greatly the funds that are going to those three nations.

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

The PRESIDING OFFICER (MR. SPARKMAN in the chair). Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. RUSSELL. I yield.

Mr. McMAHON. Is the Senator aware of the fact that the Free State of Ireland, which he has mentioned as being one of the nations that did not participate in the conflict, furnished on a voluntary basis to the British forces exactly the same percentage of men that we conscripted under the draft?

Mr. RUSSELL. Of course, the Senator does not expect me here and now to say anything that would in anywise reflect upon the courage of an Irishman. Throughout all history an Irishman has been willing to climb the highest mountain, wade a river, or swim a sea in order to get into a scrap. I am not talking about the individual Irish soldier. I am talking about the Irish Government. There has never been a war fought on the Continent of Europe or elsewhere in which Irishmen who could get to the place of conflict, did not take part. It was just that spirit that brought to our country the forebears of some of our best citizens. Nearly all the members of Meagher's Irish brigade were Irishmen; they were among the finest shock troops engaged in conflict in the war between the States, and fought at Marye's Heights, near Fredericksburg. They were shaven by the priest before they entered the battle, and most of the members of that brigade were killed. The individual Irishman will, if he can get there, get into any war. It is not the individual Irishman I am talking about. I am talking about the Government of Ireland. The Government of Ireland even refused to permit the use of its ports to those who were fighting Germany. The Government of Ireland even impounded our airplanes that got into distress and were forced to land in that country. The sons of old Ireland have engaged in every conflict they could possibly reach. However, no one can detract from the fact that the Government of Ireland did not help in the recent war, and in my judgment Ireland is not entitled to one dime of help out of ECA.

I suspect that perhaps the Senator from Connecticut was responsible for bringing Ireland in as a beneficiary of the plan. I have never been able to understand it until now why they were entitled to so many of our tax dollars.

The modest cut we propose to make will not impair the program. If we ever expect to make any cut in connection with this program, we will have to do it now, because we will not be able to make the cut in the Appropriations Committee, after the authorization has been made. We went through a similar effort in connection with UNRRA. We went through a similar effort in connec-

tion with the Greek-Turkish aid measure. We went through it in connection with the Chinese-aid legislation. We had the same experience in connection with the European relief bill.

Then when the Economic Cooperation Commission was created every member of the Appropriations Committee will recall that though we had perhaps the most bitter and acrimonious meetings we have ever had on any subject we were unable to bring about any substantial reduction. Let no Senator salve his conscience by saying that he will vote for reductions later when the appropriation measure comes before us. Let no Senator indulge in the belief that the cut will be made by amendment proposed to the appropriations bill. I, for one, do not propose to carry on under the abuse that will be heaped upon the heads of those who undertake to make substantial cuts once an authorization has been made.

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

Mr. RUSSELL. I yield.

Mr. WHERRY. Does the Senator, as a member of the Appropriations Committee, remember that when amendments were offered to the bill making appropriations for the ECA a year ago almost before the ink was dry on those amendments a great hubbub was raised over the fact that the Appropriations Committee had even dared to offer an amendment providing for a reduction of \$500,000,000?

Mr. RUSSELL. The Senator was not on the floor when I recounted the history of last year, when we undertook to make even the most modest reduction, and I said that maledictions were heaped upon the heads of the members of the committee from every source, and we were treated as being almost subversive and as being guilty of treason for talking about reduction in the authorization on the ground that the authorization was, in effect, a commitment to foreign nations.

Mr. WHERRY. As a member of the Appropriations Committee, does the Senator feel that it will be a futile thing to endeavor to secure a reduction in the Appropriations Committee, or on the floor of the Senate, after the Appropriations Committee had reported the bill?

Mr. RUSSELL. I will say, Mr. President, that the Appropriations Committee will be so chastened as a result of what happened to it last year as the result of the terrific whipping it received for even considering reducing the appropriation that I doubt very seriously that any substantial effort will be made to reduce the appropriation.

Mr. WHERRY. Is it the Senator's opinion that if there is going to be any cut made in the amount provided for ECA it must be done now, when we vote on the authorization for ECA?

Mr. RUSSELL. I have stated before that now is the best time, and this is the best chance Senators have to show their sincerity of purpose if they really wish to reduce the appropriations to be made under this act. This is the best chance they will have to show their sincerity.

Now, Mr. President, I have been interested to observe among the press of the Nation, that those who have insisted most vigorously that the European authorizations and appropriations are sacrosanct and cannot be touched, are the ones that advocate the most drastic reductions in our domestic expenditures. That is something I do not exactly understand, but it is a fact which every Senator must recognize. They will seek to pillory a Senator who will vote to reduce the European authorizations in any amount, but they are constantly carrying on a campaign to reduce all domestic appropriations that are for the benefit of the people of these United States.

Mr. President, I think in terms of the American people first. It is my way, and I have no apology to make for it. I have supported this program. There is nothing in all human history that in any wise approaches the generosity of the people of the United States in their dealings with the other nations of the earth to restore the damage that was inflicted during the war—not only to restore the damage, but to rehabilitate their industry, to rebuild their nation, and to give them improved living conditions they never enjoyed prior to the war. I am proud of the fact that America has been able to show that magnificent attitude of benevolence and willingness to assist. Of course it was not all unselfish. We were doing it in order to have other areas in the world that would be free of communism, other than the United States of America.

Mr. President, I have no apologies to make for making comparisons between the treatment of this appropriation, or this authorization, and that which is being made here for the domestic improvement in the United States, because I do not desire to see these United States, in our zeal to rebuild and recreate and reclaim and improve Europe—I do not wish to see our own people suffer.

There has been action on the part of a committee of the House of Representatives, taken the other day, which would reduce all improvements, all projects for reclamation, all flood-control projects, all river and harbor projects, by a 15-percent reduction. That action was applauded by the very newspapers that are demanding that we vote the full authorization for ECA, that we do not cut the authorization here. For my part, while I am willing to help Europe, I am a little more interested in keeping the economy of this Nation on a sound basis. I am more interested in seeing that we go ahead in the United States in order that we can continue to provide for the nations of the earth that are compelled to call on us for assistance. I do not propose, for my part—and other Senators may, if they desire to, go to my people and have them say "Well, what became of our project here to reclaim the acres of the arid regions, to build a flood-control project to protect our fertile acres, and to create means of transportation upon rivers in this land?" I do not propose to tell them, "I am sorry we could not give you these things, but I won a great victory. I beat down

every effort to reduce the ECA appropriations. We are building many great projects in Europe. Unfortunately, we lost our project, but we won a great victory when it came to authorizations of appropriations for ECA."

When I go to my State to address the Parent-Teachers Association and they tell me, "We regret very much that we could not get a few million dollars increase in the appropriation for the school-lunch funds," I do not propose to tell them, "That is too bad, but we saved every dollar, down to the last nickel, that Mr. Hoffman said he ought to have. We are operating a very fine program for feeding the children of France, England, Italy, and other nations." I do not propose to be put in that position; but other Senators, with their aura of statesmanship around them, may do so.

When my people say, "How about a good road here? We need a highway—let us get Federal aid for it," I do not propose to tell them, "We are building a great highway system in Europe, restoring their bridges, and building their roads with the entailed funds which have been paid in and cannot build roads here." I could cite any number of other illustrations.

When we come to the question of taxes, we may have to increase taxes 10 percent or more. I do not believe that the American taxpayer would be enthusiastic about having his taxes increased 10 percent. I do not propose to say, "I am sorry; we all hate to have to increase taxes 10 percent, but I beat down a 10-percent reduction in ECA. We gained a great victory there, and must raise the taxes to pay for it."

Mr. President, we must balance these things. I believe that this program can certainly stand the proposed amendment, which is not in reality a reduction. I assert again that more goods and services will be available after we apply the 10-percent reduction that would have been available when the authorization figures for these projects were determined back in November 1948.

The American people are unselfish, but I do not believe that they wish to have their interests neglected merely to maintain the fetish that we must not lay a hand on the authorization for the European recovery program. Either we must drastically reduce the appropriations for our domestic expenditures or we shall have to increase taxes substantially. Otherwise we shall be operating in the red. I cannot think of any greater tragedy that could befall this Nation at this time than to be operating with an unbalanced budget at a time when our national income is so great as it is now.

If we are going to reduce appropriations, we should at least apply some reduction to the European recovery program. The proposed reduction is not so much as has been applied to the American domestic program. It is a modest 10 percent. At least the European recovery program should not escape without any reduction whatever.

There are a number of illustrations. I have always had a great interest in the agricultural appropriation bill. I am a great believer in soil conservation. I am

a great believer in reforestation. I have undertaken to support programs of agricultural research, not only in production, but in the marketing of agricultural commodities. I should greatly dislike to see those appropriations reduced. It would be a very poor consolation to me to tell my people that we were reclaiming the lands of Europe, and that we were conducting great reforestation projects over there. I am willing to go along with some projects in Europe, but I do not want them to be at the expense of the American people.

Mr. President, I am for aid to Europe. I have supported the principle of every program of aid that has been extended. From time to time I have voted to make reductions in those programs. I have voted for such reductions on the floor of the Senate. I have voted for them in the Appropriations Committee; but no substantial reduction has ever been made in a single one of them.

I hope that the Congress of the United States will have the courage to face the issue presented by this amendment, which represents merely a token reduction, and which, as I have stated, cannot hurt the program. It can only hurt the pride of Mr. Hoffman.

I was delighted to hear the distinguished Senator from Michigan [Mr. VANDENBERG] say that Mr. Hoffman himself might descend later to tell the Appropriations Committee that the appropriation might be reduced. I hope that will be the case. However, from the activities which I have observed on the part of some of those who are doing business with ECA, it appears that this great man, like the rest of us, has feet of clay. He is not willing to have any change made in his plans. Statements are being made to the effect that we should not reduce the authorization. The Congress of the United States should at least take this feeble step forward in asserting some control over its own creatures in the administration of this program. Then we can tell the people of the United States, if we have to cut the domestic appropriations greatly, if we have to increase taxes, that at least we undertook to balance the domestic program with foreign requirements.

I was delighted to hear the distinguished Senator from Pennsylvania [Mr. MARTIN] refer to the national debt in his remarks this afternoon. At times I have felt that the fact that we had this staggering public debt of approximately \$252,000,000,000 had been entirely overlooked in all our talk about current spending, European relief, and our domestic program, whereby we hope to make even greater governmental services available to the people of the United States.

The public debt terrifies me, Mr. President. In view of this gigantic debt, I am sick when I think of what would happen if we should encounter even a modest recession in this country. The national income does not have to fall off more than a few billion dollars to affect the Government economy to the extent of many billions of dollars. The last billions on top of the pyramid of our national income bring in infinitely more revenue than do

the billions at the bottom. I do not think we should lose sight of that fact when we are considering items of this kind. We must not lose sight of the importance of the orderly liquidation of the public debt. The generations which will come after the last of us shall have departed from this scene will have problems enough of their own without having to wrestle with and to pay the staggering debt incurred through the folly of this generation and the one which preceded it. So we should be exceedingly careful in the handling of every piece of legislation which provides for the expenditure of public funds, particularly when it is on so lavish a scale as is the European recovery program, to see if we cannot recapture a few dollars from somewhere to pay upon the public debt and undertake to reduce it at a time when we have almost unparalleled prosperity in this Nation.

Mr. President, I hope the Senate will agree to this amendment, not as a reduction in the fund, because it is a mere token, but to show that we do not intend forever to accept as the last word the requests of administrators for aid to foreign nations which we have already greatly aided.

Mr. HENDRICKSON obtained the floor.

Mr. CAPEHART. Mr. President, will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from New Jersey cannot yield for a parliamentary inquiry. He can yield only for a question.

Mr. HENDRICKSON. I yield for a question only.

Mr. CAPEHART. Very well, Mr. President.

Mr. HENDRICKSON. Mr. President, it was my intention as a new Member of this body, in respect to the great and far-reaching issue now pending before the Senate, namely, Senate bill 1209, to listen intently, to observe carefully, and then, without any extended remarks, to resolve the issue according to my conscience and my considered judgment when the roll is called.

But, Mr. President, in the course of this extremely interesting and enlightening debate, I have come to realize that no one who has taken the oath which has been subscribed to by every Member of this body and who has had any personal experience at all with the international complexities involved should remain mute at this time.

Thus, without regard to the embarrassment which inexperience in this body may cause me, I shall be bold enough to venture to state as briefly as possible some of the convictions from which I cannot escape as a result of the convincing and able arguments which have thus far been advanced.

May I say, sir, at the outset that I was one of those who, in the campaign of 1948, supported wholeheartedly, and with every ounce of energy and enthusiasm I possessed, the Marshall plan? From the opening of my campaign to its finish, I not only endorsed and urged it, but also pleaded with the people of my State to give it all-out support. Indeed, I frequently scolded the Congress

before its final passage, because it seemed at times to hesitate.

I did that, Mr. President, because of a deep conviction that it was the only medium by which we could prevent the further march of the forces of communism which were then stalking the earth without any concentrated or well-organized opposition. I knew from my experiences as a member of the American armed forces in Italy, Germany, and Austria, that unless positive, vigorous, and a well-organized course of action was developed and executed with promptitude, both Italy and Austria might quickly fall to the onward rush of the U. S. S. R., its satellites and allies. This would have meant complete control of middle Europe and the Mediterranean for the Communists and their fellow-travelers. But, Mr. President, thanks to the great leadership of the distinguished senior Senator from Michigan [Mr. VANDENBERG] and those who followed his courageous course, that battle was won.

Costly? Of course it was costly; but, Mr. President, that cost was slight when compared to the ghastly cost of another war. Let us look briefly at the cost.

ERP and interim aid have cost us, in actual expenditures and commitments since its inception, approximately \$5,540,000,000. World War II cost us, for each day it was fought, approximately a quarter of a billion dollars, not to mention 1,134,000 of the flower of our youth killed and wounded. Mr. President, if I were statistically minded, I could go on and on with figures to prove that this much-questioned expenditure has justified itself, even though I shall concede later that the mission itself was executed in an extravagant and, in some instances, wasteful manner.

But, Mr. President, the Senate today is considering, not an investigation of ECA, but rather, whether it succeeded in its purpose; and if so, whether its continuance is essential to the future security of our Nation and the ultimate establishment of the peace of the world. My answer is unalterably in the affirmative, but I agree immediately with all who question the program, that the final decision of the Eighty-first Congress must reflect the experience of the past. Recognition must be given to the many able arguments which have preceded my humble utterances, and which clearly disclose extravagance and, in some instances, waste in the direction and management of the program. It is my firm conviction, Mr. President, that it would be better to drop the program immediately, rather than to carry it on so ineptly as to permit our resources to be siphoned into left-wing and communistic activities which will one day rise to haunt us.

But, Mr. President, we are an intelligent and responsible people, despite our tendencies toward extreme idealism, our great generosity, and our tendency toward laxity in the management of fiscal matters. Once we are faced with grave responsibilities, we have an uncanny knack of meeting them adequately. Mr. President, I say that at this moment we are faced with a responsibility as grave as war itself, because if we fail in that

responsibility we will have war—and have it sooner than we expect.

What then, Mr. President, is that responsibility? It is to secure ourselves, and our precious heritages, and prevent, if we can, by any just and sound medium, the advent of another world cataclysm.

After listening carefully to this great debate, eloquent throughout, from my point of view, I am convinced that in respect to the major issue immediately before us, namely, the enactment of some sound extension of the ECA, there is only one course open to us, namely, to grant the extension.

But upon what terms shall it be granted, Mr. President? That, to me, is the really immediate issue. Shall it be granted as before, when the cost had necessarily to be based entirely upon conjecture; or shall it be predicated upon experience, which always furnishes a basis from which to project one's estimates?

I shall insist, Mr. President, that it be held to the lowest possible cost to the American people, for I am one of those in this body who believe that we can sell ourselves into bondage if we continue to yield to extreme impulses which ignore the effects upon our own economy. I have seen men of great heart, possessed of genuine ability, endowed with fine minds and stout bodies, possessed of considerable of the so-called material things of life, wind up penniless and well-nigh friendless because there was no end to their charitable nature. This can happen to a nation, and will happen to ours unless we are on guard against our own idealistic impulses. I do not mean that we must change the noble course we have followed to this very moment, but I do mean that we must modify the speed with which we pursue that course.

Mr. President, I stand prepared to support the ECA and all it represents in international cooperation; but amendments have been offered which must be considered, and considered carefully lest we become the prey of the very forces we seek to repel. We have been warned by great statesmen and patriots, within and without this body, of the effects that a widespread depression might have upon our own economy. I take the liberty of quoting from the statement the senior Senator from Georgia [Mr. GEORGE] made on the Senate floor on March 29, 1949:

In my opinion there is but one thing which will bring us a sizable depression in 1949. That one thing is to superadd to the already heavy tax burdens of the American people between four billion and six billion dollars.

Let us take heed, Mr. President, and act with caution as we proceed to establish the terms upon which we shall continue our charities to the reconstruction of a broken and distraught world.

And now, Mr. President, I should like to proceed with what I hope will be a very brief discussion of a few of the related issues which have been raised in the course of this debate. Of course, many of the issues were raised both in the hearings before the Committee on Foreign Relations and in the course of

the debates on this floor; but chief among them, in the order of their importance, was the proposal of the distinguished Senator from Arkansas [Mr. FULBRIGHT], for the political unification of Europe. In respect to this proposal, I shall not take the time of the Senate by extending my remarks, because this subject was so thoroughly and eloquently covered by the distinguished Senator in his address on Wednesday afternoon, March 30, that insofar as it relates to the pending measure, it would be repetitious. This much, however, I do want to say, namely, that I wholeheartedly subscribe to the principles and policies to which the proposals address themselves. I know that to many it seems visionary, but let me say that unless we turn some of the vision which is in our midst and all about us into vigorous and positive action we may well, with the rest of the world, see an application of Solomon's prophecy that "where there is no vision, the people perish."

Another vital issue which has been rather thoroughly aired and debated in the course of the arguments on Senate bill 1209 is the North Atlantic treaty. I say "vital" because up to this time in the history of nations and their relationship with each other such treaties have in the final analysis always been "tried and found wanting." Usually they have culminated in discord between the nations involved, and too often their violations have led to war. Thus, as we enter upon consideration of the so-called North Atlantic Pact, let us do so in the light of history and with a deep consciousness of the frailties of human nature. Let us not forget that the fate of nations has turned again and again upon the whims of an individual or individuals. In sounding these warnings, I want to make it clear that I shall probably at the conclusion of the debates—and I repeat, probably—support the North Atlantic treaty with great reluctance and a troubled mind; but if my vote shall be to approve the treaty it will be because I have determined that in a world beset by power politics we have no other immediate alternative. I know not what the debates on the North Atlantic Pact will disclose, either in respect to its negotiation, its high purposes, or its legality, but I do say, Mr. President, I have yet to be convinced that it is entirely within the framework of our Constitution. I am deeply concerned by the point raised by the distinguished senior Senator from Missouri. There is no question but what the President, by and with the advice of the Senate, may make treaties, with the concurrence of a two-thirds vote of the Senators present, but, as the distinguished Senator from Missouri has said, in effect, the Congress shall have the power to declare war. In the light of these two constitutional provisions, I am deeply concerned lest articles V and VI of the pact, unless amended, prove inadequate to meet the framework of our Constitution, for I can readily visualize the case where, under article V, military action would be taken against the will of the American people and over the objection of the House of Representatives, with resulting embarrassment and perhaps disaster to our whole national unity.

So much for the legalisms involved. But greater than the legalisms are some of the moral issues.

As it was pointed out so ably and eloquently by the distinguished Senator from Maine [Mr. BREWSTER] on Tuesday, March 29, in the colloquy between the distinguished senior Senator from Maine and the distinguished junior Senator from Oregon, we are already confronted with a most embarrassing and, to me, grave dilemma in connection with the approval and execution of the pact. On the one hand, under the negotiations thus far, the Netherlands is to be, as I understand, a signatory to the pact. Presumably it is to be a solemn and binding pact, which means exactly what it says. Now we find, on the other hand, from the records as disclosed in the aforesaid colloquy, at pages 3392 to 3394 of the CONGRESSIONAL RECORD, volume 95, that the Netherlands is already in violation of a solemn and binding pact to which the United States of America is also a member. It would be presumptuous of me to try to add to the potency of the remarks to which I have already alluded. Under those circumstances, it is sufficient to say, if we do commit ourselves as parties to the North Atlantic treaty, we are not getting off to a very good start. Mr. President, if this treaty or any other has not been entered into upon high moral principles, no matter how binding it may be in the law, it just has no value. This is the factor which concerns me most in respect to the approval and execution of the North Atlantic Pact.

Mr. President, there have been several collateral issues raised in the course of this debate, and in one of them I have a particular interest because of some personal contacts with the subject matter thereof. I refer, sir, to the disposition of the former Italian colonies, and I speak on this question with deep feeling and with deep conviction, despite the fact that I know there will be those who will say that this subject was not thoroughly aired at the hearings before the Senate Committee on Foreign Relations, because the colonies in the past were not self-supporting, but that to the contrary they were a costly operation to the Government of Italy. Measured entirely in material terms, this may be true, but there are other considerations which I should like to have in the RECORD at this point in my discussion, purely for the purposes of future study by the Foreign Relations Committee and by the Members of this body.

It was my privilege to spend considerable time in Italy during the war, trying to repair some of the devastation which our armies had left in their wake, trying to restore well-ordered law and morality, so that the operations of our armies would not be impaired from the rear. In these operations, my job became more to me than being merely a good soldier. I came to know and understand the Italian people at all levels, and though they had been misled by false and unworthy leadership, basically their aims and objectives were very much akin to our own. Thus, I saw in my service there an opportunity to be an ambassador of our free way of life. I saw an opportunity to inculcate some of the basic

principles of our system of justice. After 8 months of helping to direct the operations of the military government courts in the city of Rome and seven adjacent provinces, it was not infrequent that when an Italian lawyer had a choice for his client, he would ask for trial in the allied military courts rather than in the Italian courts. So I could go on, by other examples, to establish the great alliance which came to exist between our troops and the Italian people, largely by virtue of the ambassadorship of the American GI, his great heart and his high sense of idealism. That good will which was earned by blood, sweat, and tears, as I see it, must not go for naught. It is within our power today to turn it into one of the media through which world peace can be attained; but surely, Mr. President, this good will and devotion, those strong bonds of friendship forged in the crucibles of war and in the awfulness of death and devastation, can be of little value if we strip them of all of their meaning by permitting Italy to become again an economic shambles because of an over-concentration of population. That, Mr. President, is the most vital problem with which the Italian Government has to deal. And so, I am suggesting, Mr. President, that the great Government of the United States go on record as favoring an outlet and a remedy for this problem. I am suggesting that insofar as Italy is concerned, we completely forgive the sins of the past, remembering how easy it is to mislead a whole people by false hopes, aims, and ambitions when those people are clearly on the road to economic ruin, to mob violence, and to revolution.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. HENDRICKSON. I shall be glad to yield when I have finished my remarks. I do not want to be discourteous, but, for the sake of brevity, I should prefer to yield at the end of my remarks.

I am suggesting that we give Italy an emigration outlet, a safety valve, if you please, by returning the Italian colonies either with or without trusteeship. Actually, there is only one condition that I personally would impose upon the Government of Italy in the event of the return of her former colonies and that would be a proper limitation of military activities in those colonies.

I have been told, Mr. President, that on April 5, which is next Tuesday, United Nations will take up the question of the disposition of the former Italian colonies. Under the Charter, it is quite clear that a two-thirds majority of the nations represented is necessary to effectuate that proposal. To date, the United States has not, officially at least, taken a definite stand. There can be no question that the decision of the United States in the matter would influence the votes of many other nations. Lest there be doubt as to which colonies are involved, may I say that they include only those which were under the monarchy in the pre-Fascist era, namely, Eritrea, Somaliland, and Libya.

In respect to overpopulation, Italy needs an emigration outlet. Today she has 45,000,000 people living in 120,000 square miles. That would compare to 531,000 people in the State of New Mex-

ico. Remembering that Italy is made up, for the most part, of rugged, rocky, and dry mountain country, possessing very limited natural resources, with resulting dependence upon imports and tourist trade, it is not difficult to see clearly the need for a well-ordered plan of colonial expansion which will lend itself to both the population problem and the development of large waste areas.

Let us, for a moment, consider another factor which is almost as important as the one of emigration, namely, the psychological effect which our support of this very proper return of territory, in this instance a sound recognition of property rights at the international level, would have, not only upon the Italians but upon all the people of Europe who are now receiving our financial and moral support. That the return of the colonies would have a terrific impact upon the political front in Italy there can be no question, nor can there be any question that it would be considered as a complete all-cut victory for the democratic forces now in control in Italy and thus strengthen everywhere in Europe the power of those who oppose communism.

There are one or two other factors which should not be overlooked. One is the strategic importance of the Mediterranean Sea. Down through history, the fates of nations have changed as the control of the Mediterranean area changed. Certainly it is to our advantage that a friendly nation situated in the very heart of the Mediterranean area should have a voice in the control of that historic area.

In conclusion, Mr. President, there is one other factor which must not be overlooked in any consideration of this all-important question.

In the Italian colonies, prior to the war, there was tremendous development brought about at a great expenditure of effort and money by the Italian people. Desolate areas were transformed into rich and fruitful fields; modern cities took the place of dreary, dirty, unsuitable villages. The people in those colonies soon learned the European methods of agriculture, and production in all of the Italian colonies developed by leaps and bounds. Hospitals and public schools were established in the colonies. Compulsory education for the natives was instituted and great progress was made all along the line. It is a sad thing, Mr. President, that wicked and false leadership was to prevent Italy from proving to the world that she could colonize as well and as constructively as any nation which ever undertook that task.

So, Mr. President, it is my sincere hope that the Members of the Senate will give this great issue most careful consideration that the Foreign Relations Committee of this body will delve into every phase of the matter, and that the outcome of those studies by the entire Senate and its appropriate committee on the subject, will cause Senators to realize how important this matter is in the whole scheme of European recovery, how important it is to the Atlantic Pact, and how important it is to the peace of the world.

Mr. President, I have here some supporting data and information which I ask

unanimous consent to have included in the RECORD as a part of my remarks; and for the benefit of the Foreign Relations Committee I should like to file some statistical and photographic material in support of these articles.

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

PREFACE

The United Nations Assembly will discuss the question of the disposition of the former Italian colonies on April 5. The decision will have to be approved by a two-thirds majority.

It seems that the United States has not as yet taken a definite stand on the subject, and, needless to say, its decision will be a determining factor since it will influence the vote of the other nations.

At present, France and the Latin-American Republics are in favor of granting Italy a trusteeship over Libya, Eritrea and Somaliland. Several western European and Arab countries are undecided. England, together with its dominions (with the exception of South Africa which does not agree with the English position) favors the exclusion of Italy from Libya and Eritrea.

The USSR has wavered on the question of Italy's return to colonial administration, but on many occasions—perhaps for political and propagandist expediency—it has seemed to follow a line which might be interpreted as favorable to Italy.

At present—excluding possible changes—the USSR and the satellite countries favor a collective trusteeship proposed by the United States in 1945 and later scrapped.

It is absolutely essential that Eritrea, Somaliland and Libya (constituting the former pre-Fascist Italian colonies) be placed under Italian administration for the following reasons:

DOMESTIC POLICY

1. An unfavorable decision might mean a fatal blow to the democratic Italian Government;

2. The Italian Communist forces' prestige would be greatly enhanced through an adverse decision because of the following fundamental reasons:

(a) The Italian masses are keenly conscious of the serious emigration problem and see in the African territories a possible source of immediate employment.

(b) The Communists might maintain, to a certain extent justifiably, that the Western Powers are tending to suffocate Italy—as Russia would not.

(c) The democratic government would appear not to have any real support on concrete problems from the Western Powers which would show themselves to be following an egotistical policy.

(d) All the nationalistic movements which would inevitably arise as a result of an unfavorable verdict to Italian equitable aspirations might turn to the Communist orbit or might contribute through their agitation to weakening the democratic government.

SOCIAL

(A) Italy has absolved its task of civilization in Africa laudably, transforming desert and primitive regions through its labor.

Where at first there only existed insignificant villages with a few nuclei of natives, there have arisen cities organized along modern lines. In Eritrea, for example, the agglomerates of "tucul" such as Assab, Kerem, Adi Ugri, and even Asmara, were transformed into villages and modern cities not only through the initiative of the government but through the active participation of private individuals.

In order to permit commercial and agricultural development, Italy constructed roads which have since become famous. Not to speak of Libya, now known to thousands of ex-GI's, it is enough to say that in the dis-

tant Eritrea, a good 7,544 kilometers of asphalt roads cover that region. In Eritrea alone the expenditures for public buildings from 1913 to 1937 totaled 88,468,790 prewar lire and those for railroad construction 91,028,000 prewar lire. Even more eloquent figures can be cited for Somaliland and Libya.

In a relatively short period of time there has been a tremendous increase in the local population. With a social policy based on generous principles, with the institution of hospitals, centers of medical assistance, maternity centers, and rest homes, surprising results have been achieved. In Eritrea, for example, the native population went from 268,893 in 1905 to 600,573 in 1931, thanks to the pacifying activity of the Italians who put an end to racial and religious persecutions and abolished slavery, and also to the medical care provided. With the Italian colonization all the other races also had assistance and protection and developed extensively. The Jews in Libya, for example, increased from 7,124 in 1911 to 26,709 in 1940. Only recently, under the British administration, have pogroms recurred and there has been an exodus of Jews. Up to the very present the Jews are escaping as best they can, even resorting to the use of sail boats, and are taking refuge in Italy. The date of the last arrival of Jewish refugees in Italy is January 26, 1949.

The figures on welfare work, taken from detailed statistics, are also eloquent. In Libya 55,000 patients were treated and cured during the 1928-32 quadrennium. In the period 1932-42 this figure rose to 192,750 patients. An equal, or perhaps greater, increase in this field was had in Eritrea and Somaliland. It should be noted that before the Italian colonization those regions did not have any kind of assistance.

As for the education of children, it can be stated on the basis of statistics that during the course of the single year 1938 a good 11,000 children in Libya and 7,123 in Eritrea and Somaliland received an elementary or intermediary education. If one takes into account that child education was entirely absent from these regions of Africa inhabited by nomadic peoples, the importance of the achievements of the Italian administration become clear.

The contribution that Italy made to the social progress of its former colonies has been recognized not only by impartial observers of all nationalities, but also by the four-power commission of inquiry which unanimously established that Italy accomplished its work of civilization in Africa with excellent results, adding, furthermore, that the native populations are not as yet ready for complete independence.

(B) To exclude Italy means to compromise all that has been done for the natives and for the development of those areas, and to delay their independence.

The dismantlement and impoverishment of the areas cultivated and industrialized by Italy is already in progress.

In Cyrenaica, for example, lands on which grapevines and trees were growing, are already being used by the Bedouins for pasture. Beer, macaroni, tanning, and typographical works are being demolished and sold as scrap piles. Agricultural machinery is deteriorating and rusting.

Identical negative results are to be noted in Somaliland and Eritrea. This last region which had been flourishing and was on the road to ever increasing development, now finds itself in an extremely serious economic crisis.

The messages which continue to reach Italy from Libyan, Eritrean, and Somali leaders are not only the expression of political sentiment but the fruit of real economic necessity.

(C) Italy is the only country having an excess of laborers, technicians, and personnel acquainted with the locale and the customs of the native population.

The excessive number of workers in Italy is eloquently demonstrated by the number of unemployed which, according to official statistics, totals 2,000,000, but which unofficial statistics estimate at the extremely high figure of 3,000,000. This figure, if considered in proportion to the population, would correspond to 9,000,000 unemployed in the United States.

(D) Italy has a progressive system of colonization. It is based on the development of the colonized areas, and not on their exploitation. The colonizers, in fact, do not represent a dominating race but consist of individuals who even work for the natives and with the natives. The interests of the colonizers and of Italy are always subordinated to the progress of the entire community. The process of Italian colonization has never worked to the detriment of the native populations: The lands which the Italian colonizers worked were not appropriated from the natives, but had been uncultivated and abandoned.

(E) Thousands and thousands of Italian colonizers who were forced to leave Libya or Eritrea are now in DP camps in Italy. There are more than 200,000 of them who have been left with nothing, having lost everything in Africa.

ECONOMIC

(A) Italy has not only brought civil progress but economic progress. The existing productive forces were augmented; where there was nothing, new sources of production were created through work and ingenuity.

Colonial development has reached figures which clearly indicate this progress. The following are some significant examples:

Tripolitania: Total area under intense cultivation before 1911: 2,162.35 hectares. After 1911 up to 1940: 21,030.72 hectares. (In olive trees, almond trees, grape vines, citrus fruit trees, etc.) Total semidesert or uncultivated area before 1911: 42,405.60 hectares. Total area reforested from 1911 to 1940: 37,406.83 hectares. Cultivation of olive trees before 1911: 4,107.35 hectares. From 1911 to 1940: 25,885.31 hectares. Agricultural credits granted by the Bank of Tripolitania: 87,673,750 prewar lire during the period from 1924 to 1935.

Cyrenaica: Total area under intensive cultivation before 1911: 1,823.67 hectares. Between 1911-40: 16,111.63 hectares. Production of olive oil before 1911: nonexistent. Between 1920-40: 62,000 gallons yearly.

Eritrea: From Eritrea, during the period from 1923 to 1940, zootechnical and manufactured agricultural products were exported in the amount of 156,623,908 prewar lire.

From the figures on the maritime traffic to Eritrea it is easy to deduce the growth of that colony during the period of Italian colonization: The passenger maritime traffic by steamship which reached a yearly average of 5,832 from 1907 to 1910 increased to 323,918 in 1938; the number of passengers transported on sail boats during the same periods rose from 12,732 to 43,998. The quantity of merchandise transported on ships goes from 20,684 tons in 1902 to 148,587 in 1926 to 1,295,190 tons in 1938; that transported on sail boats, from 14,075 tons to 20,961 to 46,645 during the same periods.

The following progress in the volume of maritime trade was marked in the field of imports: 8,553 tons as an annual average in the period 1899-1904; 170,805 tons in 1923-28; 189,426 in 1929-34; in the field of exports: 2,576 tons in 1899-1904; 84,773 tons in 1923-28.

In 1940 a good 2,198 industrial firms existed in Eritrea which had invested capital in the region in the amount of 2,198,100,000 prewar lire and 2,690 commercial firms with an invested capital of about a half billion prewar lire.

(B) Because of the affinity in climate and the proximity, Italian colonization is the least costly and the most suitable. This can

be easily deduced from the fact that in Libya, alone, the Italian population rose from 1,100 in 1911 to 112,596 in 1935.

(C) The Italian Government is spending more than 40 billion lire for the Italian refugees from Africa. These colonizers—who are staying in DP camps in Italy—were forced into idleness and constitute a serious element of unrest both in the economic and political fields.

FOREIGN POLICY

1. Italy has indicated that there will be no difficulties in granting the United States or Great Britain military bases necessary for the defense of the Mediterranean sector.

2. Italy is willing to bring about the independence of the native populations at the earliest possible moment. It has, for example, proposed the creation of an Arab state in Libya.

3. The Italian Government's attitude is one of the most conciliatory. Italy has shown herself to be willing to give up the base at Tobruk (Libya) to England, the Bay of Assab (Eritrea) to Ethiopia, the Fezzan (south Libya) to France, to propose an Italo-Franco-British trusteeship in Eritrea, etc.

4. Italy's return to Africa as trustee is favored by the native populations.

Contrary to what has been said, the native populations are in the majority pro-Italian. Two examples should suffice: The administrative elections held in Tripoli on January 19, and the recent adherence to the pro-Italian party in Eritrea of the descendant of Mahomet Saib Ibrahim el Mognani, recognized head of the Eritreans belonging to the Moslem religion.

The Tripoli elections have special importance if one considers that the overwhelming victory was had by the pro-Italian Arab Party despite the fact that the ballot was not secret and the seats were apportioned on the basis of criteria which was manifestly discriminatory. The mayor of Tripoli is now Mr. Caramanli, a former officer of the Italian Army, educated in Italy, and a declared exponent of Italo-Arab cooperation.

5. Italy's return to Africa would reinforce the position of the present democratic government, it would strengthen the democratic forces which have asserted themselves after such a difficult electoral struggle and it would afford Italy the possibility of greater security in the event of a new world conflict.

[From the Chicago Herald-American of February 14, 1949]

ITALY MUST HAVE AFRICAN COLONIES TO CHECK REDS

(By Karl H. von Wiegand)

ROME, February 14.—An epidemic of new strikes once again reflects the increasing pressure of Italy's insupportable overpopulation and the imperative need for the return to Italy of her former colonies by America, Britain, and France.

The latter three colonies have not the slightest need of these or other areas in Africa.

Italy must be given a "safety valve" emigration outlet for at least some of the Italian people who cannot be given work and have little food.

The return or nonreturn of Italy's African colonies will be one of the tests of sincerity of statesmen of the big powers who say they want and are working for peace and stability in Europe.

The interlocking series of strikes and slowdowns show the Communists are endeavoring to exploit the situation created by overpopulation pressure and growing unrest which Premier Alcides de Gasperi, Foreign Minister Count Carlo Sforza, and Minister of Interior Mario Scelza are battling.

The next 8 or 10 weeks are regarded as a critical period in Italy.

There are signs the Cominform has picked Italy for a big Communist "push" in these weeks.

Unemployment figures are officially given as below 2,000,000, but unofficial figures place the total at about 3,000,000. Compared in populations, this would be equivalent to from 8,000,000 to 9,000,000 unemployed in the United States. That would be regarded as serious in America.

HOLDS FUTURE

"The question of the return of the colonies is a matter of life or death in Italy," a high Government official remarked to me.

In Vatican circles, the return of Italy's African colonies is emphasized not only as a "safety valve" emigration outlet but as a "spiritual and moral uplift and stimulus to the Italian people."

L'Osservatore Romano, official organ of the Vatican, has revealed that Catholic priests in Italy are paid as low as \$7.17 monthly and that the basic pay of bishops is \$30 and archbishops \$32 a month.

As I pointed out in a recent dispatch from Cairo, Africa's 12,500,000 square miles practically are held and fenced in by two big powers—Britain and France—and by two small nations—Belgium and Portugal.

RESOURCES UNTAPPED

With a population of only 176,000,000, whereas more than three times that many persons could live and prosper in Africa, the four European nations have done little to develop the vast resources of the Dark Continent, except in a few spots.

Portuguese Angola stretches 1,000 miles along the Atlantic south of the Congo.

Britain's possessions in Africa in colonies, protectorates, mandates, and by occupation are larger than all of the United States, Mexico, and the Central American Republics, while French possessions are as large as the United States and Mexico.

Belgium has an area of nearly three times the size of Texas. Portugal has an area of 750,000 square miles. Spain has a small sliver of less than 15,000 square miles.

MUST BACK ARMS

If the Governments of America, Britain, and France are sincere in their professed aims of helping Europe to peace and tranquillity, food and a higher standard of living for the populations, and a more encouraging outlook for the future, there is no reasonable or logical reason why Italy's African colonies should not be returned.

If these colonies are not returned, those western powers will be playing into the hands of Soviet Russia.

It can profit Italy little to be invited into the Atlantic or western union pacts, if she is to be treated as a national concentration camp, the overpopulation of which is to be given no emigration outlet.

Mr. HENDRICKSON. I now yield to the Senator from Missouri.

Mr. KEM. Mr. President, the hour is late, so I shall forego the privilege of asking the Senator a question.

Mr. HENDRICKSON. I am sorry if I seemed to be discourteous.

Mr. WHERRY. Mr. President, on March 30 I sent to the desk and had read amendment 3-3-49-D. I intended to offer it as a substitute for the Taft amendment, for the reason that it amends the over-all authorization in the bill, and also reduces the authorization from a 15-month period to a 12-month period. As I say, the amendment was offered 3 or 4 days ago. I wish to make a very brief statement regarding it, and to bring it to the attention of the distinguished chairman of the Foreign Relations Committee and the distinguished

ranking minority member of that committee. I should like to ask unanimous consent to have it voted on prior to voting on the Taft amendment. I realize that I shall have to have unanimous consent to do that.

THE VICE PRESIDENT. The Taft amendment is an amendment in the first degree. An amendment to that amendment is in order.

MR. WHERRY. I realized that I would have to have unanimous consent. That is the reason I should like to have the chairman of the Foreign Relations Committee here; and if there is any objection, I shall not offer it. I intended to offer it as a substitute for the Taft amendment to the bill under consideration, and should like briefly to state my reasons for offering it.

The bill under consideration, as it comes from the committee, provides for the following authorizations:

(a) One billion one hundred and fifty million dollars to carry on ECA during April, May, and June of this fiscal year;

(b) It would provide \$4,280,000,000 to carry on ECA for the fiscal year beginning July 1, 1949;

(c) It would provide for contract authorization and expenditures amounting to \$150,000,000 after June 30, 1950.

Or summing up these three figures, it makes a grand total of \$5,580,000,000 to carry on ECA for 15 months, plus an indefinite period after June 30, 1950, in which the contract authorization would no doubt be used up.

I propose, in the amendment I intend to offer, to put ECA on a 12-month basis beginning April 3 of this year. Therefore there will be no difficulty about the pipe line; it will continue to operate for 12 months instead of 15.

The amendment further provides \$3,638,000,000 to carry on ECA for the following 12 months, commencing April 3, 1949, and ending on April 2, 1950; as compared with the \$4,280,000,000 that is provided in the bill for the 12 months' period beginning July 1, 1949.

Or putting it in another way, my amendment reduces the authorization for the April 3, 1949, to April 2, 1950, period by \$642,000,000, or 15 percent and shortens the bill from 15 months to 12 months. In other words, we shorten it up, and it provides a 15-percent reduction on the balance of \$4,280,000,000.

The amendment proposed by the senior Senator from Ohio would provide, for a 12-month period, that is, for the fiscal year beginning next July 1, \$3,852,000,000. That would be \$428,000,000 less than the amount proposed in the bill for that period. That is, the Taft-Russell amendment would mean a reduction of \$428,000,000.

Thus it will be seen that the amendment proposed by the senior Senator from Ohio provides a reduction of \$214,000,000 for the 12-month period less than my amendment would provide.

I also wish to point out that the amendment proposed by the senior Senator from Ohio would not cut the \$150,000,000 provided in the bill for expenditure after June 30, 1950.

It seems to me that consistency would require a percentage reduction equal to

the proposed reduction by the senior Senator from Ohio in the amounts carried in the bill for the 15 months ending on June 30, 1950.

If the 10-percent reduction were applied to the \$150,000,000, that figure would be reduced by \$15,000,000, leaving \$135,000,000 and the amount of reduction in the so-called Taft amendment would rise from \$543,000,000 to \$558,000,000.

MR. WHERRY. I am disturbed over our national economic situation, as I know many other Senators and citizens are concerned. We all know there has been a slackening of business in recent months. Government agencies report that nearly 4,000,000 persons are now unemployed. Prices have fallen, very greatly on the products of our farms. We are in an uncertain period—all hopeful, of course, that there will be a stabilization that will result in continued prosperity.

The actions the Senate will take during the next few weeks will be crucial actions, in my opinion. We can, by constructive action, arrest the downward trend in business, and strengthen confidence of the people in the future, or we can by our actions contribute to the oncoming of a serious depression.

It is a matter of simple arithmetic that if we appropriate all the money that has been requested in the budget, there will be a huge deficit and the imposition of higher taxes, or inflationary deficit-financing will be necessary. One or the other course must be pursued.

No one could more perfectly or more effectively point out the critical fiscal condition that threatens than did the senior Senator from Georgia [Mr. GEORGE]. I fully concur in all that he said to us last Tuesday. He warned that there will be a deficit of about \$5,000,000 if we fail to cut the budget. He said that an increase in taxes of that amount would certainly contribute to stagnation of business and a serious depression.

We all know that excessive taxes are a drag upon business. Every schoolboy knows that taxes enter into the cost of everything we buy. To argue otherwise is to lack elementary knowledge of economics.

The Senate has yet to act upon the long train of appropriation bills. Before us now is our first test of what action may be expected on other money bills. What we do about this ECA measure will be widely accepted as the beginning of the pattern that may be expected from this Senate.

To me it is not sound legislating to pass this authorization bill for \$5,580,000,000 on the theory that the time to go into it and sift its provisions is after it becomes law and the Appropriations Committee has worked on it. Now is the time for us, I believe, to set the ceiling policy, and show to the country that we are determined to cut expenditures all along the line in the interest of national prosperity, and to stave off a business-killing tax increase.

We all know from the debate we have been having that there is a scarcity of information in the Senate Foreign Relations Committee hearings, and in the re-

ports of the Economic Cooperation Administration, to justify the lump-sum authorizations in the pending bill. It seems to be clear that the totals approximate what the participating countries have asked for. It is quite clear that a rule-of-thumb procedure was followed in reaching these totals.

For instance, Mr. President, there is the \$940,000,000 provided for the United Kingdom and supported by the Foreign Relations Committee. On page 498 of the committee hearings we find the following discussion concerning the British allotment:

SENATOR TYDINGS. Before the final figure was submitted were any projects eliminated, or scaled down?

MR. FINLETTER. The detailed work of preparing the program underlying that figure submitted was done by the British and we did not take it up project by project with them. The entire import program from the dollar area was considered, and an attempt was made to compress it to the absolute minimum on all scores.

SENATOR TYDINGS. It was compressed, was it not?

MR. FINLETTER. It was.

SENATOR TYDINGS. What was it before it was compressed?

MR. FINLETTER. That is something we cannot tell. We were not in on the discussions of the British Government.

SENATOR TYDINGS. Your staff here was not. Your representatives in London were.

MR. FINLETTER. I was in London at the time. My staff was not in on the detailed discussions of the British Government.

SENATOR TYDINGS. I think you do not intend to do this, but the impression I get from your testimony is that this figure that you now have before us was the figure that was arrived at after discussions. That is correct, is it not?

MR. FINLETTER. That is correct.

Later the Senator from Maryland elicited from Mr. Hoffman, the ECA Administrator, that Mr. Hoffman suggested a 25-percent cut, and this was generally agreed to. That is how the figure of \$940,000,000 was arrived at.

I cite this testimony, Mr. President, to emphasize that we are not dealing with a sacred figure; that if we do not approve it, the ECA program will not collapse and communism take over western Europe. That suggestion has been made; but this is a general proposition and these figures are general. They do not involve eliminating one project or another, but simply reduce the authorization for the British Empire to \$940,000,000.

There is abundant evidence from the ECA and other sources that production in western Europe is now above prewar levels, higher than before the war.

Recent elections in France and Italy revealed sharp declines in the ranks of communism.

The United States has a moral obligation to feed the hungry, clothe the naked, and relieve destitution in freedom-loving countries.

But we have no obligation, legal or moral, to finance those countries to new heights of prosperity—at the expense of the American taxpayer.

We still live in a competitive world. I am opposed to taking the American taxpayer's money to finance world-wide

commerce for foreign countries in direct competition with our own merchants, and, in fact, in competition for our own American market.

Yet I believe that with Europe over the hump in postwar recovery, the ECA program now largely becomes a program to finance our competitors in world commerce. No doubt this phase of the matter will be most thoroughly explored when we consider the bill to extend the so-called Reciprocal Trade Agreements Act.

This ECA matter is not a question of what we would like to do to banish want from the face of the globe, but a question of how much we can afford, how much deeper we must dig into the pockets of the American people. They will become more conscious of this outflow of their cash and goods as unemployment spreads within our own land.

We find from the record that the totals carried in the pending bill are arbitrary totals, fixed to suit the expansion plans of the recipient countries.

That is my opinion as I read the report, and I have gone into it quite in detail, since the colloquy I had with the Senator from New Jersey [Mr. SMITH] recently on the floor of the Senate, when I asked him to attempt to justify project by project the \$940,000,000 allocated to the British.

We, too, have large figures to deal with in our own fiscal situation. We, too, can make arbitrary ceilings in shaping the pattern of our budget. That is how we are going to have to figure, if we are to escape the tax increase that the Senator has warned us against.

To authorize an ECA program for 15 months, with an indefinite period beyond that in the \$150,000,000 to be allowed after June 30, 1950, would be in my opinion, an unwise action, in view of the uncertainty of our own domestic situation.

We do not know with certainty what conditions will be a year from now—much less than 15 months from now. We make our major appropriations on a yearly basis, and operate our Government on a fiscal-year basis.

To have the 12 months for ECA begin on April 3, next, as I propose, would not alter the year's basis for comparison and bookkeeping purposes. The 12 months' period I propose simply would end in April 1950.

Congress will be in session next January and then we can take another searching look at ECA, in the light of conditions abroad and at home.

By putting ECA on a yearly basis, we would be required to keep closer tab on it, and be better able to revise it as conditions arise, than if we have to wait until the 15 months have expired.

If, next January, we find that ECA must be continued, we certainly would take that action.

There would be no sudden termination of ECA in April 1950, under my amendment, because long after April 1950, the goods and supplies from our factories and our farms would continue to flow to the recipient countries.

In fact, today, the pipe lines are full and overflowing. I am informed the ECA today has about \$2,500,000,000 worth of

goods that have yet to be shipped, and to be paid for by our Treasury Department.

My information is the ECA has allocated or earmarked all its funds, but that many orders are yet to be placed, and many months will be consumed in manufacturing and processing these goods.

Therefore, by adding this \$2,500,000,000 to the \$3,638,000,000 that I propose in my amendment for the next 12 months there will be more than \$6,000,000,000 worth of goods and cash available to carry on ECA.

I contend that the 15 percent cut over a 12-month period that I propose in my amendment is not drastic. It is no more drastic than what we propose to do on appropriations for the well-being and happiness of our own people, as was suggested by the Senator from Georgia [Mr. RUSSELL] just a few moments ago.

On appropriation bills that have been reported by the House Appropriations Committee, I am informed, reductions approximating 15 percent have been made. That is true with respect to reclamation projects in the Department of the Interior appropriation bill, and is true with respect to the civil functions appropriation bill, both of which have been passed by the House and sent to the Senate with reductions below the budget estimates.

I believe that we in the Senate are going to have to do as well, or better, if we are to avoid a tax increase or go through another black period of deficit financing. If we are to make those cuts, we can make them project by project, in the amount of 15 percent, if it is to be done in that way. I believe cuts should be considered project by project, but I do believe a pattern must be set here with respect to appropriations.

A 10-percent cut in ECA, in my opinion, would be merely a token reduction.

It has been suggested that the amount of the cut is not important; that the big thing we must accomplish in the Senate is to make it clear that we can think and act, and do not subscribe that any authorization presented to us is sacred—save, of course, appropriations necessary to service our national debt, and to provide for war veterans, and our national defense.

In the light of all the evidence that production in western Europe is now up to prewar levels—and even above it in some lines, I think we need have no worry that a 15-percent cut in ECA would materially retard Europe's expansion program.

There is still another reason I should like to give for proposing a 15-percent cut, instead of a token 10-percent cut—and that is that prices of commodities have dropped substantially and the trend is downward. That is true of grain. I know that, because in my own territory the price of grain today compared to the price of grain a year ago, has in some cases been reduced as much as half. In my opinion, when the complete corn crop is marketed—and much of the corn is soft corn upon which a loan cannot be made—it will have a tremendous impact on the market. It is my opinion that a 15-percent cut can easily be ab-

sorbed by reason of reduction in prices during the next 9 months. Even with such a reduction, by reason of the drop in prices, we would give Europe everything that is being asked for under the ECA program.

Every point that our price index drops, the purchasing power of the dollars we provide for ECA, rises.

In conclusion, Mr. President, I urge the Senate to adopt my amendment. Its adoption will be a signal to the country that we are determined to bring our national budget into balance without resort to higher taxes or deficit financing and thus to help keep our nation strong so that we may continue to do our part for all humanity.

Mr. President, at the beginning of my explanation of the amendment I stated to the distinguished Vice President, who is now in the chair, that I would ask, at the conclusion of my statement, for unanimous consent that the amendment be voted upon prior to the vote on the Taft-Russell amendment.

The VICE PRESIDENT. The Chair was under the misapprehension that it affected only the amendment of the Senator from Ohio, but upon reflection the Chair finds that it goes beyond that, by cutting down the period, so it is not in order as a substitute.

Mr. WHERRY. I therefore suggest that my amendment be voted upon prior to the vote on the Taft amendment.

The VICE PRESIDENT. The Senator cannot even offer it at this time.

Mr. WHERRY. If that be true, then I send to the desk another amendment which I offer as an amendment to the Taft amendment, which is a straight 15-percent reduction of the amounts in the Taft amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, lines 14 and 15, it is proposed to strike out "\$1,150,000,000" and insert in lieu thereof "\$977,500,000."

On page 5, line 16, it is proposed to strike out "\$4,280,000,000" and insert in lieu thereof "\$3,638,000,000."

The VICE PRESIDENT. The Chair would like to ask the Senator from Ohio as well as the Senator from Nebraska a question. The amendment, while a single one, affects two separate provisions of the bill. Is it the purpose in each case to have the amendment voted on as a whole?

Mr. WHERRY. Yes.

Mr. TAFT. My intention was to ask that my amendments be voted on as one amendment.

The VICE PRESIDENT. Without objection, both amendments will be considered as a single amendment. The amendment of the Senator from Nebraska is in order as an amendment to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. WHERRY. Mr. President, I shall not speak upon my amendment. I think the subject has been thoroughly covered. I shall not detain the Senate at all except to show what the figures are. The over-all cut on a 15-percent basis will provide a reduction of \$814,500,000.

The reduction under the Taft amendment would be \$543,000,000. There is a difference of \$271,500,000 between the two amendments. I believe that each and every argument that applies to one amendment applies to the other, unless we want to consider the Taft-Russell amendment to be simply a token reduction.

Mr. MAYBANK. Mr. President, I have prepared a short statement in connection with the Taft-Russell amendment. I had expected to vote for that amendment, but cannot do so because of a pair I have with the distinguished junior Senator from Oklahoma [Mr. KERR] who will be absent the remainder of the evening. In view of the fact that, as I understand, the Taft-Russell amendment has been amended by another amendment which was just offered, I will defer offering the statement I have prepared in support of the Taft-Russell amendment. I do so by reason of the parliamentary situation. As I understand, the Wherry amendment to the Taft-Russell amendment is to be voted on first?

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska would be voted on first, as it is an amendment to the amendment offered by the Senator from Ohio.

Mr. MAYBANK. Then the amendment of the distinguished Senator from Ohio and the distinguished Senator from Georgia will next be voted upon?

The VICE PRESIDENT. If the first amendment is defeated, then the next vote will be on the amendment offered by the Senator from Ohio and the Senator from Georgia. If the first amendment should be adopted, of course it would take the place of the other amendment.

Mr. MAYBANK. I so understand.

In view of the pair which I have with the distinguished junior Senator from Oklahoma, and the fact that I had intended to support the Taft-Russell amendment, I ask unanimous consent to have printed in the RECORD following my remarks a brief statement which I have prepared. I do that because, as a member of the Appropriations subcommittee which will later consider this legislation so far as the funds are concerned, I wish to make my position perfectly clear, that the Appropriations Committee in determining the amount of the appropriation should consider the reduction in prices which has occurred since the estimates were made.

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

STATEMENT BY SENATOR MAYBANK

It is my purpose to vote for the Taft-Russell amendment to curtail the authorization bill of the ECA program by 10 percent.

In the past I have supported foreign-aid programs and various loans which the Congress authorized, but at the present time it is my opinion that even with a 10-percent curtailment in funds, the dollars in purchasing value will be greater than the 10-percent curtailment.

Everyone knows that we are in a recession, and everyone knows further that the price of cotton, cottonseed, soybeans, wheat, corn, hogs and all agricultural products of major importance have declined from 20 per-

cent to more than 100 percent. Hence, naturally, greater quantities can be purchased for ECA with fewer dollars.

It will be my further purpose as a member of the Appropriations Committee, unless there is a substantial recovery among the producers of this country, to vote for an additional reduction in keeping with the purchasing value of the dollar. More important, from a tax standpoint, as has been clearly stated on the Senate floor by the senior Senator from Georgia, Senator GEORGE, we will be faced with a deficit, and unless curtailments are made, additional taxes will have to be placed upon the already overburdened taxpayers. This would result in a greater recession. I shall oppose any new taxes unless we make curtailment of unnecessary expenditures. I hope, therefore, that those who will be willing to vote for the full authorization will, when the time comes, also be willing to vote for additional taxes to carry out the program unless we have a great recovery in the United States of America.

The recent action of the Federal Reserve Board in lessening marginal requirements on the exchanges in evidence of the situation confronting us. Also last month after conferences in the Banking and Currency Committee, because of the recession, the Federal Reserve Board extended the time payment on automobiles, and further reduced the down payment on durable goods which are now in oversupply.

I make this statement because I desire to go on record as favoring a curtailment not only now when the authorization bill is before us, but also to curtail the appropriation as a member of the Appropriations Committee.

Often I have heard it said that an authorization bill does not mean that the Appropriations Committee has to appropriate the full amount, but usually I have found the public favors the expenditures recommended by the authorization bill on the theory that we are honor bound. We now have before us in the Appropriations Committee a large request for funds because of a Treasury Department authorization bill passed last year to purchase materials.

Nothing worse could happen for the economy of the country at this time than to have Congress place additional taxes upon the people of the United States.

Approximately 70 percent of our appropriations are now earmarked for debt service, the various defense units of the Government, veterans' care and for pensions. These items cannot be reduced, as they are obligations and for the defense of the country. Hence, only a small percent of the total budget—some 30 percent—can be reduced. No one knows what the trend of business will be 6 months from now, but everyone knows that it is on the down grade, and unless something is done to aid the taxpayers and business it will continue.

Mr. TAFT. Mr. President, I am unable to accept the amendment of the Senator from Nebraska [Mr. WHERRY] to my amendment. I have only one criticism to make of his remarks. The 10-percent reduction proposed in the amendment which has been offered on behalf of the junior Senator from Georgia and myself is not a token reduction. It is a reduction of consequence. It is a reduction which involves \$540,000,000, and \$540,000,000 "is not hay."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] to the amendment offered by the Senator from Ohio [Mr. TAFT] on behalf of himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. WHERRY. Mr. President, I ask for the yeas and nays.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Anderson	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Connally	Kem	Saito
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Downey	Lodge	Taft
Ecton	Long	Thomas, Utah
Ellender	Lucas	Thye
Ferguson	McCarran	Tobey
Fulbright	McCarthy	Tydings
George	McClellan	Vandenberg
Gillette	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Willey
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hickenlooper	Miller	Young
Hill	Millikin	Morse

The VICE PRESIDENT. Seventy-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] to the amendment offered by the Senator from Ohio [Mr. TAFT], for himself and the Senator from Georgia [Mr. RUSSELL].

For the information of the Senate, the amendment to the amendment will be read.

The LEGISLATIVE CLERK. In the amendment offered by the Senator from Ohio [Mr. TAFT], for himself and the Senator from Georgia [Mr. RUSSELL], in line 2, it is proposed to strike out "\$1,035,000,-000" and insert in lieu thereof "\$977,-500,000"; and in line 4 to strike out "\$3,-852,000,000" and insert in lieu thereof "\$3,638,000,000."

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, I do not desire to detain the Senate any great length of time in regard to this amendment. I simply desire to say that the amendment would merely increase by another 5 percent the cut proposed by the so-called Taft amendment.

I am opposed to the Taft amendment. Of course, if Senators decide that a cut of 10 percent or 15 percent can be made, a cut of 20 percent could just as well be made. However, I am unalterably opposed to these meat-ax reductions, as proposed in this case by the amendment offered by the Senator from Nebraska to the so-called Taft amendment. There is not a single fact to support this kind of reduction. In the studied opinion of the Senator from Illinois, this is a most irresponsible and most unsound way to legislate. The amendment should be defeated, and I feel sure it will be.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

Mr. MAYBANK. Mr. President, I understand that after this amendment is voted on, we shall have an opportunity, provided the amendment is defeated, to vote on the Taft-Russell amendment. Is that correct?

The VICE PRESIDENT. That is the assumption. The clerk will call the roll.

The legislative cler. proceeded to call the roll.

Mr. LONG (when his name was called). I have a pair with the senior Senator from Oklahoma [Mr. THOMAS], who is absent by leave of the Senate. If he were present, he would vote "nay." As I intend to vote the same way I am at liberty to vote. I vote "nay."

Mr. MAYBANK (when his name was called). I have a pair with the junior Senator from Oklahoma [Mr. KERR], who is absent on public business. If he were present he would vote "nay." Since I also intend to vote "nay" I am free to vote. I vote "nay."

The roll call was concluded.

Mr. BUTLER. I have a pair with the junior Senator from Connecticut [Mr. BALDWIN]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. LUCAS. I announce that on this vote the Senator from Mississippi [Mr. EASTLAND], who is necessarily absent, is paired with the Senator from Nevada [Mr. MALONE]. If present, the Senator from Mississippi would vote "nay," and the Senator from Nevada would vote "yea."

On this vote the Senator from Idaho [Mr. TAYLOR], who is necessarily absent, is paired with the Senator from Pennsylvania, who is absent on public business. If present, the Senator from Idaho would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from Delaware [Mr. FEAR] is absent on public business, and if present would vote "nay."

The Senator from New York [Mr. WAGNER] is necessarily absent, and if present would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate, and his pair with the Senator from Nebraska [Mr. BUTLER] has been previously announced.

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

The Senator from Vermont [Mr. FLANDERS] is necessarily absent. If present and voting, the Senator from Vermont would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business and is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from Kansas [Mr. SCHOEPPEL] would vote "yea" and the Senator from New Jersey [Mr. SMITH] would vote "nay."

The Senator from Nevada [Mr. MALONE] is unavoidably detained and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting the Senator from Nevada [Mr. MALONE] would vote "yea" and the Senator from

Mississippi [Mr. EASTLAND] would vote "nay."

The result was announced—yeas 14, nays 68, not voting 14, as follows:

YEAS—14

Brewster	Ecton	Langer
Bricker	Ellender	Martin
Byrd	Jenner	Wherry
Cain	Johnston, S. C.	Williams
Capehart	Kem	

NAYS—68

Aiken	Hunt	Murray
Anderson	Ives	Neely
Chapman	Johnson, Colo.	O'Conor
Chavez	Johnson, Tex.	O'Mahoney
Connally	Kefauver	Pepper
Cordon	Kilgore	Reed
Donnell	Knowland	Robertson
Douglas	Lodge	Russell
Downey	Long	Saltonstall
Ferguson	Lucas	Smith, Maine
Fulbright	McCarran	Sparkman
George	McCarthy	Stennis
Gillette	McClellan	Taft
Graham	McFarland	Thomas, Utah
Green	McGrath	Thye
Gurney	McKellar	Tobey
Hayden	McMahon	Tydings
Hendrickson	Magnuson	Vandenberg
Hickenlooper	Maybank	Watkins
Hill	Miller	Wiley
Hoey	Millikin	Withers
Holland	Morse	Young
Humphrey	Mundt	

NOT VOTING—14

Baldwin	Frear	Smith, N. J.
Bridges	Kerr	Taylor
Butler	Malone	Thomas, Okla.
Eastland	Myers	Wagner
Flanders	Schoeppe	

So Mr. WHERRY's amendment to the amendment of Mr. TAFT and Mr. RUSSELL was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Ohio [Mr. TAFT] for himself and the junior Senator from Georgia [Mr. RUSSELL].

Mr. TAFT. Mr. President, I should like to address the Senate with reference to the argument which has been advanced that we should make no cut in the authorization, because that function properly belongs to the Appropriations Committee. That argument has been made repeatedly. It was made last year. It was made then and was made this year by the distinguished Senator from Michigan [Mr. VANDENBERG], who, in debate with the Senator from New Hampshire [Mr. BRIDGES], then the chairman of the Appropriations Committee, said:

The Senator from New Hampshire is asking me about the function of the Appropriations Committee; and I hope I have indicated to him that I consider that the committee has not only a freedom to act, but a responsibility to act.

But within that authorization there is not only freedom, I repeat, but a duty not only upon the Senator's committee but certainly upon the so-called watchdog committee, if it shall be created under the terms of this bill, to provide a scrutiny of this entire enterprise, which cannot be detailed too completely to satisfy the Senator from Michigan.

I answered that argument at that time in this way:

Mr. TAFT. Mr. President, of course, I considered this question before offering the amendment to the authorization bill.

I quite agree that legally the Appropriations Committee can do anything it pleases. It can appropriate nothing, if it wishes to do so. But I think in all the circumstances of the case, if this bill is passed without my

amendment, the European countries will consider that it is an undertaking to give \$5,300,000,000. I think every newspaper in the country will condemn the Appropriations Committee if it does not thereafter vote to give \$5,300,000,000, after the passage of this particular bill, if my amendment is not added to it.

So while I agree as to the legal position, I do feel very strongly that the Appropriations Committee will not be a free agent if this bill is passed without my amendment, but will for all practical purposes be compelled to adopt the full figure.

That position was supported by the newspapers of the country when the Appropriations Committee of the House undertook to reduce the amount which had been authorized by both Houses of Congress. I should like to read what some of those newspapers said at that time. I hold in my hand a front-page editorial appearing in the New York Herald Tribune, which, so far as I remember, is the only front-page editorial that newspaper has run in many years. I read from that editorial:

The action of the House of Representatives in cutting the ERP appropriation compromised the pledged word of the United States, undermined the structure of the Marshall plan, and thereby threatened the safety of the United States in the years that lie ahead.

In other words, the position which one of the leading newspapers of New York took was that we had violated our pledged word after we had carefully considered the amount in the authorization bill and had failed to appropriate the amount. Of course it is not legally true, but for practical purposes it is true. For practical purposes the European countries do not understand the difference between an authorization and an appropriation. Most Americans do not understand it. Certainly, some editors, who are a very intelligent group, do not understand the difference.

I read from the Press Herald of Portland, Maine:

The whole matter had been thoroughly fought out on the floor when authorization of the Administration's plan was voted; and it was assumed as a matter of course that actual voting of the sums necessary to do the job authorized would follow as a routine matter.

An editorial in the Scripps-Howard paper here, the Washington News, is headed "The House welshes."

In other words, the House went back on the promise made in the authorization. The editorial says, further:

The leaders of the House know the authors of the plan are Secretary Marshall and their own Senator VANDENBERG. They know the facts were checked by international conferences, by 16 foreign nations—

Just as today—
by the executive departments of our Government—

Just as today—
by Congressional committees and by the special Harriman committee of distinguished private citizens. They know that no legislation of the kind ever has had such prolonged, thorough, and objective study as this.

It undermines the spirit of our allies and their confidence in us. After they had been

lifted up by our promises, they are knocked down again. They accepted the authorization of this money by Congress in good faith. Now at best they will say we mean well but are so fickle and unreliable our word can not be trusted. Others will say we deliberately tricked them, as Russia predicted.

That is an editorial which appeared in all the Scripps-Howard newspapers in many States throughout the Nation. It is one of the greatest and most powerful newspaper chains in the United States, and has one of the best-informed editorial staffs in the United States.

I read from the Detroit Post:

When Congress, in April, passed the European recovery bill, it authorized appropriation for the first 12 months of \$6,533,000,000 for foreign aid. This was done after the House and Senate committees had held exhaustive hearings—

Just as today—

This was done after House and Senate committees had held exhaustive hearings, had delved deeply into the computations and estimates both of the European participants and of American Government experts. The final judgment of both Houses, entered upon that careful basis, was for \$6,533,000,000.

Those who attempted to make the cut were charged practically with treason for having repudiated the promise made by the United States Government.

A Washington Post editorial of June 8 said:

There is one man in the Kremlin who must have heaved a sigh of relief when he heard about the cut in the ECA appropriation—

And so forth. The St. Paul Pioneer Press heads its editorial "The betrayal of ERP," and says:

There is nothing sacred about any particular amount, but Congress after careful and prolonged study by the appropriate committees settled on \$6,500,000,000 for European and Asiatic reconstruction and relief for next year. For the appropriations committee to overrule that decision is indefensible.

Mr. President, I shall not continue reading editorials, but I think with the exception of one newspaper, the action of the Appropriations Committee in attempting to cut down the ERP appropriation as determined by the authorization, was condemned. It was said to be a repudiation of the promises made by the authorization. Exactly the same thing will happen this year, if we vote down this amendment and the Appropriation Committee attempts successfully to cut the appropriation. Of course those who make such statements are not legally correct. We know the distinction. But the argument will be made now, as it was made a year ago, that the Committee on Appropriations is bound by the action of the Senate and House in fixing on an amount, after careful committee consideration, as the amount that should be appropriated.

To a certain extent they are right, because this is not the ordinary case of an appropriation. We authorize a program to cost so much for period of 5 or 10 years, and of course the Committee on Appropriations has to reexamine it each year. Here is an authorization for only 1 year, and the conditions upon which we fix the authorization are exactly the same conditions that will be before the

Committee on Appropriations when they undertake to appropriate. Of course, they may differ from the Committee on Foreign Relations, but the circumstances they will have before them will be the same, and they will not know a thing more about what the amount should be when they get through than we know now, or than the Committee on Foreign Relations knew.

There have come back from Europe those who know most about conditions there. Every prominent official in the ECA has testified before the Committee on Foreign Relations. Books and documents have been prepared dealing with each country, justifying, so far as they could be justified, the estimates presented. Exactly the same facts will be before the Committee on Appropriations.

When we decide on this matter, we have in effect fixed the policy, and unless we reduce the sum, as I see it, the policy is that we shall make up the export deficits of the various countries in Europe as they have figured them and handed them to the ERP, and as the ERP has approved them.

It is said that there will be a decrease in prices, that the Committee on Appropriations perhaps will find that lower prices justify a somewhat smaller appropriation. Whether prices shall be a little lower or not, the Committee on Appropriations will be making just as much of a guess in the month of April as the Committee on Foreign Relations made presumably in the month of March, because they are going to have to guess the prices for the next 15 months, and no person on earth can do that and be sure he is accurate.

The question of a reduction in prices is a question to be considered by the Executive, and to the extent that he can get a reduction in prices he ought to spend that much less than Congress appropriates or authorizes. I do not think the Committee on Appropriations in that regard will be any better off than the Committee on Foreign Relations has been.

Furthermore, Mr. Hoffman does not admit the claim that there should be any reduction in the appropriation because of a change in prices, because he says in his review of prices:

The results of this reduction are that the estimate of the total cost of our goods to be shipped to Europe from the dollar areas in 1949-50 might be reduced by about \$35,000,000—

A mere nothing when we take into consideration the total of the appropriation.

The estimate of European earnings through the export of goods to the Western Hemisphere will have to be reduced by at least twenty-five to thirty million dollars, and therefore the only possible reduction in the estimate of the net figure would be of the order of five to ten million dollars.

In other words, Mr. Hoffman says what I have said before, that this whole matter is based on taking the foreign figures, and the plans of the foreign countries for exports and imports, and making up the difference between them through the advance of American dollars. He says we will not get any benefit from the re-

duction of prices because they will have their prices reduced, so their deficits will be just the same as they were when they started.

He at least does not admit that lower prices are going to make any difference in the total net result, and he is right, unless we repudiate the theory of a balance, and that is what we can do by adopting the amendment. We can repudiate the theory that we are bound to make up whatever the deficits may be of these foreign countries under the plans they happen to have made. Unless we do that, we accept the theory, and I do not see how any reduction can be justified by the Committee on Appropriations.

The distinguished Senator from Michigan, in effect, today said the same thing, that it is necessary to have the whole amount in order to do what is proposed in the particular way outlined, or it will not serve the purpose intended. The distinguished Senator from New Jersey [Mr. SMITH] the other day stated the matter very clearly:

The measure of the amount of aid can therefore be stated very simply as the amount of necessary dollar purchases for which they themselves cannot earn the dollars. So far as they can earn the dollars they are trying to do so. The dollars which they need for their imports, over and above the dollars they earn for their exports, constitute the adverse balance of payments. Roughly speaking, this is the gap which the United States must finance if we are to make recovery possible.

I utterly deny the correctness of that theory.

Certainly it is wrong to say that they cannot change their plans, cannot change their capital exports, cannot change their consumption. Of course they can change them, and they will change them if they have to. They fit them, necessarily, to the money we advance.

Mr. Hoffman a few days ago submitted a list of commodities to be shipped. It was put into the RECORD by the distinguished Senator from Texas this week, and I have here the list of the commodities. They add up to \$4,280,000,000, which is exactly the same figure reached through the balance-of-payments theory.

Mr. President, the distinguished Senator from Michigan said that the pending amendment had not been considered by the Committee on Foreign Relations. If it was not considered by that committee, the committee did not do its duty, because it was its duty to examine as critically as possible the demand for \$5,430,000,000 to be authorized for goods to be shipped to foreign countries, \$5,430,000,000 to come out of the pockets of American taxpayers. Of course, this was under consideration by the committee when it fixed this amount.

My objection is that the committee accepted, without dotting an "i" or crossing a "t," the amount submitted by the ECA. The distinguished Senator from Michigan says they have screened the figure very carefully, and have submitted it to the committee, and that it will be a repudiation of good faith, or something of the kind, if we do not accept it. If

we followed that theory we never could cut any appropriation. Every department of the Government comes to Congress with a carefully prepared budget which they are sincerely convinced is necessary for the work they are doing. Every single appropriation request is screened by the Budget Bureau, then submitted to the Congress, and certainly we are free to look at the request and decide whether it shall be reduced in the over-all interest of the country, and a reasonably balanced budget, if it becomes necessary to reduce the amount.

What I have been trying to do is to break down the theory that the amount authorized in the bill is sacred. I think all our appropriations should be reduced, and in this case in particular I think it is highly desirable that we authorize a lesser amount than we authorized last year. Last year we authorized about \$5,000,000,000. With the total we are now considering it is about \$5,430,000,000.

It is said it is for 15 months, but as a practical matter, having given the \$5,000,000,000, we are now handing Mr. Hoffman \$5,400,000,000, which at any time after the 1st of July he may commit to the participating nations. The money he has is in one lump sum. It does not flow out month by month necessarily. We are actually increasing the appropriation this year.

I should like to establish definitely that we are on the road to cut down the appropriations, that we are not permanently undertaking to grant to Europe the same standard of shipments which we have followed during the past year, particularly as we know that, according to the universal testimony, production in the participating countries has increased, that all the countries are very much better off, and do not need the aid in the amount which would be given to them by the bill.

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

Mr. TAFT. I yield.

Mr. PEPPER. The Senator has repeated what I understood him to say in his remarks yesterday about there being an increase in the appropriation. Will the Senator clarify that, because I had understood from the Senator from Michigan that the amount for 15 months would be less than the amount for the previous period. I should like to know what the Senator from Ohio had in mind.

Mr. TAFT. I thought I made it clear. For the first period it was \$5,055,000,000. But for practical purposes it is a larger amount than we provided before. We are actually today authorizing more of the American taxpayers' money than we authorized last year. Yes; it is to be spread over 15 months, but that is comparatively a minor matter. It can all be obligated in the next 10 or 12 months if it is desired to do so. It can be obligated, but it cannot be spent, I believe, except month by month.

Mr. William C. Foster, Ambassador at Large to the Economic Cooperation Administration arrived yesterday in New York. He opposed this amendment. He declared that the \$5,580,000,000 proposed for the program in the next 15 months was just about sufficient to maintain the

present aid level—not to reduce but to maintain the present aid level. That is what in effect the bill does. It in effect continues this aid at almost exactly the same amount as before. Are we ever going to get back to a point where we can gradually reduce the appropriation? It seems to me that unless we are willing, by our vote now, to say, "You had \$5,000,000,000 last year, and this year you will get a little less," I do not believe we can ever hope to get back on a basis where we will ever get rid of this burden of \$5,000,000,000 a year.

It is said that the proposed cut is an across-the-board cut. What other kind of a cut would Senators make? How would Senators cut this proposed appropriation? If the Appropriations Committee dared to make a cut at all it would be an across-the-board cut. It may not be a 10-percent cut, it may be a 9-percent or a 2-percent cut, but it has got to be an across-the-board cut.

Reference has been made to a selective cut. A selective cut cannot be made. If we are going into this program we must give Mr. Hoffman the power to take the reduction we make and apply it in cases where money is least needed. That is the only way we can hope to cut this particular appropriation. No matter who does it at any time, if it is ever done it is going to be in that sense an across-the-board cut. But it is not an across-the-board cut. Mr. Hoffman has the discretion to apply 20 percent to one country, cut aid to another country off entirely, if he wants to, and apply a less reduction to some other country, and to allot the money as he thinks is most necessary. We are simply saying to him, "We do not see how we can afford the sum of \$5,580,000,000. We thing there should be a 10-percent cut if we are going to come anywhere near working out the proper balance of our receipts and our disbursements in the United States."

After all, I think the main reason for the reduction is that we face a deficit in the budget. If we do not now start on this course, which we can start upon here, of reducing 10 percent, we are going to have to increase the taxes on the people of the United States. Already we have a deficit of something like \$800,000,000, according to the President's budget. I think the budget can be cut about \$3,000,000,000. We can do that if we can cut 10 percent on those things that are open to any cut at all, and are not direct obligations of the Nation. If we cut the budget \$3,000,000,000, instead of making a few increases, I do not believe a tax increase will be necessary. Otherwise I think it will be.

I was rather interested to see two headlines alongside each other in this morning's New York Times. One headline is:

President insists on full ECA fund; Senate debates it.

In the next column we find the headline:

Biggest United States peril rests in a deficit, Truman declares.

The President takes the position, and to a certain extent correctly I think, that a deficit is something we cannot face and should not face in a period of great pros-

perity such as we have today, and that if we are going to spend the money he follows out the logical conclusion of his position and says we have got to have higher taxes. The only way I know of that we can avoid the obligation at least to impose heavier taxes on the American people is to make a cut in this bill, and make a cut also in the various domestic expenditures. A 10-percent cut would just about save us the necessity of a budget deficit. I should like to see a 15-percent or a 20-percent cut in the various appropriations, but unless we begin with this measure, certainly the American people, who are interested in their own welfare, are going to say, "If you do not cut the foreign requests, certainly you should not have cut the requests we make here at home for the absolutely essential services which we think are necessary to maintain health and welfare and the continued progress of the people of the United States of America."

After all, Mr. President, if we really want to cut, if we really want to avoid the necessity of new taxes, the way to cut is to cut when the opportunity is before us. We should not talk about what we are going to do 2 months from now when the Appropriations Committee takes another look at the problem, but settle down now and say that we can cut just as effectively now as then; we can make a policy now just as well as any other time on the general principle of economy in Government expenditures.

I have the highest regard for Mr. Hoffman, but every man who is engaged in Government thinks that his particular field is absolutely necessary, and, of course, he does not like a cut in the particular expenditures which he asks us to make. But unless Congress assumes that responsibility we will not make the cut. What we will do is to impose on the American people additional taxes above the very heavy burden that exists today—additional taxes of two or three or four or five billion dollars—in order to give just a little more money to each participating country in Europe so that we may be able to say we have given them exactly what they really wanted and can say, "We have not cut anything off the request you made."

In the case of England this amount is what they asked in the beginning. They came in with a request for the amount included in the bill. Mr. Finletter said he would like to give them even more, but this amount is exactly what they requested. In effect, we are telling the people we are not going to turn down a request made by any foreign government that asks us for money. If they want that much money, we are going to increase the taxes on our people by large sums of money, which I think will be a serious deterrent to the progress of our country. It would be a serious discouragement, particularly if we increase the corporation tax from 38 to 50 percent, which is practically the proposal which has been made. That would be a serious discouragement for people to go into business, a serious discouragement for people to create jobs for other people, a serious discouragement to that steady advance in the investment of money in

capital and machines and tools which is absolutely essential if we are going to progress in this country, if we are going to keep the country strong, if we are going to keep the country in a condition where it can move forward, as I hope, for many years, and at the same time serving within its reasonable ability to aid the progress of and give assistance to other countries in those respects where we find that our aid may be more helpful than simply the general handing out of money.

So, Mr. President, I believe we have to decide today, and not in connection with any appropriation bill, the question whether we are at this session of the Congress to take an unlimited view of the amount of money we can authorize and appropriate, the amount of money we can pay out, the amount of money we can levy in taxes on our own people. Unless we are going to take that view I think we ought to begin now to cut down this particular expense, and vote the very reasonable reduction which I think can apply in principle to all domestic expenditures.

Mr. CONNALLY. Mr. President, I shall not detain the Senate long. I have not heretofore participated in the debate except on the opening day, when the committee reported the bill to the Senate. I have been present in the Senate fairly regularly and have heard all the discussions on the measure.

At the very beginning I should like to say to the distinguished Senator from Ohio that, of course, I do not relish levying taxes, I do not relish making appropriations, but I do realize that there is a certain degree of responsibility resting upon me, as it rests upon every other Senator, to perform our duties according to our opportunities and resources. In that connection I regard our foreign relations as of the highest importance. I regard them of the highest importance because they so vitally touch the question of war or of peace, and peace is the supreme wish and hope and aspiration of the American people. They are more concerned with the question of preserving the peace of the world than they are with the particular brackets in which they find their financial resources at the moment.

A year ago the Congress enacted the ERP bill, or the Marshall plan bill. It was greeted with enthusiasm when first proposed by General Marshall. This year, which is the beginning of the second year, is probably the most vital and most important year in all the 4 years which were originally planned for the operation of this program. The first year was an experimental year. We were on new ground. We went forth with uncharted journeys before us. Today the officials who have been in charge of the administration of this plan have had a year's experience in its operation. They know a great deal more now than they did then. I think their views and their testimony are worthy of the attention of the Senate.

I suppose the Senator from Ohio [Mr. TAFT] and other Senators who favor this reduction feel that they know better about what it is going to cost properly

to operate the plan; they know better as to what the resources of the various countries are; they know better how much each country can produce in aid of this program, than do the administrators and the officials who have had it in charge.

Mr. President, I wish to say for the Committee on Foreign Relations that it considered these questions most carefully and diligently. Members of the committee have attended the debates on the floor of the Senate. They have paid particular attention to the welfare of this program. Senators complain that the Committee on Foreign Relations did not consider some particular amendment. I ask them why they did not come before the committee and present their amendments. We heard everyone who desired to appear. I do not recall seeing the Senator from Ohio [Mr. TAFT] present before the Committee on Foreign Relations at any time while it was deliberating upon this measure or while it was hearing the testimony of witnesses. The committee went into the subject most thoroughly.

Mr. President, what else happened? These estimates and figures were first prepared by the respective countries. They made their requests. Those requests then went to the OEEC, which is the over-all organization of the countries in Europe which are participants in the plan. They screened them. They reduced them. The requests then went to Mr. Hoffman and the ECA officials. They reduced them. Mr. Hoffman's staff reduced the requests below the figures as they were first presented.

The estimates of amounts as reported by the Committee on Foreign Relations were reviewed by Mr. Hoffman himself. No Senator has criticized the ability, the integrity, or the patriotism of Mr. Hoffman. He is a man of wonderful attainments, a great businessman. He does not want any higher taxes if he can help it. He does not want to squander any of the money of the taxpayers in Europe or anywhere else; but he does want to see this program made a success. He wants to see the task to which he has set his hand successfully followed to a conclusion. He wants to see Europe recover. He wants to see that the dollars which are spent in the United States in furtherance of this program are prudently expended, and that they are utilized to accomplish the purposes we had in mind when we instituted the program.

In addition to Mr. Hoffman, the entire program was reviewed by Mr. Harriman. Mr. Harriman is the European representative of Mr. Hoffman. Who is Mr. Harriman? Is he some little "two-bit" job hunter? As Senators know, Mr. Harriman is one of the great financiers and businessmen of the United States. I was with him in Paris last October and November. I was in his office. I discussed with him the progress of this program. Mr. Harriman showed a grasp of conditions in France and in the other European countries that was marvelous to see. He does not want to squander the people's money. He has a pretty good stake in the Treasury. He pays high

income taxes, high property taxes, and high corporation taxes, I am sure.

These men reviewed this program, as it is now before us, carefully, conscientiously, and patriotically. They have testified that the program as outlined is necessary. They call it the minimum requirement. The figures which they submitted were in their judgment the minimum figures necessary for the success of this program.

This is not merely a grab bag. We are not giving something to the countries of Europe merely to pacify them. We want to give them enough to make the program a success, so that we can get out of it sooner, and will not have them on our hands for any longer period than necessary. But if we do not give them enough to accomplish the real purposes of the program they will be back again in 1953, 1954, and perhaps 1955.

This program was also reviewed by two men both named Bruce. One of them, Mr. Howard Bruce, of Baltimore, a great financier and businessman of many years' experience, is vice chairman under the direction of Mr. Hoffman. He is tried in all the hazards and misunderstandings of business and has attained eminence in his own right in the field of finance and business administration.

His nephew, the son of Senator Bruce, who formerly sat in this Chamber, is the representative of Mr. Hoffman in France. I saw him in France last October and November. He was here and testified before the committee in its hearings on this bill. He is a man of wide learning in finance and business. His testimony was that the amounts submitted to the committee were the minimum amounts for the pursuit of the program which we have in mind.

Shall we simply say to the European countries, "We are going to give you some money, but we will take a little of it back. We merely wish to satisfy you. We want to give you only enough to make you hush."

What is the use of spending a dollar unless we expect it to accomplish the results we have in mind? There is no economy in chiseling off a few dollars here and a few dollars there if by so doing we impair the program which has been envisaged, a program which a year's experimentation has proved a success.

No Senator in the debate on this floor has criticized the operation during the past year. Most Senators who have spoken of it at all have said that we have made great progress and have been extremely successful. The argument is that because we have been so successful, therefore, we ought to cut some of it off. It is said that Great Britain has progressed rapidly and has been restored quickly. That is an exaggeration. I do not believe that she has been restored so quickly, but there are those who say that she has been restored, and that, therefore, we ought not to give her any more, but should cut her off.

Mr. President, I was in England. I consulted, not in England, but in Paris, with our representatives in the United Kingdom. We brought them here and

they testified before the committee. They said there had been marvelous progress in the United Kingdom, but that it is not yet out of trouble. They stated that the amounts recommended in this bill were the minimum to take advantage of the momentum which had already been accumulated, and which would bring about rehabilitation in the United Kingdom.

Mr. President, what is the logic of any arbitrary cut, a 5-percent or 10-percent or 15-percent cut made arbitrarily, without any examination of the merits? All these proposed cuts are based on arbitrarily slicing off a certain percentage, such as 10 percent. It reminds us somewhat of the haggling which takes place in a second-hand clothing store:

"The price is \$10."

"No; I will give you \$9—no; I think I will give you only \$8."

Mr. President, there is no logic in it; there is no basis for it.

Mr. Finletter is our representative in the United Kingdom. I saw him in Europe. He appeared here before the committee, and submitted himself to examination by the committee. At that time, Mr. President, where were the Senators who now are here with their pockets stuffed full of amendments? Why did not they then come before the committee and listen to the testimony of Mr. Finletter and the testimony of Mr. Bruce and the testimony of the other representatives? Their ears should have been in as good condition then as their mouths are now, here on the floor of the Senate.

Mr. President, many of the great nations of Europe have their representatives in the United States now, ready to prepare and sign the North Atlantic Pact. I shall not discuss that matter in detail, more than to say that it is a part of the foreign policy of the United States to preserve the peace of the world and to resist aggression against free nations. Shall we, while they are here, cut down this program, which they know about and which the whole world knows about; shall we now cut it down, in the face of the tremendous success it has had in the first year of its operation? Shall we now cut it down, although the people of the United States are in favor of this program?

Mr. President, I dare say that the mail which Senators receive in opposition to this program is infinitesimal when compared with the amount of mail they received in opposition to rent-control legislation or labor bills or bills dealing with other domestic subjects. Yet the measure now before us and its associated measures go far beyond such temporary arrangements. These measures go to the peace of the world; they go to the preservation of the lives of human beings; they go to the rehabilitation of a broken and shattered European economy.

Mr. President, let us not forget that, in a large sense, economy and political governments are intimately related. Whenever we find a prosperous people, the chances are that they have respect for property and for law and order and for democratic institutions. But where

hunger, desolation, and hardship are found, there also usually are found elements demanding that the Government do something to relieve their misery. So, Mr. President, these things are intimately tied together. We must not forget that in our deliberations

Last fall I happened to be in Italy. I was there for a considerable period of time. A short time before that, the Italian elections had been held. I wish to say that the Marshall plan was one of the dominating influences in Italy which brought about the success of the anti-Communist forces in those elections. We know how dangerous that situation was and how uncertain were the currents of power set in motion by the Communists, and operating upon the people of Italy. But the Marshall plan was a great stimulus to the people of Italy; it was a deterrent against the Communists; and in that election the anti-Communist forces were triumphant. But for the Marshall plan, I feel sure they would have been defeated.

Even in France, since January 1, 1948, the elections have shown the recession of communistic forces and the recognition by the French people of constitutional government and a return to the institutions under which they have lived and under which they desire to live in the future.

Of course, Mr. President, we must be strong. We must have the best air force in the world; we must have the best navy in the world; and we must have an adequate army; of course, we must; but the nations of Europe with whom we expect to be associated in the North Atlantic Pact must likewise be strong. However, they cannot be strong for military purposes unless they are economically strong. Under this program, we are assisting them to become rehabilitated and to improve their production and the utilization of their resources in the manufacture of goods which they can send throughout Europe.

Mr. President, the proposed arbitrary cut of 10 percent is about as logical as it would be for a man to go to a tailor and say, "I want a suit of clothes. How many yards of cloth will it take?"

The tailor might reply, "It will take either 5 or 6 yards."

"Oh," the man would say, "that is too much. Just cut off 2 yards."

The tailor would reply, "You will have to get along, then, with 2 yards less than it takes to make you a suit."

Mr. President, doubtless all of us remember the old Greek myth about Procrustes. He was a gentleman who wished to make sure that his friends who were visiting him rested well; but his method of assuring that result was rather unusual, for if he found that the bed was too short for them, he would apply stretching devices to their limbs and would stretch them out until they were long enough to fit the bed; or if the bed was too short for them, he would arbitrarily cut some inches off their legs.

Some Senators remind me of that old story as they proceed with their proposals for amendments to this bill. They say we should cut some off of it. Some of them say we should cut off 10 percent,

Mr. President, who said that a 10-percent cut would be proper? The distinguished Senator from Nebraska [Mr. WHERRY] said that would not be the proper cut; he said 15 percent would be the proper cut to make; he assured us that we should cut off 15 percent. But the Senators who are under the leadership of the authors of the Taft amendment have refused to go along with the Senator from Nebraska and cut off 15 percent. Instead, they know exactly how much to cut off; they are sure it is 10 percent, no more and no less. Although they never heard a word of the testimony, and are not familiar with it except as they read it in the printed hearings now before us, yet they know, with the exactitude of using a measuring tape or a yardstick, how much should be cut off. They know exactly what and where to cut—exactly 10 percent, they say; no more and no less. Perhaps they are thinking, "If we do that, we shall hush up the newspapers."

Mr. President, I am amused.

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

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Texas yield to the Senator from Nebraska?

Mr. CONNALLY. I yield.

Mr. WHERRY. As a Senator who listened to all of the evidence, can the Senator from Texas tell me how much of the money going to Great Britain under the Marshall plan is to be set aside by Great Britain for the development of petroleum?

Mr. CONNALLY. I do not recall the amount now.

Mr. WHERRY. Can the Senator find that out?

Mr. CONNALLY. Yes. Of course, I am not an instantaneous researcher.

Mr. WHERRY. The Senator heard all the testimony, I believe.

Mr. CONNALLY. Yes; I heard most of it.

Mr. WHERRY. I ask the Senator, How much money is to be spent by Great Britain in the development of petroleum?

Mr. CONNALLY. I do not know. I expect that Britain will get considerable amounts of petroleum from the Near East, if that is what the Senator from Nebraska has in mind.

Mr. WHERRY. Does the Senator from Texas know how much Britain will obtain from the Caribbean?

Mr. CONNALLY. No; I do not. But I have a list here. I am sorry that I cannot answer all the questions of the Senator from Nebraska. His ingenious mind and ready wit overwhelm me, Mr. President, and I cannot answer all his questions.

Mr. WHERRY. Mr. President, that is a very fine compliment, coming from the great, distinguished Senator from Texas, for whom I have the highest regard.

Mr. CONNALLY. Mr. President, I think I detect a derisive note; mixed in with the Senator's high regard, it seems that there is something of derision.

Mr. WHERRY. Aside from my high regard for the Senator, I find mixed statements in the testimony, which is

the only source or supply of information on these matters that I have. I have not had my pockets full of amendments; but I have depended upon the evidence supplied by the Senator's committee, when we have come to pass on this matter on the floor of the Senate.

I find that \$500,000,000 is to be spent on petroleum by Great Britain in the year 1949-50. So I investigated. I took it up with ECA.

The PRESIDING OFFICER. Under the rule, the Senator from Texas may yield only for a question.

Mr. WHERRY. Very well. I am sorry. But I should like to have the Senator explain to me this—

Mr. CONNALLY. I should be most happy to enlighten the Senator.

Mr. WHERRY. I should like to have the Senator, if he will, explain to me why it is impossible to reduce the authorization with respect to Great Britain's petroleum development, which will be nearly \$500,000,000, with \$150,000,000 of it spent this year, in connection with which funds are earmarked for wildcat wells in the Caribbean and in Africa and in the colonies, mention of which has been made in this debate, so that they can get \$400,000,000 in supplies, and then send the oil to the United States and sell it in the dollar areas. I may say to the distinguished Senator, if that is what they want to do, that is one thing. But certainly if I were on the Foreign Relations Committee, I believe that is one place where it would be possible to cut the appropriation nearly half as much again as the Senator from Nebraska desires to see it cut, and to do so without retarding the rehabilitation of Great Britain in any way.

I ask the Senator from Texas this question: Is it not correct to say that what we actually propose to do is to permit Great Britain to take \$500,000,000 of these ECA funds for the development of petroleum supplies? Could we not cut \$150,000,000 from the appropriation to be spent this year to develop her own petroleum supplies, so that she may send oil into the dollar areas, meaning the United States, and sell it in competition with the oil men here who would like to do the same thing, that is to say, to wildcat, get pipe and develop oil in Texas?

Mr. CONNALLY. I thank the Senator, but I shall not be able to furnish as much information about oil as the Senator himself apparently possesses.

Mr. WHERRY. I obtain it from the record of the hearings.

Mr. CONNALLY. The Senator knows so much about it, I do not see why he wants to pester me with questions. I have the data here.

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

Mr. CONNALLY. Yes. But I want to get through pretty soon.

Mr. WHERRY. But the Senator is raising a question with me, as a member of the Appropriations Committee, suggesting that it is impossible to cut the appropriation 15 percent. Putting my remarks in the form of a question, I shall ask the Senator again, with respect to one project. I requested a list of the

projects the other day, but they were not submitted. Mr. Finletter merely cut 25 percent from one project. By the same token, Why can we not cut off 50 percent?

Mr. CONNALLY. I may say to the Senator, he can do that. He can cut off 50 percent, if he wants to.

Mr. WHERRY. That is my measuring stick.

Mr. CONNALLY. The Senator has a perfect right to use it. I want to make it clear that the authorizations in the bill do not bind Senators to vote for appropriations in equal amount. We are the Senate, which is a free body. When the matter goes to the Appropriations Committee, that committee is not bound by the authorization. The Senator from Nebraska, as a member of the Appropriations Committee, has a right to vote as he pleases. That is the reason for the two checks upon spending: the first being the authorization; the second, the appropriation by the Appropriations Committee. If the Appropriations Committee were bound by the mere authorization itself, there would be no need of such a committee.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. Yes, though I hope the Senator will be brief.

Mr. WHERRY. I shall be very brief. It seems to me the Appropriations Committee is almost foreclosed by the authorization, but if it happened to be the case that, acting on its own wisdom, the Appropriations Committee were to cut \$1,000,000,000 from the amount, and it came back to the floor, would the distinguished Senator from Texas approve it?

Mr. CONNALLY. Certainly; I would vote for the bill, if that were all we had before us.

Mr. WHERRY. With \$1,000,000,000 cut off?

Mr. CONNALLY. Yes.

Mr. WHERRY. I want to thank the Senator for that statement. That is an entirely different situation from that of a year ago.

Mr. CONNALLY. The Senator from Nebraska is a member of the Appropriations Committee.

Mr. WHERRY. Yes, and proud of it.

Mr. CONNALLY. I may say to the Senator, Cut one billion off, bring the bill back to the Senate, and I will show the Senator what I will do. I say to the Senator from Nebraska go ahead and make a \$1,000,000,000 cut.

Mr. WHERRY. Very well.

Mr. CONNALLY. It was said on the floor a while ago that it is impossible to get any results from the Committee on Appropriations; that they have a regard for an authorization and will not touch it. The Senator from Nebraska, who is a powerful member of the Appropriations Committee, says they are going to cut it \$1,000,000,000. If they do, the Senator inquires what we will do. If they cut it \$1,000,000,000, I will give the Senator from Nebraska a chromo with his picture on it.

Mr. WHERRY. Mr. President, if the Senator will yield, I realize now we will not be able to cut it so much as a dime, because I think the authorization means

that this is what is to come from the Appropriations Committee. All I am asking is, If they cut it \$1,000,000,000 or if they cut \$500,000,000, when it comes back to the floor of the Senate, will the distinguished Senator from Texas, for whom I have the highest regard, vote for it?

Mr. CONNALLY. I thank the Senator.

Mr. WHERRY. Will the distinguished Senator, in that event, approve the action of the Appropriations Committee, or will he do what was done last year—claim that the figures are sacred, that the Appropriations Committee is to vote for the appropriation authorized, without taking off a dime?

Mr. CONNALLY. No. I did not say that last year.

Mr. WHERRY. At any rate, that is the claim made last year when some of us were offering amendments.

Mr. CONNALLY. The Senator inquired whether, in the event the appropriations were cut \$1,000,000,000 or \$500,000,000, I would vote for it.

Mr. LUCAS. Mr. President, I ask for the regular order. The Senator from Texas has the floor.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. CONNALLY. Mr. President, I am very grateful to the Senator from Nebraska for his cordial remarks, but I should not want to be a member of a large committee such as the Appropriations Committee and at the same time go around slandering them, saying the committee will not do anything. The Senator from Nebraska is a member of the Appropriations Committee, the most powerful committee of the Senate, the committee that holds the purse strings of the Nation. But, according to the Senator, the committee is of no account, it will not do anything; the Appropriations Committee lets the Foreign Relations Committee, by way of a little authorization, be not only the boss of its own conduct, but also the boss of the Senate in its conduct, in addition to being the boss of the Appropriations Committee itself. I think some internal treatment is needed in the Appropriations Committee. The Senator needs some action in the committee. I feel sure the great Senator from Tennessee [Mr. MCKELLAR] knows the functions of the Appropriations Committee. He knows that an authorization does not bind the committee. The Senator knows the reason for providing an authorization. When I first came to the Senate, that was not done. Each committee appropriated what it pleased, without regard to authorizations. Later, in order to provide a ceiling on appropriations, we adopted the rule with respect to authorizations, allowing the Appropriations Committee to appropriate within prescribed limits, under a ceiling.

Mr. President, I am anxious to conclude my remarks. As I suggested a little while ago, one of the complaints made by those who are supporting the amendment is that the plan is working too well in the United Kingdom, and therefore they want the appropriation cut down. This is the second year upon

which we are about to embark, the most important year of the whole program, because we shall now build upon the experience we have had and the knowledge we have gained during the first year, which will give to the second year a momentum. In future years, if the money is not needed, we shall be able to make reductions, not a cut of 10 percent, but a radical cut in the appropriations for the third and fourth years.

Mr. President, a member of the Appropriations Committee says that reference of a bill to that committee is futile. I deny it. It is a great committee of the Senate. I have never been a member of it, but I have appeared before the committee on many occasions and now and then have enjoyed a small degree of success, but, generally, no success at all when the Appropriations Committee is against me.

Mr. President, at the conclusion of my remarks, I shall ask the clerk to read to the Senate a letter addressed to me and signed by Mr. Hoffman, the Administrator of ECA. From my own private investigations while I was in Europe, I was amazed to note the progress which had been made in many of the countries during the past year. I want to correct certain quotations of figures. Under the pending bill, we authorize \$4,280,000,000 for the 12 months, \$1,150,000,000 for the 3 months; so that for the 15-month period, the appropriation is \$5,430,000,000, as compared with the program last year, which was for 12 months only. The appropriation for the ensuing year is a \$730,000,000 reduction as against the same period last year. In other words, we have sliced off not 10 percent but \$730,000,000 from what it was last year.

Mr. President, the United States occupies a most exalted position among the nations of the world.

Mr. PEPPER. Mr. President, will the Senator yield for a question before he concludes?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Florida for a question?

Mr. CONNALLY. I yield.

Mr. PEPPER. Mr. President, I am glad the Senator cleared up the matter of the comparison of the appropriations for the future.

There is one other matter. I think the Senator from Georgia [Mr. RUSSELL] probably inadvertently fell into the error of supposing there were grants made to Ireland, Portugal, and Sweden.

Mr. CONNALLY. They were loans, not gifts.

Mr. PEPPER. They were loans in those cases; there were no grants made at all to those countries. Is that correct?

Mr. CONNALLY. The Senator is entirely correct. The loans were made because it was believed that by making loans the rehabilitation of the whole area would be aided. Those loans must be repaid. They are authorized to be repaid, and they will be repaid.

I thank the Senator from Florida for calling the matter to my attention.

Mr. President, the United States occupies the most enviable position in the world today. Many nations look to the United States. It is said that they look

with their hands out. Where else can they go for aid, inspiration, and encouragement, to face the world and overcome their difficulties? Where can they look for aid except to the United States? I think of brave little Norway, which suffered so terribly during World War II, lining up with the United States and other nations in support of the Atlantic Pact. I think of little Denmark, weak in manpower, perhaps, but a great, brave, heroic nation, lined up with the United States. Look at Iceland, away yonder amid Arctic snows, weak in manpower, small in population, but stout of heart and rich in courage, lining up under the leadership of the United States and other parties to the Atlantic Pact.

Mr. President, I could name other countries which are parties to the Atlantic Pact. We occupy a position of great leadership and great eminence. We must justify the regard in which we are held by the other nations of the world. Let us continue with the program; let us carry out our plans. Let us appropriate what the people in Europe and the United States say will be the minimum requirement for the carrying on of the program to successful completion.

Mr. President, I hope the Senate will vote down the Taft amendment and, in due course, will vote to pass this bill.

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

Mr. CONNALLY. Not yet.

Mr. President, I send to the desk a letter which I received from Mr. Hoffman, and I should like to ask the clerk to read it.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

Mr. LUCAS. Mr. President, I inquire who has the floor?

Mr. CONNALLY. I have the floor.

Mr. DONNELL. Mr. President, will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator cannot yield for a parliamentary inquiry.

The clerk will read the letter which the Senator from Texas has sent to the desk.

The Chief Clerk read as follows:

ECONOMIC COOPERATION
ADMINISTRATION,
Washington, D. C., March 29, 1949.
The Honorable Tom CONNALLY,
United States Senate.

DEAR SENATOR CONNALLY: I understand that a proposal has been made to cut the authorization for the European recovery program by a flat 10 percent. In our discussions of the recovery program with the Congress, we have made it clear that we are willing to go into the greatest detail in discussing the amounts required for the various country programs. At the same time, we have tried to make it clear that an arbitrary percentage cut might well result in shifting the program from recovery to relief. This would defeat the very objective for which Congress established the Economic Cooperation Administration and would be contrary to my understanding of the job I was asked to do. It is still true that if a man is drowning in a well and you need 20 feet of rope to save him, 18 feet won't do.

The authorization approved by your committee was based on minimum estimates of the amounts that would be needed for the

last quarter of this fiscal year and for the next fiscal year. The proposal for an arbitrary cut suggests that the amount in the authorization bill is an arbitrary figure. This is by no means the case. Our estimates were the product of a careful and lengthy process of review and screening. In arriving at these estimates, we had nearly a year's experience to rely on. The amount we believe is needed is not a guess, but a realistic appraisal of facts. The figures reflect tangible recovery objectives, and are the amounts we honestly think are required to achieve those objectives. Any arbitrary reduction in such amounts can mean only one thing: it will mean that many of the specific steps toward European recovery simply will not be taken.

The Congress itself provided for the machinery by which our estimates were arrived at. ECA missions in each of the participating countries worked in the closest cooperation with those countries in developing estimates of the import requirements for the next year and a quarter. The individual country estimates were then transmitted to the Organization for European Economic Cooperation in Paris, where the Europeans themselves reviewed the figures in the light of the total economy of western Europe.

In short, the OEEC helped to convert them into a single estimate for the total program. The resulting figures and recommendations were then reviewed with the greatest thoroughness in the office of the ECA special representative, Mr. Harriman, and when that review was completed the program was sent to Washington to be subjected to further detailed analysis and consideration. In Washington the ECA's own staff studied and altered the estimates of requirements to accord with our views of what is necessary for European recovery and the ability of the United States economy to meet such requirements. Also in Washington the National Advisory Council on International Monetary and Financial Problems, established by the Congress, subjected the figures to the closest scrutiny and advised us with respect to the minimum actually required. Finally, with the benefit of all the recommendations secured through this process of review, it was my task to determine the amounts to be requested from the Congress. This I have done. The European recovery program finally proposed to the Congress and approved by your committee is a tight fit.

The effect of an arbitrary 10-percent cut will be far greater than a mere reduction of the program by 10 percent. Europe is living today in austerity. Even to continue on that basis, foodstuffs and other essentials of life must continue to be imported. There is little give in these items. It is therefore clear that any reduction in the authorization would have to be borne largely by the projects aimed at making Europe self-sustaining by 1952. And the serious effects of an arbitrary cut will not end there. Imports of industrial raw material and equipment are used in the factories of the participating countries to produce goods both for domestic consumption and for export. Through such exports those countries earn money with which to purchase additional imports. Therefore a 10-percent cut in imports under the European recovery program would result in a greater cut in the total imports of the participating countries and would impair recovery by that much.

In short, as I have said, an arbitrary cut would tend to make the European recovery program another relief program. In the long run such a course would cost the United States taxpayers more money rather than less.

I want to emphasize again that I believe the amount we have requested is essential if Europe is to achieve recovery by 1952. I assure you that I don't want to spend any more money for European recovery than is necessary. If the amount we have requested

is more than we need I will not spend it, and if recovery is achieved more rapidly than we now estimate it will be, the amounts requested in the future will be less. The way to reduce the cost of this program is not to hamper recovery by arbitrary cuts in this authorization, but instead to do the job as quickly as possible with the minimum amount needed to provide the essential supplies.

I believe that economic aid to western Europe is just as important as money for military expenditures. Until world peace and security are assured through the success of measures we decide to undertake, including the European recovery program, it is dangerous to resort to an unwise economy which might defeat our efforts.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

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

Mr. CONNALLY. I yield to the Senator from Ohio.

Mr. TAFT. Every argument Mr. Hoffman makes in the letter will be an argument against cutting the appropriation, will it not, just as much as against cutting the authorization?

Mr. CONNALLY. I am not dealing with the appropriation; I am dealing with the authorization. I have said repeatedly, and the Senator heard me, that the Committee on Appropriations is not bound. Something might occur which would change conditions. They have complete freedom. It is the Senator from Ohio who is arguing that whatever we do in the authorization is going to settle the matter, that the Committee on Appropriations will not have anything to do with it, that what we do here will be final. I take issue with the Senator. That is not the case at all.

I supposed we had a Committee on Appropriations composed of men with heads on their shoulders and brains in their heads and courage in their internals, who would do their duty regardless of politics, regardless of the Scripps-Howard newspapers, regardless of anything else. I am amazed at the Senator from Ohio. He is a man who has a reputation for courage, yet he holds newspapers in his hands, refers to what some editor said somewhere, and quivers and trembles and asks what is wrong about this bill. "Look here: The Scripps-Howard papers, various papers—look what they said about me last year because I did not vote as they said." The Senator from Ohio is above that kind of weak, wobbly backbone. He has plenty of courage. Let him use it. Let him vote his convictions, and let the newspapers do what they want to do. We are not responsible for what the newspapers say.

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

Mr. CONNALLY. I yield.

Mr. TAFT. I think the Senator misunderstood my question. What I asked was whether every argument Mr. Hoffman makes is not an argument against any cut in the appropriation just as much as against a cut in the authorization.

Mr. CONNALLY. When it comes to the appropriations, and he appears before the committee, I expect he will make the same arguments. They are good arguments.

Mr. TAFT. Does the Senator know of any public official who does not violently oppose a cut in his appropriations?

Mr. CONNALLY. Most of them do, but they are specialists. They have one little particular department. Mr. Hoffman has the whole of Europe. He is not picking out any one particular country. Naturally, a man who is the head of a particular agency works for that agency. For instance, a man, let us say, is the Commissioner of Fisheries. Therefore, he wants more fish and more fish eggs. If he is the Commissioner of Public Lands, he wants to spread out and take in more public lands and more public forests, and more this and more that, just as the Senator from Ohio is not content to be just a Member of the Senate, but has to be a leader of the Senate, to take jurisdiction over all the bills, reach out and get the bills, wherever they may be, pick them up, and get out his butcher knife and slice off 10 percent, then the next bill that comes along he may slice off only 5 percent, depending on whether or not the steak he cuts off is fat and juicy and toothsome.

Mr. President, of course experts in particular agencies want all they can get for their particular departments. There is nothing unnatural about that. But we are not considering such a case. The ECA is a new enterprise. Mr. Hoffman is not saturated with the nationalism of the United Kingdom. He does not speak French, so far as I know, and would not be partial to France. I know he does not speak Dutch. Very few people can speak Dutch. [Laughter.] He is not an administrative stooge, either.

Mr. President, I yield the floor.

Mr. DONNELL. Mr. President, I assure the Senator from Texas that I shall not attempt to deliver the remarks I have to make in Dutch, for I do not think anyone here could understand them.

Mr. TOBEY. The Senator would get "in Dutch" if he did. [Laughter.]

Mr. DONNELL. I agree with the Senator quite heartily. On the subject we are discussing I feel, I think as much as most of us, a desire to reduce the expenditures of the United States, and I should like to be in position to vote in favor of a reduction in the bill if I could conscientiously do so under the evidence now before the Senate. It appears to me, however, after what I trust has been a careful consideration of the arguments which have been adduced, that I cannot vote in favor of the Taft amendment. Recognizing the lateness of the hour, I shall not unduly trespass upon the time of the Senate, but I should like, briefly as possible, to state the views which have caused me to arrive at the conclusion I have reached.

Before doing so I should like to address myself to what I thought I heard the Senator from Texas state a few moments ago, though I am not quite sure whether he did or not, and if he did not, I shall not venture further along that line. I understood the Senator to refer to the fact that the Atlantic Pact is to be signed in Washington in a few days, and to ask "What are we going to do about this vote on this economic-cooperation matter? Are we going to cut off these amounts and reduce them while

all these foreign diplomats are here in Washington?" If the Senator did not refer to that, I shall not pursue the matter further.

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

Mr. DONNELL. I yield.

Mr. CONNALLY. I made reference to that. I do not think I made it in the same words the Senator used, but I did say that there was more or less connection between peace and economics, that where there was economic prosperity there was more apt to be peace, and I asked whether, while the representatives of foreign countries were here to sign this pact in behalf of peace, we were going to take this step to cut the appropriations. I did say that.

Mr. DONNELL. I desire to address myself very briefly to that phase of the Senator's remarks before discussing the amendment now before the Senate.

To my mind the fact that these diplomats are in Washington, whether they have come or are coming by air or ship or both, has nothing whatsoever to do with how we should vote on either the pending amendment or on the bill itself. I realize that there has been built up a vast amount of widely extended public opinion in favor of the ratification of the Atlantic Pact. I shall not discuss the pact here tonight, but to my mind the presence of all the diplomats in the world meeting together in the hall where they are to convene on Monday, to the strains, as I have observed in the newspapers, of the Marine Band, and with notable ceremony, with I believe some thousand persons or so present—all this vast amount of publicity about the presence of these diplomats to my mind should not weigh with the Senate one fraction of a scintilla in determining how we should vote on the pending bill or the pending amendment.

While I am commenting on that, let me say that I do not think the American public should be, and I hope it will not be, unduly influenced in the opinion which it shall form of the Atlantic Pact by reason of the great advertising which we see day after day, statements and pictures and all sorts of indications in the press of the unprecedented situation of all these diplomats crowding into Washington for this great, momentous occasion. It is a momentous occasion, but the mere fact that they have come here, and the mere fact that they are going to sign this pact, should not to my mind deter the Senate or any Member of it from using his own individual sound, best, honest judgment when it comes to the vote upon whether the pact shall be ratified.

I think, Mr. President, that all this publicity about the procession of diplomats, about the Marine Band, about the luncheon to be given by the President, this display of rank and diplomacy that is going to be seen here in Washington, illustrates better than I could by far the soundness of the position taken by the eminent Senator from Utah [Mr. WATKINS] that we should not sign the pact—the President and the State Department should not have expected to have the pact signed—until after the Senate had considered it, just as various other coun-

tries which are to be signatories are not signing until after their respective parliaments have considered the pact.

Mr. President, before discussing the pending measure itself, I want to make it clear that I do not agree with the implication which I thought I noted in the remarks of the Senator from Texas [Mr. CONNALLY], that because all these diplomats are to be here, and because of the foreign flags which are going to be displayed, and because the Marine Band is going to play, and because the newspapers all over the country will report this great, momentous incident, which is the greatest, so we are told, in diplomacy, since the declaration of the Monroe Doctrine—I do not agree that the Senate should allow that great display of pageantry to deter them from the proper consideration of a vote upon the pact when the pact shall come before the Senate for consideration.

Mr. President, I address myself now to the amendment proposed by the senior Senator from Ohio [Mr. TAFT]. I want to say that the Senator from Texas has referred to the Senator from Ohio as not being willing to be merely a Member of the Senate, but that he desires to be a leader and bring in various bills, and pass on them, and so forth. As one Member of the Senate, without any flattery whatsoever with respect to the senior Senator from Ohio, I wish to say that I rejoice that the Senate has within its membership a man of the integrity, courage, knowledge, industry, intelligence, and information possessed by the senior Senator from Ohio. I was for him for the Republican nomination for the Presidency of the United States, and to my mind we would have made no mistake in selecting him for that exalted office. As one Member of the Senate, instead of even jocularly rebuking him for being a leader in the Senate—and I want the Senator from Texas to hear this, since he has just come back into the Senate Chamber—I say, instead of even jocularly rebuking the Senator, and I am sure the statement was jocular in the mind of the Senator from Texas, I for one am grateful for the presence in this great body of a man of the intellectual power and of the character possessed by the senior Senator from Ohio, and I am confident that my good friend, the Senator from Texas, joins in that view which I now express.

Now, Mr. President, I speak with respect to the particular amendment submitted by the Senator from Ohio. He said a little earlier this evening that the figure in the bill itself is not a sacred amount, and I thoroughly agree with him in that view. To my mind it is not at all obligatory upon the Senate to adopt the figure or the figures which are set forth in the bill if the Senate shall not deem such action to be wholesome and advisable under all the circumstances. But, Mr. President, as I have considered the matter I have come to the conclusion, and desire to place myself on record to that effect, that it is not shown by the evidence between the Senate to be advisable that we shall adopt the amendment proposed by the Senator from Ohio. Why do I say that? Summing my reason up in one sentence, I will say that I

do not believe that the evidence before the Senate is sufficient to justify the conclusion that the Economic Cooperation Administration is in error in recommending the figures which are set forth in the bill.

As I understand generally the purpose of the Economic Cooperation Act, it is for our Nation to go reasonably far toward assisting various other nations of the world in the rehabilitation of their respective countries. The judgment of the Economic Cooperation Administration is to the effect that the amounts in the bill are necessary for that purpose, if the rehabilitation is to be carried on in accordance with the policies which the respective nations themselves believe to be the proper policies for their own internal development.

I had not seen the letter from Mr. Hoffman and did not know of it until it was presented here a few minutes ago, but it impressed me, as I heard it read, by the care and the thought that had been used in preparing it. I recall in that connection the fact that the senior Senator from Ohio himself referred to-day, as I understand, to the fine capacity which has been shown by Mr. Hoffman in the administration of the Economic Cooperation Administration. I say, Mr. President, that the judgment of the Economic Cooperation Administration is that the amounts set forth in the bill are necessary for the purpose of going reasonably far toward the rehabilitation of the countries involved, provided that rehabilitation is to be carried out in accordance with the policies which the respective nations themselves believe to be the proper policies for their own internal development.

Mr. President, if we should here tonight reduce the amounts of this authorization, as I see it, we would in effect be requiring changes to be made in the internal developments and plans of the respective nations. I think we have a perfect right to bring about a reduction which would cause such change in internal policies provided we deem it the part of wisdom to make such a requirement. It is our money. We have a right to say whether we want it used in a nation such as Great Britain, which is going so far along socialistic lines, and which, at least according to the opinion of Mr. Mayhew, a member of Parliament, has been so much aided in her development along socialistic lines by the use of ERP funds. We have a right to say to the nations of the world that we are not going to permit our money to go to a nation which wants to follow such plans. But I do not believe that there is evidence before us to show that in carrying out the purposes of the Economic Cooperation Act it is advisable for the United States of America to reduce the amount of its appropriation below the figure in the bill to a point which would in effect require a change by these nations in their internal policies.

Now, Mr. President, I want to address myself very briefly to the subject of the Appropriations Committee. As I see it, the Appropriations Committee, of course, retains the power, notwithstanding what we may pass here tonight in the way of

an authorization, to recommend to the Senate a proper reduction; and, to be sure the Senate retains, regardless of what recommendations shall be made by the Appropriations Committee, the power itself to bring about such a reduction.

I am not unmindful, Mr. President, of the fact that there has been frequently used in the Senate the argument that when an authorization has been made, the Appropriations Committee should follow the authorization. I do not personally agree with that at all. If I am not mistaken I have either expressed myself to that effect upon the floor of the Senate, or within the hearing of other persons. I think the legal situation is, as was conceded by the Senator from Ohio, that the Appropriations Committee does retain that power.

I think that as a result of this debate upon the floor of the Senate the Appropriations Committee should observe the fact that it has the power to pass independently upon what is done here by way of authorization, and to recommend to the Senate what it deems to be the proper amount. It may be that the Appropriations Committee will come back with a recommendation substantially the same as or identical with the amount set forth in the bill. I should not be greatly surprised if it did. Neither should I be greatly surprised if it recommended some material change in the bill.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I yield for a question.

Mr. CONNALLY. Has not the Appropriations Committee complete jurisdiction to summon anyone it wishes before it and go into the whole question on its own responsibility?

Mr. DONNELL. That is my understanding. I think that is undoubtedly true.

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

Mr. DONNELL. I yield.

Mr. MAYBANK. Will the Senator name the occasions upon which the Appropriations Committee has done so?

Mr. DONNELL. I cannot. I have never served upon the Appropriations Committee. Let me answer the question fully. It may be that in the past the Appropriations Committee has been unduly guided by the authorization features of an authorization bill. If it has, I undertake to say that we have now arrived at a point where the Appropriations Committee should realize, beyond peradventure of doubt, that the Senate expects the Appropriations Committee to retain for itself the power which it possesses, and not to act as a mere rubber stamp upon an appropriation.

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

Mr. DONNELL. I yield for a question.

Mr. MAYBANK. Will the Senator support the Appropriations Committee to the end?

Mr. DONNELL. I make no promises whatsoever as to what I shall do. I shall do as I have done tonight, namely, make my decision and vote as I deem proper at the time. I shall make no commitment in advance of the time when I am to cast my vote.

Mr. MAYBANK. Then, as I understand the Senator's statement, he would not support the Appropriations Committee, but he retains to himself the right to judge what to do. At the same time, he says that the Appropriations Committee has the right to change the authorization. In substance, the Senator states that he would pass the buck to the Appropriations Committee.

Mr. DONNELL. I say no such thing. I say nothing about passing any buck, or anything to that effect. I say that we have two coordinate committees in the Senate, of equal dignity and power. One of those committees is the Committee on Foreign Relations. The other is the Committee on Appropriations.

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

Mr. DONNELL. I decline to yield further at this point. The Appropriations Committee should have—and I trust does have—the backbone, just as it has the legal power, to use its own independent judgment upon the evidence which is before it. I do not know what the Appropriations Committee may do. The Appropriations Committee may say that the Committee on Foreign Relations was right. I can well see how the Appropriations Committee might take the letter of Mr. Hoffman as a very significant expression to the general effect that the Foreign Relations Committee was right. But in my judgment every member of the Appropriations Committee should consider himself under a solemn duty, which cannot be delegated to the Foreign Relations Committee, to consider and act independently upon the question of appropriations.

Mr. MAYBANK. Mr. President—

Mr. DONNELL. Does the Senator desire to ask a question?

Mr. MAYBANK. Yes. Is not the Senator agreeing with the Foreign Relations Committee tonight?

Mr. DONNELL. I did not catch the question.

Mr. MAYBANK. The Senator is in accord with the Foreign Relations Committee tonight, is he not?

Mr. DONNELL. I am in accord with the idea of voting against this amendment, for the reasons which I have just stated.

Mr. MAYBANK. I understand; but those are the reasons of the Foreign Relations Committee, are they not?

Mr. DONNELL. They have their own reasons. I have mine. My reason is just as I have stated it so far. I propose to vote against the amendment for the reasons which I have indicated.

Mr. MAYBANK. If the members of the Appropriations Committee do their duty, as I am sure they will, will the Senator then support the Appropriations Committee if it should reduce the appropriation?

Mr. DONNELL. As I have stated to the Senator, I make no promises directly or indirectly. I consider that I have a solemn duty, when the report of the Appropriations Committee is brought before us for consideration, to vote for it if I think it is right. If I think it is wrong, I shall vote against it. That is

the only promise I will make to the Senator from South Carolina or to any other Member of the Senate, or to any other constituent, or to any other person in the United States.

Mr. MAYBANK. The Senator is putting off the date when we shall determine what amount of money we shall actually appropriate.

Mr. DONNELL. That question, of course, calls for a "Yes" or "No" answer, and I will answer it "Yes," in this respect: The day will, of course, be deferred, because the Appropriations Committee is not in session tonight. I should say that if the Appropriations Committee were in session tonight, it would be exercising very doubtful judgment if, within a period of 30 minutes, it should pass upon a question involving five and a half billion dollars. Of course, it will mean that the time between now and the time when the Appropriations Committee shall make a recommendation will elapse before we receive that recommendation. But even if we adopt the amendment, or pass the bill without the amendment, the Appropriations Committee will still have its duty to perform, and we cannot finally act upon the amount to be appropriated until the Appropriations Committee shall have submitted its report. So the effect of what I am advocating here tonight is not a delay of one 15-minute period.

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

Mr. DONNELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. I only wish to say to the distinguished Senator from Missouri that I am happy to have him express the thought that we are not appropriating any money tonight.

Mr. DONNELL. I certainly do not understand that if I vote tonight for this bill I am voting for any appropriation. I shall vote upon what the bill says, namely, an authorization for an appropriation to be made in an amount not to exceed the amount specified in the bill. I am not voting on any appropriation. No Senator is tonight called upon to vote upon any appropriation. He will vote solely upon the measure which is before us, which is merely an authorization.

Mr. MAYBANK. I am happy to hear what the distinguished Senator from Missouri has said. I do not want any foreign governments to be fooled into believing that we are voting \$5,000,000,000 for them tonight, because in my judgment the Appropriations Committee will never do it.

The PRESIDING OFFICER. The Senator from Missouri can yield only for a question.

Mr. DONNELL. Mr. President, I agree with the Senator from South Carolina. I do not want any foreign government to be fooled either. I hope the press will make it so clear that no one can misunderstand, that what we are doing is a mere authorization, and that we are not passing upon the final amount to be appropriated.

Reverting for a moment to the North Atlantic Pact, I hope also that the press of the country will make it so clear that any person who can read will under-

stand, that the mere fact of the elaborate ceremony, with flags flying, the Marine Band playing, the luncheons, and the great display of diplomats is not a final determination that the United States is ratifying the North Atlantic Pact.

Tonight the Senator from Ohio [Mr. TAFT] presented various newspaper clippings showing that after the action taken last year on the European recovery bill certain newspapers over the country misunderstood the situation. One newspaper stated that the House of Representatives had wailed. Other newspapers indicated that the committee of the House had gone back on the agreement which had been made by the passage of the bill.

The Senator from Texas [Mr. CONNALLY], with his fine sense of humor and his dramatic ability, portrayed the Senator from Ohio as being almost afflicted with creeping palsy as he presented those newspaper statements before the Senate. I observed no indications of serious illness on the part of the Senator from Ohio. If he were suffering from any such ailment, I should say that it would be the duty of his colleagues promptly to communicate the information to the official physician of the Senate. I do not believe that there was any indication of tremor, or anything approaching cowardice, or anything approaching fear. I think the Senator from Ohio was giving us what the press had stated and what the press understood and believed.

Mr. President, I wish to say two things: In the first place, the press which understood that the authorization bill of last year was the equivalent of an appropriation was 100 percent wrong, and I hope the press will wake up to that fact; in fact, I hope they have waked up to it tonight. There is no binding effect whatsoever in an authorization bill, as regards the appropriation thereafter to be made. The authorization bill simply creates a condition under which authority is granted to make an appropriation; and subsequently the question arises as to whether the appropriation shall be made. Therefore, Mr. President, I say the newspapers were wrong.

Furthermore, I wish to say that even if every newspaper in the United States should be wrong in that respect, when we change this figure, if we do, on final action, to my mind the Senate will have acted properly, conscientiously, and legally in recognizing the fact that this is merely an authorization bill, and that what subsequently will come is entirely distinct from it, and that the mere fact that the appropriation bill may carry a different figure from the figure in the authorization bill will not mean that there has been any backing down on an obligation, any failure on the part of any Member of Congress to do his duty as a Member of Congress. I hope that out of this debate tonight will come a general realization by the press of our Nation—yes, and perhaps by some of the Members of the Senate—of the fact that two great coordinate committees are involved in this matter, each of which should act independently of the other.

So, Mr. President, in the final words which I shall utter tonight I wish to say

that because of the facts I have indicated—which, summed up in a sentence, may be stated as this: that I do not believe there is evidence before the Senate sufficient to justify the conclusion that the Economic Cooperation Administration is in error in recommending the figures as set out in the bill—I shall vote against the amendment of the senior Senator from Ohio.

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

Mr. DONNELL. I yield for a question.

Mr. TAFT. Does not the Senator think the burden is on the Economic Cooperation Administration to prove that it is correct? Can the Senator find in the hearings any evidence to support the figure "\$5,460,000,000," any more than any other figure which might be before the Senate?

Mr. DONNELL. I should say, in answer to that question, that there has been a presumptive finding, as I see it, by the Foreign Relations Committee, which has come before us, after hearing the evidence, and has recommended that figure. I have not read this book of evidence or hearings, and I doubt whether any Member of the Senate who is not a member of the Foreign Relations Committee has read it. In fact, perhaps not any member of the Foreign Relations Committee itself has read all of it. But the committee held the hearings, and now has come before us with a finding which to my mind is entitled to some presumptive value. Therefore, when a Senator not a member of the committee rises on the floor of the Senate and seeks to reduce the amount recommended by the committee, and contained in its report, I say that the burden is certainly upon such a Senator who seeks to reduce the amount recommended by the committee; or, at any rate, if such Senator does not concede the correctness of that statement, then I say we are entitled to consider all the arguments and all the facts and all the evidence which have been placed before the Senate, and to draw our best conclusion from those facts and from that evidence and from those arguments.

Mr. President, although I should like to see a substantial saving made, from the standpoint of the expenditures made by the United States Government, and although I should like to see part of that saving made in this bill, yet I am perfectly willing tonight to say that either on the ground that the evidence which has been adduced shows that the proposed amendment is wrong, or on the basis of our conclusions after searching the entire record to the extent that we Members of the Senate have been afforded an opportunity to do so in connection with the debate, I am of the opinion that the Taft amendment should not be adopted, but the figure contained in the bill should be approved, instead.

Mr. CAPEHART. Mr. President, I shall not delay the Senate for long. I should like to have the Members of the Senate look at the record and consider it.

I have been listening all evening to Senators who have been trying to reduce the expenses of our expensive Govern-

ment by making reductions in arbitrary amounts in connection with the pending measure. The able Senator from Texas, of course, at times becomes very humorous and likes to joke. He likes to wink a little at other Senators, so to speak, and he likes to make believe that those of us who oppose him do not know what we are talking about. Tonight he has likened those of us who wish to reduce the figure contained in the bill to a man who asks a tailor to make him a suit of clothes, but to use 2 yards of cloth less than the amount that is absolutely required, as a minimum, to make a suit. The Senator from Texas has criticized the use of arbitrary figures by certain Senators.

Mr. President, let us examine the record. I state here and now that unless this body wishes to finance 100 percent the deficits—meaning the difference between exports and imports—of the European countries, we should make a cut in the figure reported by the committee. I shall take the record of the ECA itself and shall prove to the Senate that what we should be talking about, instead of a 10-percent cut in the authorization, is a reduction of it to \$3,000,000,000.

I had intended to offer an amendment providing that the figure be reduced to \$3,000,000,000. I shall not do so, because that would be hopeless, in view of the fact that this body has already voted down an amendment providing for a 15-percent reduction.

Mr. President, let us look at the record. After all, this matter is not complicated; it is really very simple. It is only necessary to read the report of the ECA.

I hold in my hand the eighth report of the Economic Cooperation Administration, Paul G. Hoffman, Administrator, of February 16, 1949. I am looking at page 2. At the top of the page I read:

European recovery program.
How we stand as of January 31.

At the bottom of that page it is stated that \$2,300,000,000 worth of goods or supplies from last year's appropriation have been shipped. Keep that amount in mind, Mr. President. That means that \$2,700,000,000 worth of last year's appropriation has yet to be shipped. Yet, by the administration's own reports—and it has not been denied on the floor of the Senate—recovery in Europe is now back to prewar levels in every instance, and in most instances it is above prewar levels. We are told that there is no unemployment in Europe, with the exception of in Italy and in western Germany. Let us keep that fact in mind. If there is any Senator who disagrees with it, I wish he would say so. The able Senator from Michigan [Mr. VANDENBERG] a week ago tonight agreed with that statement, but said that the countries of Europe have lost a great many of their foreign investments and have lost their tourist trade and have lost other things. He admitted that their production was back to normal, and in most cases above normal.

I arrive at my figure of \$3,000,000,000 in this way—and it is not an arbitrary figure: There is still \$2,700,000,000 worth of goods or supplies from last year's appropriation to be shipped. If we appropriate \$3,000,000,000 for next year, that will make a total of \$5,700,000,000,

which is approximately \$300,000,000 more than is being asked in connection with this bill.

Mr. President, I ask in all fairness: If the nations of Europe have been able to make the remarkable recovery they have made, if their production is up to prewar levels or above, and if they have been able to do all that with \$2,300,000,000 from us, then if we give them another \$2,700,000,000 worth of goods from last year's appropriation and \$3,000,000,000 worth of goods from the next appropriation, or a total of \$5,700,000,000 worth,

what more can we do for them? After all, it is a practicable matter. We talk about appropriating this money. Mr. President, we do not have the money. How do Senators know that we shall have the money next year? We have a \$252,000,000,000 public debt. How is it possible to know what our revenue will be next year, with prices falling as they are at the moment? How can it be known that we will collect \$40,000,000,000 next year? Suppose it should only be \$35,000,000,000, or \$32,000,000,000. Does anyone think for a moment that this Nation can live if we continue to run in the red each and every year, with a public debt of \$252,000,000,000 at the present time? Yesterday the President of the United States said that, in the current fiscal year ending on June 30, he anticipated the deficit would be \$700,000,000 or \$800,000,000. If this Government of ours—and we are the Government; we are the ones who appropriate the money—following 1948, the most prosperous year in the history of the Nation, with the high prosperity we are today enjoying, with taxes about as high as the people can be asked to pay, is unable to balance the budget under such conditions, I ask how in the name of heaven are we going to be able to balance the budget and keep out of the red when prices level off.

If the European nations were as friendly to us as I should like to feel they are, they would be as much interested in our financial condition as we ourselves are. What good is it going to do us to give them an extra two or three billion dollars if thereby we run our Government further into the red? Where is the money coming from? Whose money is it? We do not have it.

How is it possible to appropriate millions and billions of dollars when there is an existing public debt of \$252,000,000? In view of ECA's own record, in which it is admitted that production in certain of the beneficiary countries is above prewar, in which it is admitted there is no unemployment—those are ECA figures and records, not mine—and knowing as we do that our revenues for the next year are going to be less, knowing that we have a \$252,000,000,000 debt, and knowing that the worst possible thing that could happen to the Nation would be that we run into the red for the next 5 or 6 or 7 or 8 or 10 years, and pile billions and billions upon our present \$252,000,000,000 debt, I ask what are we thinking about? When are we to begin reducing appropriations? When are we to begin cutting expenses?

I say, cut the authorization to \$3,000,000,000. The able Senators from Ohio and Georgia offered an amendment to cut it about \$500,000,000. To me, the amount is absurd. It should be more than that. I never was any more serious in my life. I never was any more worried about the future of our Nation than I am tonight, because any Senator on this floor, if he will but stop to think, can come to but one conclusion, and that is that revenues for the fiscal year ending June 30, 1950, are going to be smaller. I should have no hesitancy in voting \$5,000,000,000, \$6,000,000,000, or \$7,000,000,000 if we had the money, if we were not in debt. It is all right to laugh about the matter. It is all right for the able Senator from Texas to laugh about it, but I want to tell Senators the American people are not laughing.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I should rather not. Mr. CONNALLY. Very well.

Mr. CAPEHART. I say to Senators in all seriousness, when this Nation runs a deficit of two, three, four, or five billion dollars during peacetime, and when we are forced to increase the taxes of the American people in order to pay all or a portion of the \$5,000,000,000 that is talked about tonight, I say they are going to rise up. I say that our grandchildren and great-grandchildren will hate us for putting them so heavily into debt. It is unnecessary. It is unnecessary because, by ECA's own records, a \$3,000,000,000 appropriation, in my personal opinion, will do the beneficiaries just as much good as the \$5,000,000,000 that is talked about, unless perchance it is desired that the American taxpayers shall balance the deficit of the participating countries, as the able Senator from Ohio explained here this afternoon.

Frankly, I do not know what Senators are thinking about. I do not know where the money is to come from. I know we do not have it. I know that the revenues of our Government are going to be less next year than they are this year. I know we are going to be called upon shortly to appropriate another \$1,000,000,000 or \$1,500,000,000 to rearm the countries of western Europe. I know we should cut expenses, and I believe it is the intention of every Senator to cut expenses. I say, God help us when we start cutting domestic expenses, which we may be forced to do as a result of reduced Government income. God help us when we are forced to reduce domestic expenses, after we have voted in the Senate to appropriate \$5,500,000,000 in order to aid people in other countries, when it is proved to the American people, and will be proved to them, that it is unnecessary, and that half the amount would serve the purpose equally well.

I am pleading with the Senate to give some thought to the matter of keeping our Government sound. I care not whether it be an individual, a corporation, a family, or a government; if the individual, corporation, family, or Government continues to spend more money than it takes in, each day and each month and each year, nothing but calamity can come to it. If there is a Sen-

ator on the floor tonight who feels that the Federal income for the fiscal year ending June 30, 1950, will be, without increasing taxes, larger than it will be on June 30 this year, I wish he would stand up and say so.

Mr. President, I shall vote for the amendment.

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

The VICE PRESIDENT. Is the Senator from Indiana yielding the floor?

Mr. CAPEHART. I shall be happy to yield to the Senator from Texas before yielding the floor.

Mr. CONNALLY. Would the Senator vote for \$3,000,000,000 if that should be the amount of the authorization in the bill?

Mr. CAPEHART. Yes.

Mr. CONNALLY. The Senator's views have changed, since he voted against all appropriations a year ago, and also voted against the bill. Is that not true?

Mr. CAPEHART. The Senator is absolutely correct. I offered a substitute for the bill last year, which was rejected by the Senate, but I voted against the bill which was passed.

I may say, Mr. President, that I shall vote against the pending bill unless there is a substantial reduction, because I shall not vote for billions and billions of dollars for foreign aid when it is unnecessary and then deny my own people the many things they need. Someone someday has got to represent the taxpayers; someone must represent the common folks. The able Senator from Texas said a moment ago, "You should not even question these amounts, because Mr. Harriman and Mr. Hoffman and Mr. Bruce recommended them"—

Mr. CONNALLY. Mr. President, I did not say that.

Mr. CAPEHART. Who are Mr. Harriman, Mr. Hoffman, and Mr. Bruce? They represent Wall Street. They represent the group which the President of the United States went up and down the Nation describing as undesirable persons. They are the ones who recommended \$5,500,000,000. It was not the common folks who recommended it. It was not the Democratic Party. It was not the able Senator from Texas. Who recommended it? The representatives of Wall Street, those mischief makers, those awful people—Mr. Bruce, with branch offices all over the world; Mr. Harriman, who inherited his millions and is a member of a Wall Street investment firm; Mr. Hoffman, who represents the Studebaker Corp., which is financed by Wall Street. It was not the Democratic Party, not the common people, not the taxpayers; it was the despicable Wall Streeters whom Mr. Truman condemned from one end of the Nation to the other. Now the able Senator from Texas tells us that we should accept the figures recommended by those men, that they know best, and we know nothing about it. It was only last October and November that they were called—well, I cannot describe the terms which were used.

Mr. President, I say, "Wake up, America! Let us have the courage to do the right thing; let us have the courage to

face the facts; let us try to realize what we are doing; let us keep our own Nation strong."

Yes, Mr. President, I shall vote for \$3,000,000,000. If there is a dime over that amount, I shall vote against it.

Mr. LODGE. Mr. President, I have attended this debate for the past few days, and I will say, in all frankness, that it has, to me, had an atmosphere of great unreality. It is as if World War II had never been fought, as though the nations of western Europe had never collapsed, as though airplanes had never been invented. It is as though we could sit in safety on this side of the Atlantic Ocean, which once was so broad.

I have heard those who are in favor of economic assistance to the nations of western Europe in their struggle against communism described as being men who, by inference, at least, are opposed to a high standard of living, against low taxes, against integrity of investments, in favor of socialism, have not the interests of our boys and girls at heart, are not concerned with the welfare of the plain people of America, and do not desire to keep the Government sound.

Those are a few of the things which have been said. I may say, Mr. President, that I am in favor of low taxes, a high standard of living, the integrity of investments; I am opposed to socialism, in favor of national defense, I want to keep the Government sound, and I want to keep the boys and girls at home, and out of war. No Senator here has a copyright on a desire to keep the country safe.

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

Mr. LODGE. I do not have time to yield. I shall yield to the Senator from Missouri in my own good time. I have had quite a difficult time getting recognized. Senators opposed to the bill have had the floor for a long time, and I intend to keep it for a few minutes. If the Senator will be patient he will have an opportunity to make his point again.

Mr. President, I shall address myself to the limiting amendments which have been offered by the Senator from Ohio [Mr. TAFT]. I think my friend from Nebraska [Mr. WHERRY] has one also. I presume he does not speak for the minority, although I see nothing in the RECORD to make the point clear—

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

Mr. LODGE. I yield.

Mr. WHERRY. I certainly want to make it clear that I do not speak for any Senator except myself. My amendment has already been voted upon.

Mr. LODGE. I am glad to have that assurance. I thought the Senator had another amendment, as a matter of fact, relating to the duration. The Senator did not make that point clear before. I am glad he makes it clear now, because it is my recollection that most, if not all, the members of the minority on the Foreign Relations Committee were in favor of the proposition which I am discussing.

Mr. President, a great deal has been said about the Foreign Relations Committee. The Senator from Ohio, who, I

regret to say is not present at the moment, went so far as to say we had been negligent in our duty. That is a serious charge. When a man is charged with being negligent in his duty, I think it is a very serious charge. Heaven knows, Mr. President, I do not boast about the Foreign Relations Committee, but I say in all candor that I am not a bit ashamed of it. I am not ashamed of the work which has been done by the watchdog committee, of which I am no longer a member, but of which I was a member at the beginning. I challenge any Senator to find an instance of an activity of the Government being subjected to a more thorough and more detailed questioning than has been the case in the watchdog committee. I do not think a more thorough investigation can be found.

I should also like to know of a case in which a standing committee of the Congress has organized its work in a more realistic manner than has been the case with the watchdog committee. I think we have done our duty. The fact that a committee of Congress does not consider every individual amendment that every Senator may offer, does not mean that he does not consider the subject as a whole. The fact that we did not consider a specific amendment cutting the authorization 10 percent does not mean we have not given the most careful consideration to the figures, which, of course, we did.

We shall not get anywhere in this discussion unless we have certain common assumptions. So long as the idea is perpetuated that those who are against the Marshall plan are in favor of peace, and those who are in favor of the Marshall plan are aiding communism—and that has been said, Mr. President, many times, fantastic as it may be, and incredible as it may appear—

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

Mr. LODGE. I shall not yield now. I shall yield in my own good time and in my own way, after I have developed my point. I shall yield to suit myself, and not to suit the Senator from Indiana. The Senator from Indiana yielded to suit himself.

Mr. JENNER. Mr. President—

The VICE PRESIDENT. The Senator should not be interrupted when he declines to yield.

Mr. LODGE. Mr. President, it has been said that those who are opposing the Marshall plan are trying to get a copyright on peace, and those who are in favor of the plan are in favor of communism, when all the world knows that the Marshall plan has been a brilliant success. Instead of following the Marshall plan, some have been following the advice of those who said, "Put your money into guns." Communism can only be stopped by human treatment, and that is what the Marshall plan has meant.

Sometimes when we sit here listening to all these facts which are individually correct, with the erroneous deductions we hear being drawn from them, we wonder what century we are in. We must have some common assumption or the whole thing makes no sense at all. We have to

assume that we agree that the attempt of international communism to set up a godless world dictatorship is a danger. If one does not think it is a danger, there is no use arguing with him. If any Senator does not think it is a danger, he is at liberty to think so. But if the assumption I have stated is true, then it must be evidently in our interest to help get the nations of western Europe onto their feet and off our backs. But not because we like them. I have heard a childish notion advanced here in the last few days that we help the nations we like and we do not help the nations we do not like, and that if we help a nation and they do not like us, our feelings are going to be terribly hurt.

Mr. President, this is not a Sunday-school picnic, this is international politics. We are helping Germany, we are sending a great deal of money to Germany. We are running the air lift into Berlin to feed 2,000,000 Germans. We have had two wars with the Germans in our lifetime. We are not sending aid there because we like them. We are sending it there because it seems to be the right thing to do.

If someone is sick in bed in a hospital his doctor wants to get him well. If in the process of getting well he throws a book at the doctor and calls him a low name, the doctor realizes the patient is getting well. The doctor is not trying to win popularity; he is trying to restore the patient's health not so that he will be liked but so that the patient will be able to get out and fight for himself.

There seems to be an idea that it is possible to buy popularity. That is not possible in our individual lives, and how can we expect to find it so in international life? It does not work that way.

Here we have Mr. Hoffman, a very brilliant and able man, who has done a very brilliant and able job. I suppose if he had done a poor job, we would certainly want to cut the authorization, but he has done a good job, yet there are still some who want to cut it.

I think Mr. Hoffman's figures are honest. I think they are as near to rock-bottom figures as can be gotten in connection with a proposition of this kind. I do not agree with the contention that the situation with respect to appropriations is the same this year that it was last year. If we had failed last year to appropriate the money which we had authorized, it would have been a psychological blow to the sick countries in Europe. Now the sick countries are much healthier. They have had quite an education in American methods. I think the Committee on Appropriations is perfectly free to reduce the appropriation below the ceiling fixed, and the figure in the bill, Mr. President, is a ceiling. I know that in the Committee on Foreign Relations I stated on the record, as many other Senators did, that I would favor this as a ceiling, and would reserve my right to vote for a lower appropriation if the costs of the articles we must buy declined. So let no one assert that the situation this year in regard to appropriations is the same as it was last year because, in my opinion, it is not.

Now, I yield to the Senator from Indiana.

Mr. JENNER. The Senator stated that there must be one general assumption upon which we must agree, namely, that communism is a bad thing. I wish to ask the Senator whether or not it is a fact that since the Marshall plan has been in effect communism has made its greatest gain, and has come to dominate more people in the past year than it ever had in the previous 20 years of its existence.

Mr. LODGE. In the past year the Communists have had the greatest setback in western Europe they have had at any time since the war. They have made great gains in China, but, so far as western Europe is concerned, they have had the greatest set-back they have had since the war.

Mr. JENNER. I am sure the Senator listened to Winston Churchill last evening.

Mr. LODGE. I did.

Mr. JENNER. He referred to that very subject. He attributed the use of the term "cold war" to America, and in substance he asked, "How are we getting along in the cold war?" He said what the Senator has said, that in western Europe we are getting along pretty well, but in the east things are not going so well. So I ask the Senator the question, Is it not a fact that communism actually dominates more human beings tonight, 1 year after the Marshall plan has been in effect in western Europe, than it dominated in the past 20 years of its history?

Mr. LODGE. No, I do not think that is the case in western Europe. I think communism dominates a far smaller number of people in western Europe than it did a year ago.

Mr. JENNER. In the world, I mean.

Mr. LODGE. I thought the Senator said western Europe.

Mr. JENNER. I beg the Senator's pardon.

Mr. LODGE. It dominates fewer people in western Europe but more people in China. I think the situation in China is extremely serious, very grave indeed, but I do not think this is the time or the place to go into that.

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

Mr. LODGE. I yield to the Senator from Ohio.

Mr. TAFT. I believe the Senator referred to the watchdog committee.

Mr. LODGE. Yes.

Mr. TAFT. Did the watchdog committee ever approve the figures in the proposed appropriation?

Mr. LODGE. No. I mentioned the watchdog committee while the Senator was out of the Chamber, I think, because of the statement I understood the Senator from Ohio to have made that members of the Committee on Foreign Relations had been negligent in their duty.

Mr. TAFT. I made no such statement.

Mr. LODGE. I understood the Senator to say that.

Mr. TAFT. Not at all. I said I understood the Senator from Michigan to say that my amendment had not been given any consideration in the committee, and

I said that if it had not been given consideration, they had not done their duty, because it was necessarily involved in the consideration which they obviously and properly gave to the amount requested.

Mr. LODGE. That is where I part company with the Senator. The committee did consider the over-all figures and all the factors that went into it, and the fact that it did not consider some individual Senator's particular amendment does not, in my opinion, indicate that we were negligent in our duty.

Mr. IVES and Mr. TAFT addressed the Chair.

The VICE PRESIDENT. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. LODGE. I yield first to the Senator from New York, and then I shall yield to the Senator from Ohio.

Mr. IVES. Apropos of the question previously raised by the able Senator from Indiana, is it not very likely that without the Marshall plan in effect, without ECA aid, the inroads of communism, the march of communism in the world, would have been a great deal more pronounced than has been the case?

Mr. LODGE. I think there is no question about it.

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

Mr. LODGE. Just a moment, until I answer the question. I think there is no question that what the Senator from New York has said represents the facts. I think the Marshall plan has had the effect he indicates. It has tended to prevent the development of an open war. I think it has been a great preserver and safeguard for the lives of all our sons of military age, and I believe it has completely justified itself.

Mr. JENNER. Mr. President—

Mr. LODGE. I yield to the Senator from Indiana for a question.

Mr. JENNER. On the assumption that communism is bad and must be stopped, we are going to have to do the same thing in the east, in China, for example, that we have done in western Europe. Is not that correct, under the Senator's theory?

Mr. LODGE. No; I do not think we can do the same thing in China we can do in Europe. I do not know China very well; I have been there only twice, but I know enough about it to lead me to feel certain that the whole structure is different from that of Europe.

Mr. JENNER. Mr. President—

Mr. LODGE. The Senator has raised a very important point which is entitled to one or two moments' consideration.

China is larger than the United States in area. There is an uncalculated number of people who live in China, probably 400,000,000. There are no roads there to speak of, there is very little technology. They are a people not accustomed to western methods of production. In the case of a small country in Europe, with a small population, something can really be accomplished, but our efforts are swallowed up in China. So while I think we should resist communism in China in whatever way we can do it effectively, I do not think we can apply the same medicine to China that we apply to western Europe.

Mr. JENNER. Mr. President, will the Senator yield for another question?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Indiana for a question?

Mr. LODGE. I yield for a question.

Mr. JENNER. I ask the distinguished Senator from Massachusetts, if communism reared its ugly head in India, what would we do about that?

Mr. LODGE. I do not know that there is anything we can do in India. I do not think the situation in India is on all fours with the situation in China.

Mr. JENNER. Is it any worse for communism to come in through our eastern door than it is for communism to come in through our western door?

Mr. LODGE. I think the two things are on a different footing. I think it is a very dangerous thing for the Atlantic nations to fall into the hands of the Communists, because leaving all sentimentality and questions of humanitarianism out of the question, the nations of western Europe have a much greater productivity, and consequently they are a much greater military and cultural asset than any other country on earth; so in that sense they deserve special consideration. I shall never minimize the importance of China, and I hope that a way may be found to develop a really successful Chinese policy. I think we can; but we certainly cannot write out the same prescription for both areas.

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

Mr. LODGE. I yield.

Mr. JENNER. But from the standpoint of our security and our peace, and from the standpoint of the future security and the peace of the world, is not communism just as much a threat when it comes from the east as when it comes from the west?

Mr. LODGE. No; I do not think it is the same thing; because, as I have just said, in one place you have communism taking over a great industrial complex, technologically strong, and that is bound to make the impact of it different. The two cannot be put on the same footing.

Mr. SALTONSTALL. Mr. President, will my colleague yield to me?

Mr. LODGE. I yield to my colleague from Massachusetts.

Mr. SALTONSTALL. My colleague has stated that the problem is a problem of international politics. As I understand the problem of international politics, the first objective of our Government is our security, the advancement of our safety, and the promotion of worldwide peace. In the opinion of the Senator from Massachusetts is not our security greater today than it was a year ago as a result of the advancement of the Marshall plan and what we have done so far as western Europe is concerned in our dealings with the people of that area?

Mr. LODGE. I think our security is very much greater today than it was a year ago. I think the enactment of the selective service, the authorization of a larger Air Force, the passage of the unification bill, have all been factors in bringing about greater security, but I think the Marshall plan is certainly one of the very fundamental factors in caus-

ing us to be very much better off today than we were last year.

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

Mr. LODGE. I yield.

Mr. BREWSTER. I should like to ask the Senator a rather detailed question about something which concerns both of us, since we are both from New England. The Senator may be familiar with the statement of Mr. John G. Wright, president of the Boston Wool Trade Association, made before the Senate Foreign Relations Committee, in which he pointed out—

The business of buying and selling wool is practically at a standstill today, and many wool mills are either shut down or are running at curtailed capacity, resulting in much unemployment.

He goes on to attribute the reason for that to the fact that we get practically two-thirds of our wool from outside, chiefly from Australia, approximating 1,000,000,000 pounds, for which we are obliged to pay, under the existing regulations in buying British pounds sterling at \$4.02, while our European competitors are able to buy, with American money advanced by us under ECA, British pounds sterling in the free market at \$3.20, giving them a 20-percent advantage with which, with their lower production costs, they are able to funnel wool into our markets, and secure more American dollars, buy more cheap British pounds, and continue an endless cycle. As Mr. Wright says in his conclusion:

I cannot bring to the attention of this committee too forcibly the fact that unemployment and further deterioration in our wool-textile industry will continue and become more acute until the advantage enjoyed by certain European nationals who have access to free market sterling, is also made available to American business.

I should like to ask the Senator to what extent that subject has received attention in connection with the pending measure, or what measures are calculated to bring equality to the textile industry of our own New England and the Northeast?

Mr. LODGE. I can speak for myself in answering the Senator from Maine, that the matter of the wool trade has taken up a great deal of my time, and concern. That particular policy of the Economic Cooperation Administration is, I think, a mistaken one, and I am trying to have it changed.

Mr. BREWSTER. The Senator does feel—

Mr. LODGE. Let me answer the first question of the Senator from Maine before he goes on to another one. Insofar as the importation of textiles and woolen goods into this country is concerned, which undercut and undersell the American product, I appeared before the Finance Committee to request that in the reciprocal trade extension act a provision be incorporated which would provide that importations should not fall below what the Senator from Maine knows is the peril point.

Mr. BREWSTER. Does the Senator from Massachusetts know what the peril point is?

Mr. LODGE. I could not tell the Senator offhand, without looking them up, what the precise figures are.

Mr. BREWSTER. Let me advise the Senator from Massachusetts that under the existing regulations no Senator is permitted to know.

Mr. LODGE. I think that is a great mistake.

Mr. BREWSTER. I agree with the Senator.

Mr. LODGE. There are individual items in the operation of the Marshall plan of which I disapprove. I think it is a pity that they are aiding the foreign watch business. I think the Senator from Maine knows about that. There are other items of that kind. But I think the over-all net effect is very much in the interest of all Americans, including the people who work in these industries, who, after all, do not want to see their sons go off to world war III.

Mr. BREWSTER. I gather from the certain phases of this program with which the Senator from Massachusetts has an especial familiarity, such as wool and watches, that he realizes he cannot fully approve of the practices and policies of the administration? Is that correct?

Mr. LODGE. I think the administration is composed of human beings, and they have made some mistakes. I am hopeful that they will correct the mistakes as they are pointed out to them.

Mr. BREWSTER. I have one other question. Is the Senator from Massachusetts familiar with the letter of Mr. Hoffman, the Administrator, to one of the oil companies, regarding the prices of Middle East oil in which he states that they were charging for such oil in this country from \$1 to \$1.75, while for the part which we were financing in Europe they were charging from 25 cents to \$1.25 more? He referred to the oil being furnished from the Middle East to Europe on which ECA funds were being expended. Did that come to the Senator's attention?

Mr. LODGE. Is it the Senator's question that oil from the Middle East received a higher price?

Mr. BREWSTER. They charged 25 cents to \$1.25 more a barrel for the Middle East oil supplied to Europe than they charged for the oil shipped to this country. Does the Senator think that ECA funds should be used in that way to pay so obviously disproportionate and uncompetitive a price?

Mr. LODGE. No; I do not defend that price, I will say to the Senator. I have given that some thought also. But I do think that there is an advantage in the development of oil in that part of the world from the standpoint of Europe and from our own standpoint.

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

Mr. LODGE. I yield.

Mr. JENNER. Returning to the colloquy between the distinguished Senator from Massachusetts and his colleague [Mr. SALTONSTALL], I believe, in reply to the question of the senior Senator from Massachusetts, the junior Senator made the statement that we were

more secure this year than we were a year ago as the result of the Marshall plan activities. Is that correct?

Mr. LODGE. Yes; I think the Marshall plan is one of the factors that has increased our security.

Mr. JENNER. Then I ask the Senator, if we are more secure now than we were a year ago, why do we propose to spend \$15,000,000,000 this year on our national defense, and why do we invite to our shores representatives of the countries of the North Atlantic area to sign a security pact which will cost billions of dollars more? If we are more secure, why do we keep putting up the cost of security and building up a greater defense?

Mr. LODGE. Because we are not secure enough. That is a simple question.

Mr. President, I have no desire to detain the Senate any longer.

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

Mr. LODGE. I yield.

Mr. WHERRY. I am very much interested in the reply the Senator from Massachusetts made to the Senator from Maine [Mr. BREWSTER] relative to the shipments of wool and of textiles to New England. I have in my hand the report on the European Recovery Program, United Kingdom study, with which, no doubt, the Senator is well acquainted, in view of the fact that the Senator made the response he did to the Senator from Maine that the wool situation should be taken care of. I think he mentioned that the matter of watches should also be taken care of, as well as the oil situation—and if there is anything that should be taken care of, it is oil. On page 63 there is a statement concerning the over-all situation. I should like to read a brief excerpt, consisting of about six lines, showing the degree to which exports may overcome the dollar deficit. That is, of course, what we are after in this appropriation.

The degree to which exports may overcome the dollar deficit may be of greater importance to the solution of the present problem than the over-all total. Immediately before the war the United Kingdom sold about 4.5 percent of total exports to the United States and 17.5 percent to the Western Hemisphere as a whole. The object of the program is to increase these proportions to 6 and 20 percent by 1952-53. Since the total volume would be greater, this would mean an increase in shipments to the Western Hemisphere of about 80 percent over the volume in 1938.

I ask the Senator this question: When all these exports, including petroleum, come from the United Kingdom or the colonial possessions into the dollar areas, will we not run into the same difficulty which the Senator pointed out in connection with wool, textiles, watches, and the other items mentioned a moment ago, if we attempt, with the aid of ECA funds, to increase shipments to the Western Hemisphere by 1952 to the extent desired?

Mr. LODGE. The ideal solution is for the nations of Europe to build up their export trade by producing the things which we do not produce. With skillful management, it ought to be possible for

them to build up their economies without having a deleterious effect on American trade. That is easy to say—

Mr. WHERRY. That does not answer my question.

Mr. LODGE. As I say, that is easy to say. That is the way I think it ought to be done. As I understood the Senator, he asked me to peer into the future. That is what I am trying to do.

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

Mr. LODGE. I yield for a question.

Mr. WHERRY. Inasmuch as this is the program outlined by the United Kingdom, will not the difficulty be, as they make shipments of fabricated materials, textiles, wool, petroleum, or anything else the production of which is promoted over there, that the very money which we use to promote the program will come back into the dollar areas, and we shall have the same trouble, especially if the attempt is made to increase shipments to the Western Hemisphere by about 80 percent over the volume of 1938? Should we subsidize the program to that extent?

Mr. LODGE. The Senator asked me to look into the future and tell what I think is going to happen under that program. Let me say once again that the ideal solution is for those countries to develop their export trade by making things which they produce best, and which we do not produce.

Mr. WHERRY. I agree with the Senator.

Mr. LODGE. Let me complete my answer to the Senator's question. If one of those countries should begin under selling us in the case of one of our staple products in a way which is extremely harmful to us, I hope that we in the Congress will have the gumption to place a peril-point in the administrative act to prevent our own industries from being scuttled.

Mr. President, I have said all I care to say. I am opposed to this amendment, and I hope it will be defeated.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] for himself and the Senator from Georgia [Mr. RUSSELL].

Mr. FERGUSON. Mr. President, I shall not take much of the time of the Senate. However, I wish to say a few words about this amendment.

As a member of the Appropriations Committee, I am glad that the chairman of the Foreign Relations Committee [Mr. CONNALLY], and my colleague from Michigan [Mr. VANDENBERG], the ranking Republican member of that committee, have stated upon the floor that the amount set forth in the bill as a ceiling is only for the purpose of authorization, and that in their opinion the Appropriations Committee has full authority—which we all know it has under the rules of the Senate—to pass upon the items in the appropriation bill.

Mr. President, we realize that at times committees have overlapping authorities. From time to time Congress is called upon to pass authorization measures, and then the Committee on Appropriations

tions in each House has full authority to pass upon the items in the appropriation bill. As a Member of the Senate Committee on Appropriations, I believe that that committee will perform its duties fully when the appropriation bill comes before it. I am satisfied that the burden of proof should be upon those who ask for the appropriation, and that the amount fixed as a ceiling in the authorization bill is not necessarily the amount which must be in the appropriation bill which will be reported to the Senate.

From time to time Members of the Appropriations Committee have been told, in connection with an appropriation pursuant to an authorization act, that the Committee which recommended the authorization knew more about the subject than did the Appropriations Committee.

In this particular case I shall not vote to reduce the authorization, because I feel that the Appropriations Committee should perform its function. I feel that the time has come in the Senate for that committee to perform that function, which it has not done in all cases.

Mr. President, if we are to keep this Nation strong in the fight against communism in the world, we must keep it economically strong. The fact that I shall not vote to reduce the amount of the authorization by 10 percent is no evidence of my feeling as to a reduction both in the foreign field and in the domestic field.

In connection with this bill, as in connection with all similar bills, there are two tests: First, what is the Nation's capacity? What can we as a nation appropriate and remain economically and financially strong? Second, what are the requirements of the foreign nations, and what are the requirements of our domestic budget, in order that we may remain strong as a nation? I think the responsibility is greater this year than it has been in the past years on the Appropriations Committee to determine those two great questions.

I shall not forget that when the question of the determination of the amount of the legislative budget was postponed until May 15, I stood upon this floor and stated that I thought that was a mistake.

The able Senator from Georgia [Mr. GEORGE] has argued the question of taxes. I think that is a very pertinent question, because if our income is to be reduced and our expenses are not to be reduced, we shall run into deficit spending. That will be a calamity not only for the United States, but for all those who are on the side of the United States in the struggle to make this a better world in which to live.

Mr. LUCAS. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Ohio [Mr. TAFT], for himself, and the distinguished Senator from Georgia [Mr. RUSSELL]. I shall not take very much of the time of the Senate, although I think I would be justified in doing so, in view of the fact that I have listened patiently for the past 10 days to the addresses and the colloquies upon the floor of the Senate upon many questions which seemed

to be utterly immaterial and not germane to the question before the Senate.

The Senator from Illinois is interested in this legislation from more than one standpoint. It seems to me that the thing which now vitally concerns the people of America, and which has concerned them almost from the beginning of our Nation, is the question of peace for mankind. We have seen the United States participate in two world wars, neither of which was of our making. We attempted, through a policy of neutrality, to keep out of both wars. Notwithstanding that fact, we became a participant in those wars. I doubt whether there is a Senator on the floor tonight who would say that if tomorrow there were war somewhere in Europe or somewhere in the Middle East, if an aggressor were to start war there, as we have seen aggressors start war in the past, the United States of America could keep out of the conflict and conflagration.

So, Mr. President, the Marshall plan was conceived for two purposes. The primary purpose was to keep the United States of America out of war; and the second purpose was to rehabilitate the western democracies of Europe in order that they might help maintain the peace of the world.

After listening to some of the debates here on the floor of the Senate of the United States, one might readily believe that the Marshall plan is a one-way street, that all we are doing by means of this appropriation or authorization is merely giving a grant of money to the western democracies.

Mr. LANGER. That is what it is—an appropriation.

Mr. LUCAS. I know the Senator from North Dakota thinks it is. According to some of the debates, when we grant or give this money to the western democracies of Europe, we have no hope of any kind for a return or reward as a result of what we are doing.

Mr. President, I am interested in the safety and security of the United States. America has been good to me. It is the only nation in the world in which a humble son of a tenant farmer such as I, could rise to a seat in its greatest legislative body.

Mr. President, let us make no mistake about it: The people of the United States are more concerned about peace than about any other single thing.

Senators who tonight are talking about a simple 10-percent cut, for which they have been arguing for weeks, are simply attempting to pinch pennies on the question of peace. They speak of the United States as a bankrupt nation. Mr. President, I remember one afternoon during the war when the distinguished Senator from Tennessee [Mr. MCKELLAR] brought in an appropriation bill, and, without even a record vote, the Senate provided \$59,000,000,000 to carry on cold, cruel, devastating war. Yet when we ask for a pittance, so to speak, as compared to that sum, for the sake of peace, or at least in an attempt to bring peace to the world, we hear Members of the Senate talk as if they lived back in the days of 1850.

Mr. President, I do not say, and I have never said, that the Marshall plan will avoid war. I have always said it is a calculated risk on the part of the American people. But where is there a Senator who has any alternative other than for us who live in the United States to stick our heads in the sand, like the ostrich of legendary fame? In that case we must build our country into an armed camp, and must spend, not \$5,000,000,000 on the Marshall plan, but, as was said so ably this afternoon by the Senator from Maryland [Mr. TYDINGS], billions upon billions of dollars in getting ready for another war.

Mr. President, the other thing the Marshall plan does is to stop communism. Some Senators speak of communism advancing in the world, but I say that communism has been stopped dead in its tracks in Europe as a result of the Marshall plan. The able Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois traveled in some six or seven European countries last year, where the Marshall plan was in effect. I wish every Member of the Senate and every person in the United States could have been with us in Turkey and Italy and Greece and France, and could have talked to the people on the street, to those high and low in government, if you please, and could have asked them what they thought the Marshall plan had done to stop the deadly menace and march of communism across the plains and states of Europe. There was not a single person to whom I talked, other than a Communist, who did not almost get down on his knees and thank Almighty God and the American people for the Marshall plan and aid to Turkey and Greece. Yes, Mr. President; the Marshall plan and our aid to Turkey and Greece have stopped communism in Europe, and have stopped it cold. The greatest opponents of the Marshall plan today in the world are, not Members of the Senate of the United States, but the Kremlin and the Politburo. Mr. President, the Kremlin and the Politburo are fighting tooth and nail against the Marshall plan. Every time we cut an appropriation or authorization of this kind, we give aid and comfort to the Politburo, and in my opinion we help destroy the faith which the people of Europe, whom we are trying to help, have in the American people and in our efforts to help the people of Europe rehabilitate their nations to the point where they will be able to help us again in case of trouble, and also be able to help themselves economically.

There are 240,000,000 people in the democracies of western Europe. They will recover. Communism will not cross the line unless by force. I agree with Winston Churchill when he said last night that war is not inevitable. That was the greatest statement he made in his speech last night, in my humble opinion. That is exactly what I believe, as I stand here tonight: that war is not inevitable. The Marshall plan, along with the atom bomb, as Mr. Churchill said, is the real reason why the Russians are hesitating in these graver transactions of life, and

why they will pause before they take any fatal step.

Mr. President, I cannot understand how it is that Members of the Senate continually stand here, day after day, and condemn England. I have never heard any Senator on this floor castigate France or Italy or any other nation; it is always England. Yet England has been the greatest ally of the United States in the last two world wars. But it is always England that is condemned by Senators. I do not know why that is. I say to Senators that they had better get after France if they wish to criticize any country. She is the weak link in the chain, so far as the Marshall plan is concerned.

No, Mr. President; a 10-percent horizontal cut, without a single fact or figure to back it up, is preposterous. Senators simply take out of the thin air the figure 10 percent, by which they would reduce this authorization, despite the fact that the amount of the authorization has already been carefully screened by Mr. Hoffman and his experts. As the able Senator from Texas said a while ago, certainly Mr. Hoffman cannot be charged with being an administration stooge. Mr. Hoffman is a businessman, and probably has just as much interest in the economy of the United States and in the laboring men of the United States as another big businessman, the Senator from Indiana [Mr. CAPEHART] has. Probably Mr. Hoffman pays more taxes than the Senator from Indiana does. Yet Mr. Hoffman is asking for the amount set forth in the bill. Why does he ask for it?

In a speech which he made in California night before last, Mr. Hoffman said, as quoted in the press:

"With an intensity and determination that make Hitler's efforts seem amateurish by comparison," Russia is waging "an all-out drive for world domination that carries with it the possibility of World War III unless we can meet the challenge."

A little later he said:

Hunger, poverty, and chaos are Russia's "best allies."

Later on he said:

Our way of life will be secure if Europe is strong and free in 1952. I believe if recovery is an accomplished fact in 1952, it is more than probable that the Kremlin will have decided upon a policy of live and let live. If the recovery program fails, the Kremlin will make an all-out effort to communize western Europe.

I do not say that Mr. Hoffman has any crystal ball into which he can look and say whether that is what would happen. But with all his experience in the administration of funds under the Marshall plan, I am willing to accept his judgment rather than the judgment of some United States Senator who does not know a single thing about the program.

I have been in the Senate 14 years. I have never contended that I knew everything about every subject that came before the Senate. I have to put faith and confidence in men who have studied the problems involved. I know of no two Senators upon whom I could rely more confidently than the distinguished Senator from Texas [Mr. CONNALLY] and

the distinguished Senator from Michigan [Mr. VANDENBERG], who have devoted the best years of their lives in the Senate to studying problems of foreign policy. They sit in committee meetings day after day, week after week, listening to all the testimony, and they bring forth a unanimous report on a question, and then we hear from Senators who purport to know more about the problem than these two distinguished Senators, who occupy positions in our bipartisan foreign policy which is so important to the welfare of America and the world. To any young Senator on the floor tonight, or to any older Senator, who has not had an opportunity to study the hearings and to analyze the testimony, I say that he cannot go very far wrong, so far as his conscience is concerned, if he follows the faithful, devoted, distinguished, and honorable leadership of the two great Senators whom I have mentioned.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio, for himself, and the Senator from Georgia.

Mr. LANGER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BREWSTER. Mr. President, I listened with great interest to the majority leader in the early part of his address, regarding the attempt to maintain the peace, which, in my judgment, certainly is the objective of everyone in the United States. The Senator has no monopoly in that desire. I am sure he will recognize, as do many others, that when it comes to the problem of keeping America out of war, the great Democratic Party which he represents also possesses no monopoly. Within my lifetime I have experienced two Democratic administrations. We became involved in two world wars, at the end of 5 years, in one administration, and at the end of 9 years, in the other. I do not say the Democratic Party was responsible. I do not say that the Republican Party could have done any better. I simply say it could not have done any worse. Let us lay the subject of peace and war on the table and admit that every American is entitled to his opinion as to the best way of maintaining peace.

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

Mr. BREWSTER. Certainly.

Mr. LUCAS. Will the Senator tell me what I said that caused this outburst? I try to give everybody his due in the Senate. I spoke very highly, I thought, of the bipartisan foreign policy of the Senate. I questioned the sincerity of no Senator, whether he was for or against anything. The only thing the Senator from Illinois is saying is that if some Senator—

Mr. BREWSTER. Mr. President, I am yielding for a question only.

Mr. LUCAS. The Senator has started berating me. I was merely wondering what it was all about.

Mr. BREWSTER. I shall tell the Senator what I was alluding to, if he would like me to.

Mr. LUCAS. I shall be happy to listen.

Mr. BREWSTER. I alluded to the first portion of the Senator's remarks, in which he emphasized that the single

objective should be peace—to keep us out of war. I think there was a very clear implication that, on this side of the aisle, or on the other, those who questioned the exact formula the Senator was laying down were not equally interested in the maintenance of peace. If I am wrong, I am very sorry.

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

The VICE PRESIDENT. Does the Senator from Maine yield to the Senator from Illinois?

Mr. BREWSTER. I yield.

Mr. LUCAS. The Senator is certainly in error.

Mr. BREWSTER. I shall be very glad to be corrected.

Mr. LUCAS. I did not imply that any Senator on the other side of the aisle did not want peace. If I had done so, I should want to apologize.

Mr. BREWSTER. Then let us start on the basis that we all want peace.

Mr. LUCAS. I am sure I do. And I am sure the Senator from Maine wants peace. But I am not so sure the Senator from Maine wants peace here on the floor of the Senate. I am not talking about the peace of the world.

The VICE PRESIDENT. The Senator from Maine can yield for a question only.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The Senate will be in order.

Mr. BREWSTER. I may suggest that is a very poor way to stop the Senator from Maine. I think perhaps I may be pardoned for a few words.

Mr. LUCAS. I think the Senate should be in order.

The VICE PRESIDENT. The Chair is trying to keep order in the Senate, but it is an up-hill job. The Senator from Maine has the floor, and can yield for a question.

Mr. LUCAS. I may say I was a little surprised, that is all, at the comment made by the Senator. I inferred he was making an attack on me. Certainly there was nothing I said that gave him the right to do so. I want to make myself clear to the Senator from Maine and to other Senators on his side of the aisle. I do not want to bring politics into this matter, because there is no politics involved.

Mr. BREWSTER. If I did the Senator from Illinois any injustice in my comment on his remarks, I am certainly sorry. I was trying to make it plain that I thought every Member of the Senate was equally concerned in seeking peace, that we were seeking it by the methods which seemed to us best. I voted for the Marshall plan originally. I expect to vote for the Marshall plan this year. For 20 years I have supported personally practically every measure that seemed calculated to strengthen our hand in foreign relations. I still reserve the right to my individual opinion. One year ago I pointed out the manner in which I felt \$1,000,000,000 could have been properly saved in the ECA expenditure. I enumerated the items concerned with the great shipbuilding program which was then contemplated in the foreign countries, which I thought was unwarranted in the face of all their needs. Today,

those other countries have a greater merchant marine than they had ever had before in history. The Senator from Michigan said we were not going to put them above where they were, we were merely trying to get them back to the point where they were before the war. Today every country in Europe except Germany is, in the point of industrial production, above where it was prior to the war. That I think is a pertinent thing to remember. Exports from England to this country during the next year, according to their announced plans, will amount to 183 percent of prewar shipments. That is having a terrific impact upon our economy, and it must constantly continue to have. I think it is something we must think about, whether it be, in respect to oil, charging us \$1, \$1.25, or \$2 more for it under the European program, or whether it be in respect to the \$18,000,000 worth of the most modern textile machinery we have shipped to the ECA countries, 60 percent of our entire modern textile machinery going abroad to rehabilitate their economy. I simply say the point may come where we must consider the dollar problem.

One item alone, certainly I think everyone will agree, must have great significance. All the values in this program that I could find put in this book were based on November 30, 1948. Is there anyone so blind now as not to know that the figures for the coming year are altogether certain to be very materially less? We cannot tell how much less. We know they will be much less. A month from now we shall know more; although today we know much. That is the reason why I feel warranted in the impression that we must sharpen our pencils and that we can properly and safely cut this item by the amount proposed by the Senator from Ohio without doing serious injury to the recovery we all desire.

I did a little pencil-sharpening as to one item. It was on the item of food. I figured a 10-percent cut on food and what that would mean to England. Their daily calorie consumption is nearly 3,000. Under the present program they are to get 2,990, 10 calories less. If the 10-percent cut suggested by the Senator from Ohio should go into effect, England would get 15 calories less, or 2,975. I am sure that would not be fatal. As the result of the \$2,000,000,000 absorption on the food costs, British textile workers receive \$20 a week as against our \$60 or \$70 for American workers. But, still, they have our best machinery, and the British mechanics receive \$30 a week as against \$75 and \$100 paid American mechanics. That is a result, in large measure, of the contribution we are making. I am simply suggesting that at some point we must remember that charity must finally begin at home.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT], for himself and the Senator from Georgia [Mr. RUSSELL], on which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUTLER (when his name was called). On this vote I have a pair with the junior Senator from Connecticut [Mr. BALDWIN]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. LONG (when his name was called). On this vote I have a pair with the senior Senator from Oklahoma [Mr. THOMAS], who is absent by leave of the Senate. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MAYBANK (when his name was called). On this vote I have a pair with the junior Senator from Oklahoma [Mr. KERR], who is absent on public business. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. LUCAS. I announce that on this vote the Senator from Mississippi [Mr. EASTLAND], who is necessarily absent, is paired with the Senator from Nevada [Mr. MALONE]. If present, the Senator from Mississippi would vote "nay," and the Senator from Nevada would vote "yea."

The Senator from Delaware [Mr. FREAR], who is absent on public business, is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present, the Senator from Delaware would vote "nay," and the Senator from Kansas would vote "yea."

On this vote the Senator from Idaho [Mr. TAYLOR], who is necessarily absent, is paired with the Senator from Pennsylvania [Mr. MYERS], who is absent on public business. If present, the Senator from Idaho would vote "yea," and the Senator from Pennsylvania would vote "nay."

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from New York [Mr. WAGNER] are necessarily absent.

I announce further that the Senator from New York [Mr. WAGNER] would vote "nay" on this amendment, if present.

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent by leave of the Senate, and his pair with the Senator from Nebraska [Mr. BUTLER] has been previously announced.

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

The Senator from Vermont [Mr. FLANDERS] is necessarily absent. If present and voting, the Senator from Vermont would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is absent on official business and is paired with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Kansas [Mr. SCHOEPPEL] would vote "yea" and the Senator from Delaware [Mr. FREAR] would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, the Senator from New Jersey would vote "nay."

The Senator from Nevada [Mr. MALONE] is unavoidably detained and is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Nevada [Mr. MALONE] would vote "yea" and the Senator from Mississippi [Mr. EASTLAND] would vote "nay."

The Senator from New Hampshire [Mr. TOBEYL] is absent on official business and is paired with the Senator from Massachusetts [Mr. LODGE] who is necessarily absent. If present and voting, the Senator from New Hampshire [Mr. TOBEYL] would vote "yea" and the Senator from Massachusetts [Mr. LODGE] would vote "nay."

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

Brewster	Gillette	Martin
Bricker	Holland	Russell
Byrd	Jenner	Taft
Cain	Johnson, Colo.	Watkins
Capehart	Johnston, S. C.	Wherry
Eaton	Kem	Williams
Ellender	Langer	Young
George	McClellan	

NAYS—54

Aiken	Humphrey	Mundt
Anderson	Hunt	Murray
Chapman	Ives	Neely
Connally	Johnson, Tex.	O'Conor
Corden	Kefauver	O'Mahoney
Donnell	Kilgore	Pepper
Douglas	Knowland	Reed
Downey	Lucas	Robertson
Ferguson	McCarren	Saltonstall
Fulbright	McCarthy	Smith, Maine
Graham	McFarland	Sparkman
Green	McGrath	Stennis
Gurney	McKellar	Thomas, Utah
Hayden	McMahon	Thye
Hendrickson	Magnuson	Tydings
Hickenlooper	Miller	Vandenberg
Hill	Millikin	Wiley
Hoey	Morse	Withers

NOT VOTING—19

Baldwin	Kerr	Smith, N. J.
Bridges	Lodge	Taylor
Butler	Long	Thomas, Okla.
Chavez	Malone	Tobey
Eastland	Maybank	Wagner
Flanders	Myers	
	Schoeppe	

So the amendment offered by Mr. TAFT for himself and Mr. RUSSELL was rejected.

Mr. LUCAS obtained the floor.

Mr. ELLENDER. Mr. President—

Mr. LUCAS. Does the Senator desire me to yield to him?

Mr. ELLENDER. I should like to send an amendment to the desk and have it stated.

The VICE PRESIDENT. Does the Senator offer his amendment?

Mr. ELLENDER. I offer the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 8, line 3, it is proposed to strike out "5 per centum" and insert in lieu thereof "25 per centum", and on page 9, line 1, after the word "materials" it is proposed to insert "plus amounts allocated in accordance with subsection (h)."

Mr. ELLENDER obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield? How long does he expect to speak on the amendment?

Mr. ELLENDER. I cannot exactly say, but it will require probably a couple

of hours. [Laughter.] I might ask unanimous consent that I may have the floor whenever the Senate meets tomorrow.

Mr. LUCAS. The Senator is not starting on a long speech again, is he?

Mr. ELLENDER. No; I am not doing that.

Mr. LUCAS. Mr. President, I had hoped that we might get a unanimous-consent agreement to vote on all amendments some time on Monday next, giving us an opportunity to get away tomorrow permitting Senators to take care of the mail in their offices. But if we cannot get unanimous consent, we shall probably have to return tomorrow.

I should like to test out the sentiment of the Senate to see what could be done. I should be willing to ask for a recess until 11 o'clock Monday next, if we could get an agreement to vote on all amendments by 4 o'clock in the afternoon on Monday.

The VICE PRESIDENT. Does the Senator propose that as a unanimous consent?

Mr. LUCAS. Mr. President, I ask unanimous consent that on Monday, April 4, 1949, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon any amendment or motion that may be pending or that may be proposed to the pending bill (S. 1209) to amend the Economic Cooperation Act of 1948, that the third reading of the bill be then deemed to be ordered, and that immediately thereafter the vote be taken on the final passage of the pending bill.

Mr. LANGER. Mr. President—

Mr. LUCAS. I yield.

Mr. LANGER. I object.

Mr. LUCAS. Has the Senator from North Dakota any other terms he would like to suggest?

Mr. LANGER. I have no terms at all; just an objection.

The VICE PRESIDENT. The Senator from North Dakota objects.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a quotation from the news ticker referring to a statement by Mr. Hoffman today.

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

Hoffman said that if, by the time the new ECA program passes Congress, there are indications of general price decreases, we will need less dollars and we will ask for less dollars.

Hoffman talked to reporters after an Italian delegation, including Ambassador Alberto Tarchiani, Foreign Minister Carlos Sforza, and Egidio Ortona, first secretary of the Embassy, had paid him a 20-minute call.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 11 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Saturday, April 2, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1 (legislative day of March 18), 1949:

COLLECTOR OF CUSTOMS

Sam D. W. Low, of Houston, Tex., to be collector of customs for customs collection district No. 22, with headquarters at Galveston, Tex., to fill an existing vacancy.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (X) are subject to examination required by law. All others have been examined and found qualified for promotion.

To be first lieutenants

Don Walter Adair, O28491.
Lloyd Senter Adams, Jr., O28238.
Thomas Jacob Agnor, Jr., O28152.
Robert Hildebrand Ahlers, O27905.
Brooke Albert, O27944.
Donald Gould Albright, O28025.
Frederick King Alderson, O28458.
Alford Edward Allen, O28209.
Robert Wallace Allen, O28211.
Ferd Emanuel Anderson, Jr., O27906.
Wayne Stetson Anderson, O28166.
Gunnar Einar Andersson, O28239.
Gilbert Chester Anthony, O28248.
Peter Gerald Arend, O28402.
John Loveland Armstrong, O28469.
Calvin Lincoln Arnold, O28071.
Robert Earl Arnold, O28313.
Alvin Ash, O28539.
William Franklin Ashby, O28664.
Shirley Sylvester Ashton, Jr., O28502.
Grover Woodrow Asmus, O28605.
Robert Anderson Babcock 3d, O28556.
Richard Hamlin Bacon, Jr., O28656.
Frederick Clark Badger, O27902.
George Raney Bailey, Jr., O28707.
Charles Pitman Baker 3d, O28434.
David Thomas Baker, O27984.
Francis Rene Baker, O28543.
Van Roy Baker, O28083.
Edmund Keith Ball, O28308.
William Henry Bamber, O28480.
Charles William Barker, O28012.
Kendrick Broyles Barlow, Jr., O28438.
David Eugene Barnett, Jr., O28356.
John Curran Barrett, Jr., O28481.
Delbert Sylvester Barth, O28052.
John Edward Barth, O28548.
Paul Engram Barthol, O28674.
Edwin Wallace Basham, O28344.
Robert Edward Bassler, Jr., O28064.
John Stanley Baumgartner, O28172.
Rex Webb Beasley, Jr., O28165.
X Roy Pearl Beatty, O27981.
Jack George Becker, O27915.
James Malcolm Becker, O28616.
Richard Gordon Beckner, O28001.
Calvert Potter Benedict, O28286.
James Robert Benton, O39486.
Harold Francis Bentz, Jr., O28392.
Robert Hamilton Berry, O27986.
Donald Sternoff Beyer, O28673.
William Randolph Bigler, O28292.
William Clarence Bishop, Jr., O28428.
Frank Earl Blazey, O28693.
Richard Tunstall Blow 3d, O28135.
Stanley Delbert Blum, O27971.
Rodney Alger Blyth, O28294.
Corwin Boak, Jr., O28484.
Henry Hermann Bolz, Jr., O28364.
Charles Edward Bonner, O27980.
Clair LaVern Book, O28430.
Shepherd Allen Booth, Jr., O28654.
Truman Everett Boudinot, Jr., O28639.
Frank Milton Bowen, Jr., O28478.
Robert Bruce Bowen, O28147.
Kyle Watson Bowie, O28559.
William Theodore Bowley, O28736.
Jerry Dixmer Bowman, O28094.
Benjamin Francis Boyd, O28696.
Russell Raymond Boyd, O28040.
Robert Clements Bradley, Jr., O28679.
Philip Brian Brady, O28192.
Lawson Duval Bramblett, Jr., O28086.
X Edgar Garfield Braun, Jr., O27897.
Richard Anthony Bresnahan, O28643.

David Winthrop Brillhart, O28582.
Herold Emerson Brooks, Jr., O28563.
Benjamin Clyde Brown, O28493.
David Drummond Brown, O28009.
Levi Aloysius Brown, O27914.
Richard Wanless Brunson, O28615.
Robert Howell Bryan, O27918.
David Thompson Bryant, O27950.
Arthur Johnston Bugh, O28470.
Robert Owen Bullock, O28396.
Paris Russell Burn, Jr., O28038.
Ray Lawrence Burnell, Jr., O28026.
John Crouse Burney, Jr., O27982.
Dwight Comber Burnham, O27916.
Ruel Fox Burns, Jr., O28749.
John Joseph Byrne, O28717.
Jack Thomas Cairns, O28394.
John William Callaghan, O28580.
Roy Cuno Calogeras, O28589.
Tom Clift Campbell, O28386.
Carshall Carter Carlisle, Jr., O28273.
James Elbert Carter, O28710.
Robert Fleming Carter, O28217.
Frank Salvatore Caruso, O28730.
Robert Harry Case, O28496.
John Charles Cassidy, O28118.
Joseph Roy Castelli, O28454.

X William Burns Castle, O28384.
Edward Joseph Cavanaugh, O28499.
James Richard Cavanaugh, O28237.
Robert Albert Chabot, O28714.
Robert Irving Channon, O28219.
X Benjamin Kehler Chase, O28501.
William Edward Chynoweth, O28143.
Joseph Claypoole Clark, O28074.
Carcie Clarence Clifford, Jr., O28194.
David Lapham Colaw, O28459.
James Edward Coleman, O28021.
Robert Reynolds Collier, O28228.
Edward Joseph Collins, O28251.
Joseph Easterbrook Collins, O28633.
Frank Donald Conant, Jr., O27990.
Lester Mykel Conger, O28416.
Edward Joseph Conlin, Jr., O28661.
Steven Livesey Conner, Jr., O28432.
X Richard Lansing Conolly, Jr., O28468.
Bernard Earl Conor, O27959.
Thomas Morton Constant, O28426.
James Edward Convey, Jr., O28103.
William Thomas Cound, O28231.
Felix Foster Cowey, Jr., O28242.
X Harry Griffith Cramer, O28409.
Robert Grewelle Cramer, O28199.
Pat William Crizer, O28579.
Willis Dodge Cronkhite, Jr., O28269.
Edward Francis Crowley, O28628.
Robert Emmett Crowley, O27967.
Anthony Angelo Cuccolo, Jr., O28636.
William Stephen Culpepper, Jr., O28591.
Elmo Eugene Cunningham, O28618.
John Peter Daneman, O27921.
Charles Dwelle Daniel, Jr., O28258.
Robert Samuel Daniel, Jr., O28455.
Bert Alison David, O28441.
Corbin James Davis, O28570.
Harry Alford Davis, Jr., O28512.
X Ralph Charles Davis, Jr., O28744.
Samuel Preston Davis 3d, O28393.
Franklin Richard Day, O28003.
James Arthur Day, O28160.
John Blackford Dayton, O28049.
Walter Joseph DeLong, Jr., O28184.
Harold Graham de Moya, O28299.
George Lightfoot Dennett, O28565.
Horace Frederick Derrick, O28262.
Rolland Archibald Dessert, O28388.
Glenn Willard Dettrey, O28546.
William George Devens, O28008.
Robert Francis Dickson, O28204.
Harold Thompson Dillon, Jr., O28407.
Richard Boyer Diver, O28137.
James Thomas Dixon, O28130.
Farrel Elmore Dockstetter, O28305.
Frederick Andrew Dodd, O28514.
James Joseph Dorney, O28185.
Robert Sidney Douthitt, O28317.
Donald Warren Dreier, O28321.
Edward Charles Drinkwater, Jr., O28578.
Loren George DuBois, O28466.
Walter Arthur Dumas, O28278.
Robert Fyfe Mein Duncan, Jr., O27968.

Robert Batten Dunham, O28721.
 John William Dwyer 3d, O28726.
 Earl S. Dye, Jr., O28262.
 Walter Francis Eanes, O28058.
 X Leonard Edelstein, O27965.
 Stephen Orville Edwards, O28127.
 James Carlisle Egan, O27907.
 James Montgomery Elder, O28473.
 Lawrence Lloyd Elder, O27910.
 James Sewell Elliott, O28640.
 Ralph Louis Ellis, O28061.
 Paul Miller Ellman, Jr., O28650.
 Basil Beebe Elmer, Jr., O28200.
 Louis Owen Elsaesser, O27936.
 John Mitchell England, Jr., O56717.
 Gerald Samuel Epstein, O28105.
 Benjamin Crabbs Evans, Jr., O28569.
 X Robert Nathan Evans, O28630.
 Stanley Dale Fair, O28551.
 Hunter Harry Faires, Jr., O28377.
 Phillip Anthony Farris 3d, O28627.
 George Bernard Fink, O27942.
 Joe Wesley Finley, O28599.
 Daniel Jaryia Finnegan, O28727.
 X Jesse Albert Fields, Jr., O28731.
 John Chambers Fischer, O28170.
 Charles Alexander Fitzgerald, O28593.
 James Drummond Fitzgerald, O28206.
 Edward Leo Flaherty, Jr., O28467.
 Herbert Hesselton Flather, Jr., O28234.
 Joe Bruton Flores, O28371.
 Harry Arthur Floyd, O28573.
 Philip John Frank, O28665.
 Walter Leslie Frankland, Jr., O28391.
 Robert Lewis Frantz, O28059.
 Frederic Alcott Frech, O27930.
 DeBow Freed, O28477.
 Harold Clinton Friend, O28087.
 Elisha James Fuller, O28268.
 Howard Rowson Fuller, Jr., O28098.
 William Carl Fuller, O28055.
 Alvin Franklin Futrell, O28720.
 Thomas Edward Gaines, O28486.
 Vincent DePaul Gannon, Jr., O28202.
 Rufus Sanders Garrett, Jr., O27935.
 Thomas Leigh Gatch, Jr., O28476.
 William Gilfillan Gavin, O28585.
 Benjamin Andrew Gay, O27966.
 John Stuart Gayle, O28719.
 John Charles Geary, O28542.
 Alexander Gerardo, O28119.
 Meredith William Ghrist, O28552.
 Faison Pierce Gibson, O28236.
 Howard Anthony Giebel, O28318.
 James Jay Gigante, Jr., O28267.
 Raymond Harlan Gilbert, Jr., O28553.
 Jack Keith Gilham, O27988.
 John William Gillespie, Jr., O28577.
 Roy Wilfred Gillig, O28358.
 Joseph Anthony Giza 3d, O28359.
 Raymond Howard Glatthorn, O28389.
 Calvin Ervin Glidewell, O28418.
 Francis George Gosling, O27941.
 John Robert Grace, O28220.
 John Henry Grady, O28223.
 Daniel Orrin Graham, O28212.
 X Clifton Wellington Gray, Jr., O28357.
 Stephen Eugene Gray, O28683.
 John Frederick Green, O28296.
 Byron Dillingback Greene, Jr., O28506.
 James Morris Gridley, O28360.
 X George Warren Griffith, O28338.
 William Howard Grisham, O28452.
 Peter Grosz, Jr., O27977.
 Richard Louis Gruenthal, O28711.
 John Richard Hacke, O27920.
 Alvan Cordell Hadley, Jr., O28191.
 X George Gross Hagedorn, O27898.
 Philip Darlington Haisley, O28380.
 Richard Edward Hale, O28520.
 Charles Maurice Hall, O28456.
 George Edward Hall, Jr., O28323.
 William Charles Hall, O28023.
 William Walton Hall, Jr., O28005.
 Hal Edward Hallgren, O28116.
 Jerome Vincent Halloran, O28738.
 Alexander Earl Halis, O28065.
 Milton Holmes Hamilton, O28245.
 Robert Milton Hamilton, O28326.
 Walter Fleming Hamilton, Jr., O28208.
 Arthur Edward Hansen, O28126.
 Benjamin Shaw Hanson, Jr., O28076.
 Everitt Fee Hardin, O28117.
 Jesse Simmons Harris, O28255.
 Alfred Carl Haussmann, Jr., O28283.
 X Robert Carroll Hawley, O28254.
 Rutledge Parker Hazzard, O28088.
 X Warren Eastman Hearnes, O28379.
 Robert Johnson Hefferon, O28047.
 Stephen Garrett Henry, Jr., O28446.
 Robert Foster Hewett, Jr., O28528.
 Preston Heacock Hibbard, O28729.
 Daniel Webster Hickey, 3d, O28427.
 Frederick Francis Hickey, Jr., O28099.
 Benjamin Tullidge Hill, Jr., O28158.
 John Gillespie Hill, Jr., O27997.
 David Clayton Hinshaw, O27962.
 Thomas Vincent Hirschberg, O28677.
 Howard Byron Hirschberg, O28671.
 John Christopher Hoar, Jr., O28345.
 James Burtram Hobson, O28419.
 John Alan Hoefling, O28404.
 James Karnes Hoey, O28036.
 Harold Waldron Horne, O28337.
 Kibbey Minton Horne, O28057.
 Saul Horowitz, Jr., O27973.
 Lynn Wood Hoskins, Jr., O28713.
 Granville Watkins Hough, O28399.
 Joseph Edward Houseworth, 3d, O28584.
 Thomas Moore Huddleston, O28340.
 Kenneth Wendell Hughes, O28666.
 Robert Stout Hughes, O28350.
 William Arthur Humphreys, O28348.
 James Samuel Hutchins, O28508.
 David Niesley Hutchison, O27928.
 Henry Laurance Ingham 2d, O28649.
 James Homer Wallace Inskeep, O28682.
 Paul Mills Ireland, Jr., O28288.
 Robert Overton Isbell, O28156.
 Albert Russell Ives, Jr., O28675.
 Charles Maples Jaco, Jr., O28203.
 Gordon Ross Jacobsen, O28444.
 Peter Michael Jacula, O28716.
 Bernard Janis, O28307.
 Arthur William Jank, O27926.
 Joseph Anthony Jansen, O27964.
 Wilbur Fields Joffrin, O28102.
 James Wiley Johnson, O28362.
 Richard Allan Johnson, O28145.
 Sewall Harvey Emler Johnson, O28712.
 Edward William Jones, O28724.
 John Thomas Jones, O28214.
 Amos Azariah Jordan, Jr., O27895.
 Clarence Eugene Patrick, Jordan, Jr., O28078.
 Edwin Mortimer Joseph, O28522.
 Albert Enzo Joy, O28534.
 Jean Krummel Joyce, O28284.
 Warren Stanley Jungerheld, O28662.
 William Joyce Kallif, O28594.
 John George Kamaras, O28100.
 Robert Vincent Kane, O28612.
 Robert Edward Kaplan, O28611.
 Kent Keehn, O28336.
 Paul Aloysius Kelley, O28688.
 Minor Lee Keiso, O28745.
 William Raycroft Kelty, Jr., O28322.
 William Joseph Kenney, O28638.
 Robert Carleton Key, O28072.
 Clarence Wade Kingsbury, O28235.
 Harrison Benson Kinney, O28259.
 Richard Martin Kinney, O28609.
 William Martin Kiser, O28329.
 Alfred Ruprecht Klits, O39483.
 Roland Arthur Kline, O28747.
 Robert Edmund Knapp, O28079.
 Fred Walter Knight, Jr., O28523.
 Harlan Gustave Koch, O28725.
 Jack Wilson Kopaid, O28073.
 Robert Ernest Kren, O28277.
 Edmond Alexander Kuna, O28691.
 Lloyd Charles Kurowski, O28123.
 X Harold Francis Lacouture, O28511.
 James Von Kanel Ladd, O28464.
 Andrew Wilton LaMar, Jr., O28240.
 Robert Jones Lamb, Jr., O28667.
 Robert Alexander Land, O28368.
 Benjamin Lester Landis, Jr., O27963.
 David Seffers Lane, O28043.
 Ralph Irving LaRock, O28159.
 Wayne Emerson Lawson, O28450.
 Albert Marshall Leavitt, O28218.
 Robert Vernon Lee, Jr., O27974.
 X Daniel Marshall Leininger, O27992.
 Robert Emil Lenzner, O28082.
 X Theodore Julian Lepski, O28571.
 Daniel Louis Levy, Jr., O28295.
 William Warner Lewis, Jr., O28433.
 William Theodore Lincoln, O28161.
 Arthur James Lochrie, Jr., O28142.
 James Robert Loome, O28383.
 Stanley Jerome Love, O28641.
 Lawrence Joseph Luetgten, O28247.
 Donald Richard Lynch, Jr., O28475.
 Malcolm Eldridge MacDonald, O26701.
 Clyde Bruce MacKenzie, O28122.
 Thomas Harold Mahan, O28448.
 Daniel Francis Mahony, O28281.
 Robert Joseph Malley, O27978.
 John Marberger, O28689.
 Robert Langham March, O28101.
 Earl Frederick Markle, O28490.
 Samuel Rucks Martin, O28044.
 Stephen Andrew Matejov, O28372.
 John Randolph Mathias, O28042.
 X Jack Franklin Matteson, O28221.
 Walter Stanley Mattox, O28592.
 Alexander Robert McBirney, O28028.
 James Hubert McBride, O28622.
 Thomas Henry McBryde, O28188.
 Charles Francis McCarty, O28715.
 Clarence Edison McChristian, Jr., O28504.
 James McClure, Jr., O28004.
 William McCollam, Jr., O27936.
 Thomas Roderick McCormick, O28680.
 Robert Watt McCoy, O28735.
 Edward Francis McCue, O28118.
 Ray Rodgers McCullen, O28056.
 John Daniel Henry McDonough, O28183.
 James Madison McGarity, O28406.
 William Herbert McMaster, O27913.
 Thomas Leonard McMinn, Jr., O28387.
 John Calvin McWhorter, O28148.
 Richard Henry Mealor, O28624.
 Joseph Otto Meerott, Jr., O28352.
 Clarence Miles Mendenhall 3d, O28728.
 Ralph Anthony Meola, Jr., O28702.
 Doyle Merritt, O28174.
 Needham Phillips Mewborn, O28645.
 John David Miley, O28586.
 George Livingston Miller, O28013.
 Lawrence Miller, O28081.
 Leo John Miller, O28011.
 Carey Wayne Milligan, O28125.
 Thorton Mitchell Milton, O28032.
 Jack Harrison Montague, O28625.
 Theodore Giles Montague, Jr., O28332.
 Robert Alexander Montgomery, O28697.
 Raymond Turck Moore, O28652.
 Edward John Morgan, O28257.
 Daniel Reardon Moriarty, O28607.
 Jack Warren Morris, O28646.
 Robert Franklin Morris, O28171.
 Oliver Moses 4th, O28139.
 Roy Joseph Mossy, O28687.
 George Carlisle Muir, Jr., O28457.
 Arthur Andrew Murphy, O27951.
 Morgan Joyce Murphy, O28708.
 Leon Bowman Musser, Jr., O27922.
 Charles Robert Myer, O28091.
 John William Nance, O28602.
 (Wayne Stanley Nichols, O27999.
 Roger Hurless Nye, O28010.
 Elmer Raymond Ochs, O28547.
 John Miles O'Connor, O28335.
 Patrick Joseph O'Connor, O28509.
 Carroll Raymond O'Neill, O28505.
 Gordon Henry Oosting, O27958.
 Raymond Emerson Orth, Jr., O28422.
 George Frederick Otte, Jr., O28164.
 Thomas Sawyer Owen, O28544.
 John Kenneth Paden, Jr., O28136.
 Stephen Joseph Pagano, O28463.
 Francis Miller Palmatier, O28684.
 Bernard Joseph Pankowski, O27925.
 Alexander Papajohn, O28413.
 Alexander James Papaton, O28623.
 Thomas William Pardue, Jr., O28576.
 Joseph Dodge Park, O28597.
 Clifford Hutton Parke, Jr., O28410.
 John Griffin Parker, O28250.
 William Croom Parker, O28140.
 William Robert Parker, O28421.

Eleazar Parmly, 4th, O28423.
 X Richard Arthur Patterson, O28445.
 Robert Francis Patterson, O28302.
 George Smith Patton, 4th, O28635.
 Richard Glenn Patton, O27939.
 Arthur William Pence, Jr., O28440.
 William Fuller Pence, O28112.
 Billy Pat Pendergrass, O27985.
 Ralph Hugh Pennington, O27927.
 Joseph Peter Pepe, O28471.
 Ernest Anthony Pepin, O28531.
 X John Perkins 3d, O27931.
 Wilton Burton Persons, Jr., O27975.
 Alexander Dominic Perwich, O28193.
 David Merritt Peters, O28581.
 Bernard Allen Petrie, O27948.
 Rocco Anthony Petrone, O27972.
 Eugene Vincent Pfauth, O28256.
 Thomas Edward Pfeifer, O28635.
 Robert Hazen Phillips, O28708.
 William Redfield Phillips, O28417.
 X Wade Hampton Pitts, Jr., O28022.
 Richard John Pitzer, O28495.
 Howard Ernst Pleuss, O28608.
 Richard Sharon Pohl, O28374.
 Reuben Pomerantz, O28261.
 Frank William Porter, Jr., O28503.
 George Jewel Porter, O28601.
 Ephren Lloyd Powers, O28045.
 William Clinton Powers, O28568.
 Billy McCall Prestidge, O28498.
 John Thomas Price, Jr., O28369.
 Thomas Gaetano Provenzano, O28346.
 Murray Putzer, O28007.
 Raoul Jean Quantz, O28169.
 Albert Lyle Ramsey, Jr., O27996.
 Everett Lipscomb Rea, O28415.
 William Thomas Reeder, O28540.
 Robert Bradley Rheatul, O28111.
 William Gibson Richards, O28460.
 Robert Tyler Richmond, Jr., O28525.
 Francis Albert Richter, O28347.
 Joseph George Rioux, O28583.
 Louis Nelson Roberts, O28521.
 Elisha Miller Robinson, Jr., O28541.
 Guy Arnold Rogers, O28207.
 Joseph Barnett Rogers, O28233.
 Selwyn Phillips Rogers, Jr., O27991.
 Lewis William Rose, O27987.
 Irving Granville Rouillard, O28177.
 Del Patrick Rovis, O28732.
 Edward James Roxbury, Jr., O28075.
 Richard Lincoln Ruble, O28695.
 X Robert Martin Rufsvold, O27983.
 Mason Pittman Rumney, Jr., O28024.
 Robert Irwin Rush, O28660.
 William Paul Sacharov, O28524.
 John Ambler Sadler, O28743.
 Richard Robert Sandoval, O28017.
 Marshall Sanger, O28327.
 John Edward Sauer, O28554.
 Edward A. Saunders, O27904.
 William Ferdinand Scharre, Jr., O28085.
 Carl Paxton Schmidt, O28516.
 X William Powers Schneider, O27979.
 Frank Carl Schoen, O28590.
 Jack Lawrence Schram, O27933.
 Willis Ervin Schug, Jr., O28039.
 Herbert Ardis Schulke, Jr., O28014.
 John Morris Schuman, Jr., O28269.
 Robert William Seaman, O28668.
 X William Thaden Seeber, O28306.
 Maurice Serotta, O28198.
 Robert George Shackleton, O28651.
 Leslie Neal Shade, Jr., O28698.
 Eugene Gibb Sharkoff, O28224.
 Amos Blanchard Shattuck 4th, O28146.
 George Elmer Sheffer, Jr., O28120.
 Robert Xavier Sheffield, O28734.
 Fields Early Shelton, O28600.
 David Kirkwood Sheppard, O27919.
 Robert Morin Shoemaker, O28097.
 John Merwin Shultz, O28341.
 Roy Gayle Simkins, Jr., O28560.
 Charles James Simmons, O28133.
 Charles Maze Simpson 3d, O27957.
 John Eldredge Simpson, O28196.
 William Craton Screeen Simpson, O28381.
 William George Simpson, O27908.
 Christopher Booth Sinclair, Jr., O28265.
 Samuel Charles Skemp, Jr., O28210.

Rollin White Skilton, O28642.
 Charles Robert Smith, O50542.
 David Halstead Smith, O27903.
 Glennon Clyde Smith, O28349.
 William Robert Smith, O28562.
 Harry Clayton Smythe, Jr., O28107.
 Russell Edward Speake, O28436.
 David Bartholomew Spellman, O28513.
 Elmer Gene Sprague, O28555.
 Norman Theodore Stanfield, O27945.
 John Edward Stannard, O28442.
 Thomas Jefferson Stapleton, O28285.
 Dudley Scott Stark, Jr., O28439.
 Ralph Allen Starner, O28482.
 Robert Lee Steele, O28429.
 Kenneth John Steen, O28050.
 John Ember Sterling, Jr., O27952.
 Keith Dennis Stidham, O28218.
 Harold Joseph Stirling, O28182.
 Richard Leonard Stone, O28176.
 William Leete Stone 3d, O28538.
 Robert Warren Storm, O28742.
 X Milton Albert Strain, O27894.
 Stratis John Stratis, O28114.
 Oliver Day Street 3d, O28053.
 Richard Wendell Streiff, O28060.
 William Richard Stroud, O28201.
 Robert Tilghman Strudwick, O28596.
 Charles Robert Hatch Supplee, O27924.
 Robert Kniley Swab, O28709.
 Andrew Burton Talbot, O28748.
 Edmund George Taylor, Jr., O27954.
 X William Britton Teglund, O28186.
 Harold Alva Terrell, Jr., O28132.
 Blucher Stanley Tharp, Jr., O28585.
 Raymond Edward Thayer, O28275.
 Vernley Fred Thomas, O28037.
 X William Kappes Thomasset, O27943.
 Leslie Eugene Thompson, Jr., O28435.
 Elbert Satterlee Throckmorton, O28339.
 John Royster Thurman 3d, O28225.
 Samuel Hartman Title, O28507.
 Lewis Burton Tixier, O28276.
 Robert Chase Toole, O28129.
 X Alain Curtiss Torgerson, O28619.
 Oscar William Traber, Jr., O28030.
 John Russell Treadwell, O27976.
 James Kerry Trimble, O27970.
 William Harry Trotter, O28246.
 Guy Kent Troy, O28162.
 Richard Cabell Tuck, O27955.
 Frank Beckwith Tucker, O28361.
 Harlan Winthrop Tucker, O28153.
 Robert Busill Tully, O28678.
 Max Marsh Ulrich, O27911.
 John Emil Vaci, O28397.
 Kenneth Crulkshank Van Auken, O28168.
 Edwin Renalds Van Deusen, O28425.
 Edwin Sanders Van Deusen, Jr., O28304.
 X Harley Eugene Venter, O28376.
 John William Vester, O28280.
 Alfred Henry Victor, Jr., O27938.
 Robert Thomas Wagner, O28232.
 Ray Moore Wagoner, Jr., O27940.
 Norman Wahl, Jr., O28062.
 Richard Harding Walker, O28222.
 Sam Sims Walker, O28197.
 Josiah Ara Wallace, Jr., O28297.
 Matthew Reid Wallis, O28068.
 Paul Shelby Ward, O28272.
 Joe Holloman Warren, Jr., O27960.
 Charles Aloysius Waters, Jr., O28449.
 Norman Cooper Watkins, O28131.
 Donald Scott Watson, O28316.
 George Stanley Webb, Jr., O28015.
 William Hayes Webb, O28263.
 Edwin Leo Weber, Jr., O28178.
 Albert Dunbar Wedemeyer, O28653.
 Marvin Stuart Weinstein, O28149.
 Norman Emanuel Weiss, O28121.
 James Clyde Welch, Jr., O28367.
 Anthony Patrick Wesolowski, O28155.
 Charles Leroy Wesolowsky, O28704.
 Percy Louis Wheeler, O28301.
 Robert Doyne Woodley White, O28311.
 Robert Menifee White, Jr., O28530.
 William Jackson Whitener, O28041.
 Prentice Earle Whitlock, O28373.
 John Day Whitmore, O28497.
 Jere Otis Whittington, O28411.
 John Scholto Wieringa, Jr., O28644.

Richard Minter Wildrick, O28019.
 Benjamin Bertram Williams, O28515.
 Charles Torrey Williams, O27923.
 Robert Moody Williams, O28309.
 Charles Gurley Williamson, Jr., O28494.
 Robert Gregg Williamson, O27901.
 Minter Lowther Wilson, Jr., O28244.
 Robert Trent Winfree, Jr., O28189.
 James Emmett Wirick, O28529.
 X John William Wiss, O28154.
 Duquesne Abraham Wolf, O28187.
 Herbert Eric Wolff, O39485.
 Allen Howland Wood 3d, O28672.
 Harris Harold Woods, O28190.
 John McReynolds Wozencraft, O27899.
 X William Robert Wray, O27949.
 William Heaton Young, O28333.
 Keith Burns Zimmermann, O28266.
 Martin Fish Zorn, O28488.

To be first lieutenant, Medical Service Corps
 Bernard Balikov, O56775.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947:

To be captain, Army Nurse Corps
 Sue Harvell Robertson, N1244.

To be first lieutenants, Women's Medical Specialist Corps
 Helen Marie Cartwright, M10051.
 Dorothy Louise Kemske, M10052.
 Phyllis Regina Strobel, M10069.

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States:

First Lt. Dugald Walker Hudson, O38201, United States Army.

WOMEN'S ARMY CORPS

The following-named persons for appointment in the Women's Army Corps, Regular Army of the United States, in the grade specified, under the provisions of Public Law 625, Eightieth Congress:

To be majors
 Ura M. Ankrom, L500060.
 Helen M. Baker, L909176.
 Lila Bard, L900779.
 Clara R. Beery, L1000046.
 Mary F. Connelly, L115003.
 Luta M. Cornelius, L501925.
 Glenna M. Eastman, L604402.
 Rosa E. Ennis, L909554.
 Marion L. Evans, L801806.
 Mary B. Fanniff, L210036.
 Evelyn D. Garrabrant, L703092.
 Bernice G. Hughes, L501504.
 Frances P. Kidwell, L906085.
 Margaret A. Kimpton, L901736.
 Alice L. Leach, L115044.
 Gertrude F. Lund, L900047.
 Neva B. Maiser, L705048.
 Verna A. McCluskey, L402508.
 Margaret M. Milligan, L701272.
 Othelia M. Mitchell, L308012.
 Grace L. Overton, L810530.
 Mary B. Parker, L510098.
 Ruth E. Paul, L600187.
 Marjorie C. Power, L220283.
 Fannie J. Reynolds, L400016.
 Marion A. Rhyne, L402038.
 Rose F. Ross, L200019.
 Evelyn A. Rothrock, L302000.
 Dorothy T. Rudd, L308121.
 Margaret M. Upshaw, L604738.
 Nettie L. Vest, L501122.
 Mona L. Voinche, L801009.

To be captains
 Martha D. Allen, L915114.
 Ruth M. Briggs, L600310.
 Judy Bryan, L903973.
 Edwina C. Casbergue, L810292.
 Elsie J. Chapman, L502349.
 Laura C. Coupe, L304052.
 Mildred M. Ferguson, L802417.
 Muriel A. Foster, L218206.

Helen E. Friedrich, L203873.
 Margaret D. Hallowell, L501291.
 Winifred E. Ham, L115845.
 Margot L. Harris, L115894.
 Ethel M. Hooper, L502308.
 Lois E. Hudson, L800648.
 Dorothy M. Irwin, L600095.
 Margaret B. Johnson, L303880.
 Marie Kehrer, L704027.
 Rosa T. Lawton, L401290.
 Florence M. Lien, L906266.
 Lula R. Linder, L900067.
 Ida K. Madden, L803151.
 Mary Manderino, L117678.
 Margaret A. Maxwell, L502145.
 Dorothy L. McLellan, L909005.
 Florence M. Packard, L903963.
 Beatrice A. Parker, L115638.
 Laurea B. Rajski, L600376.
 Margot Reis, L220135.
 Marjorie E. Schulten, L603197.
 Ernestine L. Stephenson, L215069.
 Elva M. Stillwaugh, L501852.
 Jessie W. Teuscher, L602355.
 Winifred Thomas, L320011.
 Sarah B. Todd, L600907.
 Hazel Ver Hey, L601254.
 Rose L. Wagner, L90027.
 Margaret J. Wehrle, L500632.

To be first lieutenants

Carolyn M. Anthony, L125840.
 Mildred C. Bailey, L400019.
 Jane G. Brister, L311090.
 Julia A. Chapman, L803869.
 Anne Cody, L600872.
 Clare M. Crapo, L302103.
 Alice L. Dahnke, L603746.
 Evelyn B. Fraser, L514433.
 June P. Gonzalez, L406580.
 Virginia C. Jessop, L302182.
 Louise O'Nale, L800569.
 Dorothy W. Parks, L408232.
 Minnie P. Patterson, L304329.
 Eleanor M. Roberts, L401042.
 Delia D. Robinson, L409078.
 Sarah L. Sanders, L801976.
 Martha E. Saxon, L402530.
 Phyllis L. Shafer, L603260.
 Katherine L. Sutherland, L909238.
 Treva I. Thomas, L603327.
 Eileen R. Ware, L402798.
 Avis M. Watkins, L115648.
 Dorothy H. Wood, L308068.

To be second lieutenant

Johnita Heslinga, L713501.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 1, 1949

The House met at 12 o'clock noon.
 The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal and merciful Father, we praise Thee that Thou didst bring to mankind, with all its sorrows and aspirations, the gulf stream of the world's hope and salvation. As a Divine Saviour, bestow upon us Thy compassion and grant us Thy forgiveness.

0 Son of God, look down with pity upon the world Thou didst die to save. Grant to us and to all mankind the grace to search our own hearts and know our shortcomings, so that, filled with contrition and penitence for our sins, we may live together in faith and hope. Then we shall await Thy blessing of peace which the world cannot give, but which never fails to those who love Thee and heed Thy teachings. We pray in

the holy name of Jesus our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carroll, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2101) entitled "An act to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make certain disaster or emergency loans, and for other purposes."

EXTENSION OF REMARKS

Mr. HOBBS asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. Winston Churchill.

INSURING FUNDS OF SERGEANT AT ARMS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 171) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Sergeant at Arms of the House of Representatives is authorized and directed to protect the funds of his office by purchasing insurance, in the amount of \$100,000, providing protection against loss with respect to such funds. Until otherwise provided by law, premiums on such insurance shall be paid out of the contingent fund of the House on vouchers signed by the Sergeant at Arms and approved by the Committee on House Administration.

Mr. HALLECK. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. HALLECK. Is this resolution in accordance with existing practice, or is it something new?

Mrs. NORTON. This is continuing an existing practice, except the amount of insurance has been raised.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAUDE E. STANFORD

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 173) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Maude E. Stanford, widow of Fred L. Stanford, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed \$250 toward defraying the funeral expenses of said Fred L. Stanford.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELEVATOR OPERATORS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged reso-

lution (H. Res. 134) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of 12 additional elevator operators at the basic salary rate of \$1,200 per annum each, to be appointed by the Architect of the Capitol.

With the following committee amendment:

On page 1, line 8, strike out "12" and insert "10."

Mr. RICH. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. RICH. What is the idea of putting on 10 additional elevator operators?

Mrs. NORTON. I understand that it is quite necessary in order to have a sufficient number to man the elevators.

Mr. RICH. They have all been manned during the last 5 or 6 years since I have been here, running almost 24 hours a day. I cannot see any use of increasing the number.

Mrs. NORTON. Well, it is a fact that a great many of the present elevator men are working long hours, some of them as many as 12, and I think up to 15 hours a day.

Mr. RICH. And it will take 10 more now to get an 8-hour day for the elevator operators?

Mrs. NORTON. Apparently, to equalize the time, it will take that many more. They asked for 12, but the committee cut it down to 10.

Mr. RICH. Has your committee gone into this very carefully?

Mrs. NORTON. We have gone into it very carefully, and I think the gentleman from Iowa [Mr. LECOMPTE] will agree with me.

Mr. RICH. Is it a unanimous report from the committee?

Mrs. NORTON. It is a unanimous report from the committee.

Mr. RICH. Will the gentlewoman give us a list of the elevators in the House and Senate Office Buildings in which you are going to operate, the number of hours a day they will operate them, and the number of people you now have as elevator operators?

Mrs. NORTON. I will be very glad to do that.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 132) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That in carrying out its duties during the Eighty-first Congress, the Committee on the District of Columbia is authorized to incur such expenses (not in excess of \$2,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of

the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY COMMITTEE ON PUBLIC LANDS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 72) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of the investigations to be made pursuant to House Resolution 66, by the Committee on Public Lands (now comprised of the six former Committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs), acting as a whole or by subcommittee, not to exceed \$50,000, including expenditures for the employment of stenographic and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee or subcommittee, and approved by the Committee on House Administration.

With the following committee amendment:

In line 6, strike out "\$50,000" and insert "\$30,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 122), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the study and analysis authorized by House Resolution 44, Eighty-first Congress, incurred by the Committee on House Administration, Fisheries, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for employment of accountants, experts, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

On line 5, strike out "\$25,000" and insert "\$15,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 127), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed \$50,000, in addition to \$50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949, including employment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendments:

In line 2, strike out "with respect to Government operations."

In line 5, after the word "exceed" strike out "\$125,820" and insert "\$50,000 in addition to \$50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL COPIES OF REPORT ON THE FAIR LABOR STANDARDS AMENDMENTS BILL

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 160) authorizing the printing of additional copies of report No. 267 on the bill H. R. 3190, entitled "Fair Labor Standards Amendments of 1949," and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed 5,000 additional copies of House Report No. 267, current Congress, being the committee report on the bill (H. R. 3190) entitled "Fair Labor Standards Amendments of 1949," of which 1,000 copies shall be for the use of the House Committee on Education and Labor, 1,000 copies for the Senate document room, and 3,000 copies for the House document room.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD.

Mr. PATMAN asked and was given permission to extend his remarks in the Appendix of the RECORD in two subjects, including in each extraneous matter.

Mr. PASSMAN asked and was given permission to extend his remarks in the

Appendix of the RECORD and include a newspaper article.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous matter.

Mr. FEIGHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a speech by Secretary of the Navy Sullivan.

Mr. BOLLING asked and was given permission to extend his remarks in the Appendix of the RECORD and include two excerpts from the Washington Daily News with reference to the proposal of the gentleman from Colorado [Mr. CARROLL].

Mr. LIND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Country Gentleman.

Mr. ABBITT asked and was given permission to extend his remarks in the RECORD.

Mr. PERKINS asked and was given permission to extend his remarks in the Appendix and include an article from the New York Times.

Mr. MARSALIS asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of the John A. Martin Dam.

Mr. RAINS asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an article written by former Governor Ellis Arnall, of Georgia, on the general subject of Federal aid to education.

TORNADO DAMAGE AT BLACKWELL, OKLA.

Mr. WILSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WILSON of Oklahoma. Mr. Speaker, I would direct the attention of the House to the serious injury effected by tornadoes in the Eighth District of Oklahoma which I represent. Striking before dawn Wednesday these tornadoes left a wake of wrecked buildings and damaged airplanes. I am informed that in the city of Blackwell a number of persons were injured and hospitalized, and extensive property damage is reported both at Blackwell and rural areas near Enid and Medford. Though these storms carry a perennial threat to the good people of my district and area, the havoc wrought by these storms of Wednesday morning is a new and fearful experience for these particular communities. I know that you join with me in extending sympathy to those who have suffered and in expressing thankfulness to Almighty God that they were spared greater injury and damage.

RENT CONTROL

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

THE SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MR. YATES. Mr. Speaker, the new provision of the Rent Control Act which requires the Housing Expediter to set rentals at levels which will yield to landlords a fair net-operating income, has provoked a storm of controversy and justifiably so. The ambiguity of the provision itself and the remarks of the conferees as they appear in the CONGRESSIONAL RECORD have made one point crystal clear—that the Housing Expediter, who has the job of administering the provision and of drafting and enforcing regulations to give it meaning, is one of the most powerful figures in the economic life of this Nation today.

To my mind Tighe Woods has a monumental task. The fluidity of the provision leaves to his judgment the question whether the new rent-control law will continue to maintain rent controls at present levels or nearly present levels, or whether the program will be sabotaged by increasing rentals excessively on the ground that such increases are warranted by the new provision. We cannot at this time permit ourselves to be lulled into any sense of false security because the act has been passed. The National Association of Real Estate Boards is still active and will attempt to make its influence felt by the Expediter. We must insist that the Expediter issue decent regulations which will permit the orderly continuation of the present program.

EXTENSION OF REMARKS

MR. LUCAS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short questionnaire.

MR. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Bristol Courier of Tuesday, March 29, 1949, entitled "Why Are Taxes Going Up?"

MR. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject, Who Is Behind the Move of the Veterans Medical Center from New York City to Boston? and to include an exchange of letters.

MR. JONAS asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Tribune.

MR. HALE asked and was given permission to extend his remarks in the RECORD and include a letter appearing in the Washington Post and a news article appearing in the New York World Telegram.

MR. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include certain letters and newspaper articles.

MR. McCULLOCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Christian Science Monitor and the New York Times.

MR. HAYS of Arkansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Mr. Edward J. Meeman.

MR. CANNON (at the request of Mr. McCORMACK) was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from letters received by the Committee on Appropriations in reference to Federal expenditures.

REGULATION OF OLEOMARGARINE

MR. COOLEY. 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. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

CALL OF THE HOUSE

MR. RANKIN. Mr. Speaker, I make a point of order a quorum is not present.

THE SPEAKER. Obviously a quorum is not present.

MR. McCORMACK. 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. 61]

Arends	Hoffman, Mich.	Pfeifer,
Biemiller	Jackson, Calif.	Joseph L.
Bolton, Ohio	Jennings	Plumley
Bosone	Kean	Powell
Boykin	Kee	Quinn
Brown, Ohio	Kelley	Regan
Buckley, N. Y.	Keogh	Rogers, Mass.
Bulwinkle	Kirwan	Smith, Ohio
Burdick	Klein	Smith, Va.
Cavalcante	McCarthy	Stanley
Chudoff	Macy	Stefan
Clemente	Martin, Mass.	Thomas, N. J.
Clevenger	Merrow	Vinson
Davenport	Morgan	Wadsworth
Dingell	Morrison	Welch, Mo.
Fulton	Moulder	Whitaker
Gilmer	Murphy	White, Idaho
Gossett	Norrell	Wolcott
Hays, Ohio	O'Brien, Mich.	Wood
Hebert	Patten	Woodruff

THE SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REGULATION OF OLEOMARGARINE

THE SPEAKER. The question is on the motion.

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. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the first section of the bill had been read.

MR. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is repealed.

"SEC. 2. Part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine) is repealed: *Provided*, That such repeal shall not be construed to entitle any manufacturer, wholesaler, or retailer to a refund of any occupational tax heretofore paid.

"SEC. 3. (a) The Congress hereby finds and declares that the sale, or the serving in public eating places, of colored oleomargarine or colored margarine without clear identification as such or which is otherwise adulterated or misbranded within the meaning of the Federal Food, Drug, and Cosmetic Act depresses the market in interstate commerce for butter and for oleomargarine or margarine clearly identified and neither adulterated nor misbranded, and constitutes a burden on interstate commerce in such articles. Such burden exists, irrespective of whether such oleomargarine or margarine originates from an interstate source or from the State in which it is sold.

"(b) Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 331), is amended by adding a new paragraph as follows:

"(m) The serving of colored oleomargarine or colored margarine in violation of section 407 (b)."

"(c) Chapter IV of such act, as amended (21 U. S. C. 341 and the following), is amended by adding a new section as follows:

'COLORED OLEOMARGARINE'

"SEC. 407. (a) Colored oleomargarine or colored margarine which is sold in the same State or Territory in which it is produced shall be subject in the same manner and to the same extent to the provisions of this act as if it had been introduced in interstate commerce.

"(b) No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place or is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items; and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine.

"(c) Colored oleomargarine or colored margarine when served with meals at a public eating place shall at the time of such service be exempt from the labeling requirements of section 403 (except (a) and 403 (f)) if it complies with the requirements of subsection (b) of this section.

"(d) For the purpose of this section colored oleomargarine or colored margarine is oleomargarine or margarine having a tint or shade containing more than 1.6% of yellow, or of yellow and red collectively, but with an excess of yellow over red, measured in terms of Lovibond tintometer scale or its equivalent."

"SEC. 4. So much of the unexpended balances of appropriations, allocations, or other funds (including funds available for the fiscal year ending June 30, 1950) for the use of the Bureau of Internal Revenue of the Treasury Department in the exercise of functions under the Oleomargarine Tax Act (26 U. S. C. 2300 subch. A), as the Director of the Bureau of the Budget may determine, shall be transferred to the Federal Security Agency (Food and Drug Administration) for use in the enforcement of this act.

"SEC. 5. This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

"SEC. 6. This act shall become effective 30 days after its enactment, except that section 2 of this act shall become effective 30 days after its enactment or July 1, 1949, whichever date is earlier."

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman and members of the Committee, I believe that we now come to the real issue involved in the problem that has taken so much of our time over so many years. The question now becomes very clear. Are we going to adopt this substitute, which is a word-for-word copy of H. R. 3 as it was originally introduced and considered by the committee, with the exception of section 5, which has been added? Let me read section 5:

This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

Otherwise the substitute you have before you is identical with H. R. 3. H. R. 3 is based upon two principles which I believe to be sound and fundamental. The first principle is that any citizen of the United States has the right to spend his or her money as he or she pleases for any wholesome product not in itself injurious, in any form that he or she wants to buy. I think most of us must agree that that is a pretty sound principle. Without the recognition of that principle we deny freedom of trade, the development of commerce, and the growth of industry. On that principle we stand.

There is another principle that goes along with that, and that is that every citizen, every consumer, has a right to know that when he or she spends his or her money, that he or she will get the product that the consumer thinks he is buying. I think that is a sound principle. It is one that has long been recognized in American law, and on that we stand.

On those two principles H. R. 3 is predicated, and that is all there is to the bill. That is all there is in H. R. 3; all there is in this substitute. It provides, first, the removal of the present discriminatory laws, taxes, and regulations against the sale of colored margarine in the United States. Not one of the opponents of margarine have come forward and brought in evidence that it is of itself a harmful product, or one which should be banned as a poison. No; they admit that it is a healthful food, but they do not want the competition.

We submit that American industry must face competition. We are not going to agree that we should bring into America European types of combinations in restraint of trade, trusts, and cartels. We submit that we must maintain the right of the individual to make his or her own choice in America and that that is fundamental. Without it you could not ever have developed the great industries that we have in America. We must have the right of competition and the

right of the consumer to make a choice. This bill, H. R. 3, the substitute, gives it.

The original bill, H. R. 2023, first introduced by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], as H. R. 1703, both deny this right of the individual to make a choice. They both say to the individual, "No; the Government knows better than you do what you should buy. It makes no difference what color you want your table spread, somebody up at Washington decides that question, not you. It is your money you are going to spend, but you cannot buy the color dress you want, you cannot buy the type of automobile you want, you cannot buy the style of shoes you want. You have to buy something that some bureaucrat decides is better for you and better for the country than the product you want to buy."

I call upon my friends who plead for free enterprise to get up here and explain free enterprise again. You get up here and talk about free enterprise, and then tell me that you are going to vote to deny the American housewife the right to make her own choice? Never go home and make a free enterprise speech if you vote against this substitute. Do not vote for this Granger-Andresen bill and then go tell your people that you believe in the right of the American businessman to compete freely for the American markets. I cannot see how anyone can sincerely say that he believes in freedom of enterprise, freedom of choice, and the right of selection, if he denies to a wholesome food product the right to be sold or shipped in interstate commerce, and that is exactly what H. R. 2303 does. It denies the shipment of a wholesome food product, it denies the right of the public to buy the kind of product they want.

What about the other principle, the principle of certainty that you are buying what you think you are buying? H. R. 3 goes to great extremes to provide for protection to the public against the deception which the butter people have long claimed was rampant in this country. On each and every occasion that this bill has been before the House the butter interests have cried great volumes of crocodile tears about how the public was going to be deceived in public eating places, how the public was going to have colored margarine palmed off on them instead of butter; yet these same butter people bring into this House a bill that has not one line in it requiring any identification. Not one line in the Granger bill requires identification of yellow margarine wherever sold. In the Granger bill you have repealed all the safeguards that the present Pure Food and Drug Act gives to those who buy margarine moving in interstate commerce.

Mr. RIVERS. The gentleman should mention the fact that it would build up the biggest bootlegging industry in the history of this country.

Mr. POAGE. I think it unquestionably would, because it takes yellow margarine out from under the control of the Pure Food and Drug Act. It makes yellow margarine an intrastate product, and the Pure Food and Drug Act does not touch an intrastate product unless the law specifically brings it in. But in this substitute bill I specifically extend to yel-

low margarine in any form, any place, anywhere, the protection of the Federal Pure Food and Drug Act. I provide in this substitute that the consumer who goes into a restaurant and seeks to buy butter will know that he is getting butter, or if he is served margarine he will without doubt know he is getting margarine. This substitute both requires the definite identification of every individual serving of margarine and at the same time I retain the penalties now in the Pure Food and Drug Act against adulteration, against the sale of impure products. Over all the years that we have had the protection of the Food and Drug Act we have had but eight seizures of margarine for filth as against more than 600 of butter.

I submit, my friends, that we should not take away from the consuming public the protection of the present laws. We should not take from the consuming public the protection of identification which the butter people told me last year we needed. Oh, sirs, you sold me on the idea of giving this protection, and now you run out and leave us. Are you now going to deny what you said last year? Are you now going to come and say it is all right to sell yellow margarine as butter? Oh, the gentleman from Minnesota talks long and loud about selling colored margarine in imitation of butter, and yet the bill which he proposes does not have one word in his bill to prevent the sale of yellow margarine as butter, whereas the substitute contains adequate protection.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent that I may speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, you have listened to a very skillful presentation by a gentleman who could well be district attorney in his congressional district in Texas. He has been very clever in covering over the real objective of his remarks and the purpose back of his bill. I have associated with the gentleman for a good many years and I am very fond of him. I know how powerful he is in his ability of securing more money for his wheat and his cotton and the products grown in his area. Sometimes I help him to get those things. That is just what the situation is here today—and not all this window dressing that you hear about giving the people the right to buy yellow-colored oleomargarine when they go to a restaurant to eat. What he wants is to sell more cottonseed oil and get a higher price for it by capturing the market for spread away from butter in this country. That is the unvarnished truth.

My good colleague from Mississippi [Mr. ABERNETHY] came before our committee and made a plain, concise statement that such was the fact—that they were interested in their producers in cotton down there—most of them being

small farmers. Of course this legislation related to the welfare of their cotton producers.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman.

Mr. ABERNETHY. And that is what the gentleman's objective is; is it not?

Mr. AUGUST H. ANDRESEN. You are absolutely right. I am just as selfish for 2,500,000 dairy farmers, as the gentleman from Mississippi is; he is honest about it and I compliment him on it.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I am sorry, I only have 10 minutes. I would like to yield, but I cannot. I compliment the gentleman for being honest and admitting that he was trying to sell more oleomargarine in this country, so that his farmers could sell more cottonseed, and that cottonseed oil would be sold at a higher price.

Now, that is the issue, so let us get away from all this window dressing about bringing before the committee prominent women from the leading women's clubs of the country to testify that they want to get cheap food for the poor people of the country. You can go downtown and buy oleomargarine today at 22 cents a pound. The sponsors of oleomargarine say it is made from cottonseed oil. You can buy it at 22 cents a pound in Washington today. We want to keep cheap food for them and we also want to protect State rights. There is no one on the Committee on Agriculture or in this House who is a stronger advocate of State rights than my good friend the gentleman from Texas [Mr. POAGE] who says the great State of Texas does not want any interference from the Federal Government. He says they will protect themselves. So they do not want any interference from Washington, but in this legislation, of course, he wants to take in the whole country.

Now, let us see what this economic fight is. Of course, they want to sell more oleomargarine and they want it colored yellow so that it will look like butter, and they want to capture the entire butter market. There are 2,500,000 dairy farmers. They all produce milk and 27 percent of that milk that leaves the farm goes into butter. If the dairy farmers of the United States do not have the butter market they will have to liquidate their dairy herds. It will destroy soil conservation in this country, historic soil conservation that is practiced on all dairy farms of the Nation without any subsidy from the Federal Government. It will also destroy a very important source of meat supply for the American people, because if our dairy farmers are forced to liquidate 25 percent of the milk cows of this country, consumers will have to pay more for their meat. Forty percent of the meat you eat comes from dairy farms. If you slaughter the milk cows you will decrease the milk supply and you will pay more for milk in the end—these people who want to save a few pennies, because they can get yellow-colored oleomargarine.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SHORT. What will the producers in the South do with their cottonseed meal and cottonseed cake when the dairy industry of this country is destroyed?

Mr. AUGUST H. ANDRESEN. The dairy farmer is the best customer they have, not only for cottonseed meal but also for cotton cloth and for the other things produced in the South, including tobacco, which is produced in the State of North Carolina.

Let us see what happens. Back in 1938 you will notice the per capita consumption of butter in this country was 16.4 pounds. Oleomargarine was 2.9 pounds. In 1943 butter came down to 11.7 pounds and oleomargarine went up to 3.9 pounds. Look at what happened last year, 1948. Butter came down to 10.2 pounds and oleo went up to 6.1 pounds. The spread consumption is uniform throughout the country, irrespective of the type, but it demonstrates that oleomargarine consumption has gone up, and when it has gone up butter consumption has gone down. That is what we are fighting about. The oleomargarine interests want to take the entire butter market. If that is not an economic question, I do not know. Of course, it will mean more money for the 24 oleomargarine manufacturers of the country and not for the poor people. So the fight is who is going to have the historic spread market in this country, whether it is going to be the dairy farmers of the United States or whether we are going to let 24 oleomargarine manufacturers capture it, with the hope that some of our cotton friends may sell a little more cottonseed oil and get more money for it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. Oils of all kinds have dropped in price in the last few months, have they not, both vegetable and animal fats?

Mr. AUGUST H. ANDRESEN. Yes. They have dropped.

Mr. CRAWFORD. But the price of oleomargarine did not follow that drop?

Mr. AUGUST H. ANDRESEN. Not as much as the price of fats went down.

Mr. CRAWFORD. And that supports what the gentleman said?

Mr. AUGUST H. ANDRESEN. That is right. Furthermore the close combination there is in the cottonseed-oil industry, holds the power over the price.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. No; I am sorry, I cannot yield.

Most farmers sell their cottonseed when they take their cotton to the gin. Most of the seed is sold at that time. I find that in cotton as in most other farm commodities the farmer sells at the low price and somebody else gets the boost in price, particularly the buyers who are able to hold it. A year ago our committee made an investigation of the corner in cottonseed oil and we found that two big companies, one of them a million-

dollar oleo company, had bought up all the cash cottonseed oil in the country and had bought all the futures contracts for the month of May. They raised the price from 28 cents a pound to 43 cents a pound. They made the money out of it, not the cotton farmers of the South.

Now, let me get back to statements made yesterday by the gentleman to the effect that people could not afford to buy butter at prevailing prices. You can get excellent creamery butter in Washington today for 65 to 70 cents a pound; as a matter of fact, the Government bought 25,000 pounds of butter here the other day at 59 cents a pound. But let me direct myself to the gentleman's substitute which he has offered. I have tried to point out the economic factors involved in this fight. The gentleman's amendment will permit the unrestricted sale of colored oleomargarine in the United States. That is important, but the fight goes beyond that; the fight goes down to the effort of the oleomargarine industry and the cotton bloc to capture the entire butter market. That is going to hurt the economy of the country; it is going to jeopardize the welfare of 2,500,000 dairy farmers, and it will seriously injure the health of the people of the United States.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

The CHAIRMAN. The gentleman from Utah is recognized for 10 minutes.

Mr. GRANGER. Mr. Chairman, the gentleman from Texas [Mr. POAGE] is a very able member of our committee, and one who represents his district, I think, perhaps as well as any district in the United States is represented; but the gentleman always has the idea that he can win his argument by yelling loudly and overpowering everybody with words. If that be true, we are all thoroughly and completely subdued this morning.

At the outset let me say to my Republican friends that it was not my intention at all to be an interloper and take away from the gentleman from Minnesota any of the honor and glory that should be his rather than mine in the presentation of this legislation, because he has been at it a long time. It is true, however, that if we were to gain any political advantage or any advantage whatsoever in the passage of this legislation as it is, he was willing to sacrifice any pride of authorship that he might have; and I want the House to understand and the country to understand that this has been his fight longer than it has been mine. He, however, is no more sincere in his efforts than am I. Now, if the Poage amendment is adopted, it would still have my name on it. I think we should all be charitable with illegitimate children, but I certainly do not want that thing hanging around my neck if this bill is passed with the Poage amendment.

What does the amendment do? You talk about bureaucracy. Good lawyers tell me—and I am not a lawyer—that H. R. 3, offered by the gentleman from Texas, would supersede every State law in the United States if in conflict with the Federal law. I am not a lawyer, as I stated, but they tell me that is the fact.

Now, you talk about prohibition and trying to enforce prohibition. It would mean that you would have to have a guard in every house, in every railroad station, in every hotel, in every eating place in the United States. If you want to appropriate some money to enforce this bill, you will have a job to do.

Certain people have had some experience with this matter and I want to read from some people who have had this experience in the nearby State of Pennsylvania. We had a man before our committee by the name of Donald M. Cresswell, who is assistant to the secretary of agriculture of that great State. They have a law up there that prohibits the sale of colored oleomargarine, but 2 years ago they eased up on the licenses on uncolored oleomargarine. They made a flat tax of \$2 per wholesaler and retailer and distributor of uncolored margarine. Then they tried to enforce it.

He stated that after they reduced the license fee, they issued 20,000 licenses in the State of Pennsylvania and used every means that they knew in trying to inform the people as to what the law was. A year later, he stated, they made a spot check of those 20,000 licenses, investigating 500 of them and out of those 500, 153 of them were violating the law in three different respects.

Can you imagine what would happen if that law were on the Federal statute books, applying, for example, to the State of Indiana where they have no oleomargarine law whatsoever? We would be going into the great State of Indiana and saying, "This is going to be the law, we are going to have Federal agents in every nook and corner of the State trying to enforce the Federal oleomargarine law."

It seems to me that this points out the very ridiculousness of the gentleman's amendment.

I want to show you what we are talking about. This is uncolored oleomargarine. It looks like Crisco or lard but it is oleomargarine. It is very palatable. I do not think anybody would deny that. That sold in the State for say 21 cents, including the tax. That is the product that the poor people use. It is true, it is not sold generally over the State, but in the good State of California this is produced at 224 South Broadway, Los Angeles, Calif. That can be sold in the State of California today, but it cannot be sold if it is yellow.

I want to go along with the gentleman from Missouri who has milked cows. I have milked cows and I have churned butter, but I have never had the opportunity of molding butter. However, I am going to do it here. I suppose you should have clean hands to do it and, furthermore, be possessed of a pure heart. There is a little bean in the middle of that thing, and ordinarily, anybody with experience can mix this up in 45 seconds and make himself 10 cents. All you have to do is to press this thing and move it

around this way. It is not a very difficult thing to do for pioneering women in this country. I am not an expert on this thing.

There it is, and that is nice butter. Now, I have made 10 cents with that demonstration. That would be \$6 for 1 hour's work, and that runs into quite a lot of money. They sell it in California. That is the spread; that is for the poor people who want to have that kind of a spread. Now, if you adopt any of these bills, and perhaps maybe my own, that little cheap spread will disappear from the market; it will be no more. Colored oleomargarine will take its place, and it will move up to the point where it can, and probably will, destroy the butter market.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from California.

Mr. HOLIFIELD. As a matter of fact, the gentleman can tell the House that right now in the city of Washington, D. C., you can buy yellow oleomargarine and it runs from 10 to 12 cents a pound more than the white margarine. We know it does not cost that much to color the margarine.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. RIVERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIVERS: Substitute for the amendment offered by Mr. POAGE: Strike out all after the enacting clause and substitute the following: "That, effective July 1, 1949, section 2301 of the Internal Revenue Code (relating to the tax on oleomargarine) is hereby repealed."

"SEC. 2. Effective July 1, 1949, part I of subchapter A of chapter 27 of the Internal Revenue Code (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine is hereby repealed."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. I make the point of order against the substitute, because there is a substitute already pending to the pending bill. This is the second substitute offered to the original bill.

The CHAIRMAN. The substitute to the pending substitute as an amendment is in order, and the point of order is overruled.

Mr. RIVERS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Is this the same bill that the gentleman from South Carolina introduced last year?

Mr. RIVERS. This is the same bill which passed the House last year by a vote of 260 to 106.

Mr. Chairman, I did not get an opportunity to speak yesterday. This is the

first time I have had an opportunity to address the House on this very vital subject.

Last year it was my honor to be the author of a bill which passed this House by an astounding majority. My bill this year is very similar. It is shorter than the one I had last year, and it differs from the bill of the gentleman from Texas in one regard.

At the outset let me say that the gentleman from Texas and I are in the same corner, with the exception of the portion of the gentleman's bill which says that a place shall do this, that, or the other. I disagreed with that proposal last year and I disagree with it this year. I made my disagreement known last year, and the House accepted it. I disagree with it for two reasons. One of them is this: The other body wants a bill that they can amend, and if we do not send a bill over there they can amend we will not get anything. That is No. 1.

No. 2, like the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], I do not believe there is a way in the world you can enforce the idea of the gentleman from Texas of making these eating places enforce this proposal. I apologize for agreeing with the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], but I think it is window dressing. I do not believe there is a way in the world you can enforce it.

This is the point we come face to face with today. Are you for removing the tax on margarine or are you not? My bill gives you the opportunity to make margarine free from every sword of Damocles hanging over it, from the Treasury Department or any bureau in the Government. That is as plain as the nose on your face. I am not asking for window dressing. I am asking you to go on record today whether or not you are willing to remove from the shoulders of the housewives of this Nation the 13,000 years of work they spend every year in mixing margarine.

The gentleman from Minnesota and the gentleman from Utah say, "Make all you want to, but don't eat it." That is all there is to that bill.

Mother, may I take a swim?

Yes, my darling daughter.

Hang your clothes on a hickory limb

But don't go near the water.

That is their point, make all you want, but they do not want the poor man to get one drop of it. That is the whole situation.

They talk about the virtues of butter. I know about its virtues, but margarine, too, has virtues. I do not say "oleomargarine," because "oleo" means oil from animals, whereas margarine is made from oils from vegetables. These oils go through a process of refining and do not contain contamination. You never see a bug or any filth in margarine, which is made in a still that cracks and purifies and refines the oil. Margarine is one of the purest things on the American market.

Suppose we said, for instance, that every restaurant in this country would have to put up a sign, Margarine is served here, what would happen? You would have a gestapo in this country

that would equal any OPA, and goodness knows we do not want any more OPA's in this country.

What about the little restaurants that are part of the landscape on the main highways? Do you mean to tell me they could enforce it? Not at all. There were a billion pounds of margarine sold in this country last year.

The gentleman from Wisconsin told you very frankly, and I admire him for that—I did not dream I would get to the point of throwing bouquets at these people, especially the gentleman from Minnesota—he said he was for the farmer. I am for the farmer, too, do not make any mistake about that, but there are 140,000,000 people in this country who are not farmers.

I happen to be shedding a few crocodile tears for them, too. This is not a farmers' fight. Neither is this a consumers' fight. This is a fight of the American people, whether they be Republican or Democrat. If my amendment is defeated, I will vote for the Poage amendment, because any amendment is better than the amendment of the gentleman from Utah, or the amendment of the gentleman from Minnesota. And when I say Wisconsin, I mean to include you, too, who also are an actor behind the scenes.

Mr. GRANGER. Mr. Chairman, will the gentleman yield, since he mentioned my name?

Mr. RIVERS. I yield to the gentleman, since I mentioned his name.

Mr. GRANGER. Since the gentleman mentioned Democrats and Republicans, I did not want him to leave out the Dixiecrats.

Mr. RIVERS. I have not asked you for your opinion, but I will tell you we gave you hay for the haylift operations out in your part of the country, and we were glad to give it to you. The Dixiecrats came in pretty handy there; did they not? We gave you hay, and we were glad to give it to you. We will give you hay again. We will give you some corn cakes and give you some cottonseed cakes, and we will continue to give you everything you want, because you seem to have a pretty good appetite for that.

Now, Mr. Chairman, we hear talk about margarine being this, that, and the other thing. I called on the Pure Food and Drug Administration yesterday. The seizures—the seizures for the last 12 months of butter for filth and decomposition, and things of that nature, amounted to 71 cases, as against no cases for margarine. Do not come here and say that margarine is not an edible product. In addition to that, margarine has 15,000 units of vitamin A put into each pound to assure the vitamin content. The gentleman well knows that. I will tell you something else about it. There are over 300,000 farmers in the State of Indiana, Illinois, and Ohio making a great contribution to this and they are making a losing fight. The gentleman wants to bring up a red herring. You have heard about red herrings. You bring in a red herring about this being a southern crop. This is not a southern crop. This is an American problem, whether you come from the North, the East, the South, or

the West. There are millions of tons sold on which they do not pay a tax. There is no tax on margarine. Make no mistake about that. There is no tax. There is ransom, there is extortion, there is tribute exacted from every poor man in this country for the privilege of eating the poor man's spread. That is all we offer them. We want to give them a chance to eat this stuff, if they want it.

Then you come to these boys who make this butter. Talk about the Butter Trust, which is being ably defended here today, that made butter \$1 a pound. They drove everybody to eating margarine. I was one of them, and I am glad because it makes pretty good eating. There are 145,000,000 people in this country today who are going to eat it. They are going to eat it, if they want it. You can put in all this window dressing, you can put in the "hickory limb" amendment offered by the gentleman from Utah or the "Oak tree" amendment offered by the gentleman from Minnesota, and you are not going to stop it. That will make prohibition look like a mosquito in a snowstorm. If you want my amendment—if you want to do something—vote for my amendment, just like you had the courage to do last year, and show the American people that we want margarine to take its place in our economy, like any other commodity, and we want it to stand on its own feet in free competition and in the free American way. I have told you again and again, let us face this issue clearly and squarely and let the American people know whereof you speak and whereto you stand. That is my amendment. It is simple—simple. It is the shortest on record, because you do not need any longevity to do the right thing. I commend this to you in the name of the American housewife.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. O'TOOLE. Will the gentleman tell the House about the special quarter-pound package which can be used both for eating and for lubricating the family car?

Mr. RIVERS. Well, I will tell you that if you want to do that, that comes under the heading of Your Business.

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. BRYSON. Mr. Chairman, I thoroughly endorse the gentleman's position.

Mr. BRYSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Chairman, I rise in support of the Rivers amendment. Without detracting from the study, thought, and knowledge of other Members of the House on the subject of oleomargarine I believe I can truthfully say that my colleague the gentleman from South Carolina, Congressman RIVERS, has given more study to the subject than any other Member.

It will be remembered that in the Eightieth Congress, in spite of the oppo-

sition of the party in power, the distinguished gentleman from South Carolina [Mr. RIVERS] succeeded in securing the required number of signatures on a discharge petition, thus bringing the question of the repeal of taxes on oleomargarine before the House for consideration. The measure was passed but subsequently died in the Senate.

By reason of previous action in the House much discussion has been made on this controversial question. The food value of oleomargarine is well established, generally recognized, and quite fully appreciated. Many of our people throughout the country prefer oleomargarine to butter and especially is this true among those of us who have to watch our budget. Our wives have learned to use oleomargarine to great advantage in preparing our foods as well as to serve on our tables.

Taxes have been levied on oleomargarine for many years. The first discriminatory act against this vital food substance was in 1886 and since that time oleomargarine has borne an unjust tax for the protection of the dairy industry. In recent years many of the legislators from several States have memorialized Congress to repeal the Federal taxes on oleomargarine.

The provisions of H. R. 2023 are not acceptable. Why allow the use of oleomargarine, free of tax, within a State and not allow the free use thereof among the several States? I see no justification for imposing regulations or restrictions on the use, sale, transportation, or consumption of any wholesome natural food like oleomargarine. Our women-folk who purchase the larger portion of food for our families have keener judgment than we men. Therefore, to endeavor to impose regulations on oleomargarine is a reflection on the intelligence of the housewives of this country.

With reference to coloring, I dare say as much coloring is used in butter as is used in oleomargarine. Many of you recall in the early days, our mothers made, used, and served the very finest and purest butter which was as white as snow. It is only commercial butter that is colored. Let us not permit the use of coloring in butter alone while at the same time preventing the free use of coloring in oleomargarine.

I sincerely trust the House will pass an outright repeal of all taxes, regulations, and restrictions on the use and sale of oleomargarine. That, I believe, is the wish of the majority of our people.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the Poage and Rivers amendments.

Mr. Chairman, in view of the fact that I have taken no time in the Committee on this issue, I ask unanimous consent to speak for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

There was no objection.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. HOEVEN. I was interested in the remark just made by the gentleman from South Carolina [Mr. RIVERS] in which he

indicated very clearly the deliberate attempt that is being made to drive butter from the consumer's market. I would like to call the attention of the Committee to page 1506 of the CONGRESSIONAL RECORD of February 24, in which the gentleman from South Carolina [Mr. RIVERS] said:

I make the broad prediction that never again will butter be in any position to compete with margarine.

Mr. H. CARL ANDERSEN. I thank the gentleman from Iowa. He has always fought hard for the best interests of agriculture.

Mr. Chairman, first may I say that I am surprised and disappointed at the fight made here today by Members from the deep South which can only result in great damage to our dairy industry.

It is my purpose during the few moments which I have at my disposal to show just what the passage of the Poage amendment would mean to the average dairy farmer who produces butter in Minnesota. The Seventh Congressional District of Minnesota is the largest butter producer of the nine districts in our State. Because of the fact that we are approximately 200 miles from any large city, we farmers in that district cannot sell our milk as whole milk. We put it through a cream separator and skim it and then take the cream to our local village, where our cooperative creamery manufactures butter out of it and ships this butter by the carload to the eastern markets of the United States. On the farms, we utilize the rest of the milk—the skim milk—as feed for hogs, calves, and hens.

The passage of the Poage bill would, in my opinion, so discourage the thousands of butter producers that hundreds of thousands of good dairy cows would go to market as beef, and dairy herd after dairy herd would go out of existence. Reference was made on this floor yesterday to the high price of butter. The Members who made such references are not aware of the fact that while we did receive in the neighborhood of a dollar a pound for our butterfat for some time following the war, that price has fallen to 70 cents today. We as farmers must have some profit if we are to continue milking cows. There is no profit at 70 cents today for butterfat. Please keep in mind—when you are considering the Poage bill today—that we in southwestern Minnesota have already seen the price of butterfat drop nearly 35 percent below the high point of 1947. Are you—by your votes here today—going to further accelerate that slide downward of the price of butter and serve notice on the farmers in my district and upon the other dairy farmers in the United States that you do not care whether or not they make a profit for their hard work? Will you by your vote legalize a fraud—oleo?

If the Poage bill is enacted, ladies and gentlemen, it will simply mean without question a further decline in the price of butter. It will mean that each and every butter-producing farmer—and I am one of them—will begin to wonder whether or not he can afford to retain his dairy herd. Yes, it would be simple if we could sell our whole milk at the price obtained

in the great industrial milkshed centers in the East, but we do not have such a market. It would also be comparatively simple if we could say to our hired help on the farm, "Bill, the price which I have received for butterfat has dropped down 35 percent and due to the Poage bill it seems that it might drop another 10 percent. Are you willing, in view of that fact, to have me cut your wages by 45 percent, so that I can continue in the business of producing butter?" Bill has already answered me, Mr. Chairman, as I have heard from the men who work for me on my farm that they could not see where they could possibly accept any less money than I paid them last year for the season's work. What recourse is left to my farmers if this Poage bill is enacted into law and if the price of butterfat continues to slide further down to meet that of a deceptive competitive article built up to simulate butter in every way? Our only recourse is to dispose of our dairy herds much as we dislike to do so. The 12 dairy heifers which are today on my farm and which my foreman is developing for the future expansion of the herd will bring a very good price for beef in the markets in South St. Paul. We can sell the milk cows as they become dry later in the season, and by fall there will be no dairy herd on that farm and the production of butter and other dairy products will go down just that much. Multiply this specific example by two or three hundred thousand and you can readily see what effect the passage of the Poage bill will mean to the dairy industry and to the people of the United States. The children of America will either drink high-priced milk in the future or go without.

We cannot afford to see our butter industry impaired through unfair competition when we consider that it supports approximately two and one-half million farm families in America. If we destroy the dairy industry it will mean that over one-third of the meat supply of the Nation, which is furnished from dairy stock, will eventually be eliminated. It will also mean that the price of whole milk will become prohibitive because anything that disturbs one segment of the dairy industry will create havoc with the others since they are so closely related.

The dairy cow, when provided a given amount of feed, will produce twice as much human food as any other farm animal and four times as much as some farm animals. The supporters of this legislation argue that vegetable oil is just as good as butter. If it is so wonderful why do they have to use dairy products in oleo to make it desirable to eat? Why not just feed the people vegetable oil straight without doctoring it up to look like butter? Why must they imitate butter even to its natural coloring to make oleo desirable?

Butter has a high quantity of vitamin A—27,000 international units. When oleo manufacturers were reminded that their product only contained 9,000 international units—they squirted 15,000 more units into it—to really fool the people. It is no wonder the oleo bloc is so interested in furthering their prod-

uct—when you stop to figure the profits in the business—29 cents' worth of oil—20 percent skimmed milk, a little salt and coloring—and the product sells for 40 or 50 cents a pound. That is good business—especially when the product is placed on the market to compete with pure butter. I would have no objection to their putting their product on the market if they would color it some other shade—but the oleo bloc is not interested in doing that—they could not get rid of it via that route—they want to continue their deception with their ersatz product.

Let us compare oleo farming in the hands of 24 large manufacturers and butter farming as Minnesota knows it. Oleo farming means less fertility in the soil. Oleo products are soil-depleting. Nothing goes back onto this land. Oleo does not aid in soil conservation. Yet the conservation of our soil is one of our great problems today. Oleo farming means a smaller meat supply. Forty-two percent of the beef and veal in this country comes from the dairy industry. Do we want to make a bad matter worse and practically take meat off the poor family's table? Oleo farming will provide fewer hides for our leather industries. Cottonseed hulls do not afford any salvage after the vegetable oil is taken out. The dairy cow does go to market after her useful work span is completed. Oleo farming will provide less pharmaceutical supplies for the Nation. We are in desperate need today of insulin for treatment of human beings.

On the other hand, butter farming means increased soil fertility. Our dairy farms are among the most fertile of any. Butter farming means adequate supplies of milk and milk products which are so necessary for human foods and to industry. Byproducts are used by industry in ice cream, candy, and other commercial uses—as a matter of fact you can make cloth out of them. Butter farming means a rounded-out agricultural program.

Mr. COX. Mr. Chairman, will the gentleman yield to me?

Mr. H. CARL ANDERSEN. I yield to my good friend, the gentleman from Georgia [Mr. Cox].

Mr. COX. The gentleman has referred to the Members of this body who come from the Deep South. That is the section of the country from which I come. I wish to say to the gentleman from Minnesota that I am convinced that it is of infinitely greater importance to the people of the South that the dairy interests be maintained on a profitable basis than that the South should be able to widen its market in the consumption of cottonseed oil.

This debate has presented a rather ugly spectacle: We find here the farmer-minded Members of the House in furious contest one with the other over the solution of a problem in which they ought to have a common interest and upon which they should be able to find a common ground.

Mr. H. CARL ANDERSEN. I appreciate very much what the gentleman has to say. It is a shame to see our agricultural strength in Congress split wide open because of a fight of this kind. I have

always aided you gentlemen from the South in your agricultural problems and I regret as much as you do, Mr. Cox, to see a situation of this kind develop. You have always worked hard for agriculture.

Mr. COX. If the gentleman had more time I should like to make a further observation.

Mr. H. CARL ANDERSEN. I am sorry, but my time is limited; otherwise I would be glad to hear you further.

Mr. Chairman, the Poage bill will, as I have said, further continue the downward slide of butter prices. If you people want to say to the dairy farmers of the Nation: "You cannot get a decent price for your butter; we will not give it to you," do so by your vote here today. My farmers do not need to stay in the dairy business; we can raise beef and hogs; we can raise corn. But I cannot furnish employment to the men I now have upon my farm if the butterfat my cows produce cannot return a fair price because of unfair competition by a fraudulent product, oleo, usurping this butter market.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my good friend from Michigan who knows agriculture well enough to know that we must have a decent return for our work on the farms.

Mr. CRAWFORD. Not only that, but if the farmers of that section of the country are not going to produce liquid milk, where will the kids, the middle-aged, and the old go to get milk? I happen to be a milk drinker.

Mr. H. CARL ANDERSEN. That is a big question. These oleo advocates do not tell us the answer. They are strangely silent on that point.

Mr. CRAWFORD. We have got to have that 125,000,000,000 pounds of fluid milk, but where are we going to get it if the dairy industry of the North is forced out of business?

Mr. H. CARL ANDERSEN. I do not see where the children of America or their parents are going to buy milk at a price they can afford if the dairy farmers of the Midwest are forced out of business because of this oleo cutthroat competition.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to one of the best friends that the farmer has in Congress, the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. I wish to call the attention of the House to the fact that here we have talking to us on this question one of the very few Members of the House who actually owns a dairy herd. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] does know what the dairy farmer is up against in this threatened loss of his butter market to the oleo interests.

Mr. H. CARL ANDERSEN. Mr. Chairman, I thank the gentleman from Iowa for his kind observation. Let me conclude by saying that if you people around big, metropolitan areas, such as Washington, Philadelphia, and New York, want to be able to buy fluid milk in the

future for your kids at a reasonable price, then vote for the Andresen amendment. But if you want that milk to shoot up out of sight; if you want the dairy cows to go out of existence in the area around the Twin Cities and Chicago, then go ahead and discourage our dairy farmers—the 2,500,000 of them—by passing the Poage bill or some similar legislation. Yes; drive us out of business; but I know that you will rue the day if you do so. After all, the one great big point here is whether or not we are going to have enough milk for the children of America in the future at a price their parents can afford to pay.

Mr. GAVIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have listened with a great deal of interest to this debate on oleo. I have heard about the Middle West, the great Northwest, the South, and the Southwest. I want to say that I come from Pennsylvania, which is a great State, a State with some 10,000,000 people, a State that sent 1,300,000 men and women into the armed services in World War II, a State that produced some 30 percent of all the war materials. So it is a great State which I am proud and honored to represent. Coming from Oil City, Pa., the "Hub of Oildom," and my district being in the heart of the oil country, I listened with a great deal of interest to the discussions on cottonseed oil, soybean oil, peanut oil—in fact, all kinds of oil. So I thought I would just take a minute or two to call to the attention of the members of the committee that Pennsylvania is the home of Pennsylvania-grade crude oil, the finest lubricating oil in the world. Superrefined and known and used the world over I can highly recommend to the membership Pennsylvania-grade crude oil.

Mr. COTTON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as I explained yesterday afternoon in general debate, I was the only Member from a northern dairy State on the Committee on Agriculture to support the Poage bill rather than the Granger bill. The main reason that I did that was because I feared the very thing would happen that is being attempted now on the floor of the House. I feared that if we did not adopt and pass the Poage bill, which, in my opinion, repeals the tax and at the same time includes a practical protection for the dairy farmer and his product that is served in the public eating places of this country, the result would be that the tax would be taken off entirely without any protection for the dairy farmer.

Mr. Chairman, for 60 years this tax has been levied and it has been there for a purpose. It has been there to protect an industry that conserves and improves our soil and feeds our country. I want to see this tax repealed because it is an unsound and improper approach to the problem. But today the farmers of my State and your State are entitled, when it is repealed, to have in its place reasonable safeguards that their products shall be known and distinguished and that no other product shall be served in public

places when the public believes it is buying butter.

Let us keep this clearly in mind: If you want to put a ban on colored oleo and prevent the consumer from getting it if he wants it, support the Granger bill. If you want to crucify the dairy farmer, support the Rivers substitute. If you want to settle this thing right, with a fair proposition for the consumer and the dairy farmer alike, defeat the substitute and vote for the Poage bill.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from South Carolina.

Mr. RIVERS. How would you crucify the dairy farmer by supporting my bill, when by the gentleman's own admission only 3½ percent of all margarine sold goes to public eating places? How on earth are you going to protect the dairy farmer with that small percentage of it going to eating places? Explain that to me.

Mr. COTTON. I will be delighted to explain it to you, sir. Perhaps only 3½ percent of the oleo sold today goes to public eating places, but wait and see what will happen after this bill is passed. Nearly 40 percent of the meals of this country are served in public eating places. The farmer is entitled to be protected, and so is the consumer, and it is our responsibility to see that oleomargarine is not served when the customer thinks he is buying butter. The same is true of other articles. If I am a manufacturer of automobile tires, I want my product distinguished. If I am a manufacturer of butter I want the public to know when it gets butter.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Will the gentleman tell us how much it is going to cost to police this proposition?

Mr. COTTON. That is impossible to answer. But many, many States today have regulations. I think that in view of the fact that we are policing every restaurant and every public place in this country for various things, that we can well see to it that as obvious a provision as this one is enforced.

Mr. SMITH of Wisconsin. Was there any testimony before the gentleman's committee on that proposition?

Mr. COTTON. I do not recall any.

Mr. RIVERS. Mr. Chairman, if the gentleman will yield further, the gentleman favors then for the purpose of policing this proposition the return to the old OPA days?

Mr. COTTON. Oh, no. You already have a set-up to take care of pure foods to protect the public, and that is all this bill calls for.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The chairman of our committee, the gentleman from North Carolina [Mr. COOLEY] has a letter on the subject of cost, and as I construe that latter it will cost \$5,000,000 a year, approximately, and

950 men to make one inspection of restaurants each year; just one inspection.

Mr. COTTON. Would the gentleman not be willing to spend that to protect the dairy farmer?

Mr. AUGUST H. ANDRESEN. Well by the time the inspector came around, why they would not be serving it that day, if he can only visit one restaurant once a year. In some places of the country, as the gentleman has indicated, they will be serving oleo there right along instead of butter, without in any way complying with the law.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last two words and I ask unanimous consent to proceed for five additional minutes.

Mr. COOLEY. Mr. Chairman, reserving the right to object, and of course, I shall not object, but I want to serve notice now that hereafter I shall object to any further extensions of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, we have before us now three pretty clear-cut propositions. All of them take off the tax on oleomargarine. The Granger bill prohibits the shipment in interstate commerce of oleomargarine colored yellow. The Poage bill has no such provision, but it regulates the serving of oleomargarine in public eating places. The Rivers bill simply removes the taxes and contains no policing provisions whatever. I think from a practical standpoint there is little to choose from between the Rivers bill and the Poage bill.

I agree with the gentleman from South Carolina and others who have pointed out the impracticability of enforcing the Poage bill. As was stated a moment ago by the gentleman from Minnesota, the Pure Food and Drug Administration states that it would cost \$5,000,000 a year to visit each eating place once. Well, if you multiply that by 365 you get some idea of what it would cost to really enforce the Poage bill. So I regard it as entirely impractical.

Let us discuss for just a minute what the Granger bill does in the way of changing the present situation. At present we have a number of taxes on both white and colored oleo. There is a $\frac{1}{4}$ -cent tax upon the uncolored oleo. There is the tax upon the manufacturer of \$600 per year. There is a tax on the wholesaler of \$480 if he handles colored oleo. There is a tax of \$200 on the wholesaler if he handles only the uncolored. The retailer pays a tax of \$48 if he handles colored oleo or \$6 if he handles only the uncolored oleo.

If you operate a hospital—and there was a lot of complaint about this last year, and justified complaint, certainly—there is no way that you can serve colored oleo without putting yourself in the class of a manufacturer and paying a \$600 tax.

I think the imposition of the tax in the first place could have been justified only because at that time it appeared to be the sole way in which to exercise any

control over this product, but in recent years the decisions of the Supreme Court in the filled milk and similar cases have indicated that there is a better method. That is to prohibit the shipment in interstate commerce of colored oleomargarine, and then leave it to the respective States to decide what they want to do with oleomargarine that is manufactured within those States.

That is what the Granger bill does. It takes all taxes off. One of the grave complaints on the part of retailers was that in most cases, except in the larger stores, it did not pay them to take out the license and pay the dealer's tax. Consequently, you could not buy oleo in a very large percentage of the retail outlets of this country. Since all retailers' taxes are eliminated, oleo can, and no doubt will, be sold in all the food stores of the country if the Granger bill is adopted. It will be handled by wholesalers, large and small, because there is no tax for them to pay. The restrictions that we imposed by way of the manufacturer's tax upon those who operate hospitals and eating houses and places of that kind will be taken away. There will not even be the $\frac{1}{4}$ -cent tax upon the uncolored oleo. Therefore, this bill goes a long way in meeting all the complaints that have ever been made respecting the oleo tax.

The bill contains a provision for the protection of the dairy industry, in that you cannot ship in interstate commerce oleo colored yellow, but aside from that there is no restriction of any kind, upon the manufacture and sale of oleo in this country.

The Granger bill, in my opinion, will not seriously interfere with the present sale of oleo, but it will be oleo that will be sold as oleo in its natural color, white. And it takes just as much vegetable oil to make a pound of uncolored oleo as it does a pound of colored.

I want to call your attention to another point which I do not believe has been discussed fully. A very large proportion of the oleomargarine which is bought by the housewives of America is used for cooking. No housewife who uses oleo for cooking cares whether it is white, yellow, or any other color. The color makes no difference. So, the imposition of any restraint upon shipments in interstate commerce of oleomargarine will not in any way affect the housewife who buys and uses oleo only for cooking.

The Granger bill is a compromise, frankly. It is not all the dairy people would like and it is not all that the oleo people would like. There may be some consumers who do not like the Granger bill, but it is a fair compromise.

The gentleman from Texas says everyone should have the right to buy exactly what he wants in the form he wants it at any time. I do not think the gentleman from Texas, himself, believes in that entirely, and certainly they do not believe in that in the State of Texas, because in that State and in many others in the South they have a 10-cent tax upon all oleo which is manufactured from imported ingredients. If the gentleman believes that everyone has the right to buy anything they want in any form, then he certainly cannot believe that his State

is right in imposing a tax of 10 cents per pound upon oleo, which is made from imported ingredients.

This is not simply a question of competition between two farm products. It is more than that. The element of soil conservation, which is involved in this bill, has been discussed very ably by some distinguished gentlemen from the South. There is no more important domestic question before the people of this country today than the conservation, and the restoration of our soil. Dairy farming, without anything else means conservation. It is automatic conservation. I want to say to my friends from the South that I have supported the agricultural programs which have been proposed for the South, but I say there is no agricultural program which will do half as much for the South as building up the dairy industry there. There is no State in the South today, as I am informed, where the dairy industry is not far more important, and does not bring in far more revenue, in dollars and cents, than the production of vegetable oils. And that is not saying anything about conservation. There is nothing that will restore the eroded and worn-out soils in some parts of the South, and other parts of the country as well, to the same extent that an expanded dairy production will. And there is no part of this country which has a brighter future from a dairy standpoint than the South.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. VURSELL. Mr. Chairman, the Members of this House, in voting on the oleo bill, face a grave responsibility, the results of which will affect, for years to come, the entire Nation.

This legislation is wide and fundamental in its scope. The Granger bill, which provides for the removal of all taxes on oleo but prohibits this product from imitating the yellow color of butter, is a fair compromise, and as far as the Members of this House should go in the interest of all of the people.

If this bill is defeated by substituting the Poage bill, it will strike a terrific blow to 2,500,000 hard-working dairy farmers and the employment of 10,000,000 people in the production and processing of dairy products.

It will mean a blow against soil conservation made possible by the growing of legume crops and fertilizers from the dairy herds that will have a lasting effect toward destroying the productivity of the soil at a time when the Government, through soil-conservation efforts, is spending approximately \$500,000,000 a year.

From the dairy herds we receive 40 percent of beef for food in America. Dairy herds have been reduced 2,000,000 in number since 1945. The defeat of the Granger bill will have such a devastating effect on the dairy farmers that this much-needed food supply in beef in addition to dairy products will greatly decline in the future, at a time when our population is increasing, when we need to build up the dairy herds in an effort to produce more milk, butter, cheese, and ice cream for the growing children and the people generally.

Mr. Chairman, it will mean the production of less hides with which to make shoes, luggage, and other leather goods which in the future will raise the price of all of these articles to the consumer.

When the dairy herds are further depleted, and after the demand for milk, butter, and milk products increase, it will naturally drive these prices higher, causing a loss to the consumer of much more than any benefit they will receive through the use of the substitute oleo.

It will throw millions of people out of employment—the farmhand assisting the dairy producers, dairy farmers, and those who process and distribute dairy products throughout the Nation from the little cream-station operator to the great manufacturing plants.

It will cause a shortage of and an increase in the price of butter because butter is the hub of the dairy industry. It is so because during the flush season of milk production the only way to take care of the over-production is to process the milk into butter and put it in cold storage where it will keep in perfect form if necessary for months and years. Then in the low season of dairy production this butter goes on the market to supply butter for the people of the Nation.

I ask you to consider this important point because it is the policy of this Government through the Commodity Credit Corporation to buy up corn, wheat, and dozens of articles of farm production when there is an oversupply, and hold them so that they can go on the market when the over-production period is passed and these foods are needed in scarcer times.

It has been the policy of the dairy producers to follow this practice and millions of dollars in cold storage space have been provided for butter through the investment of the processors to meet this overproduction, in an effort to continue a normal supply and price level in meeting the need of the people of the Nation for these absolutely necessary food products.

Mr. Chairman, the present administration in the last campaign had much to say about taking care of the little man. The Granger bill helps to take care of the consumer by taking off all the tax, and it helps to take care of the little man who works unthinkable hours on the farm taking care of his dairy herd, milking them every day including Sundays, each morning and night and then holding or sending the butter or milk to the towns and villages of the Nation.

I cannot believe the Members of this Congress, most of them who know the thrift and long hours of toil necessary to provide the dairy products of the Nation, will pass a piece of legislation like the Poage bill that will almost destroy the opportunity and future of the dairy producers who have billions of dollars invested in this great industry.

Mr. Chairman, the Members of this House today by their vote will join with one of the tightest and biggest monopolies in this country, the 24 processors of oleo, or by their vote they will take their stand to protect the 2,500,000 dairy producers and the millions of men they employ in this industry.

If the Poage bill is substituted for the Granger bill it will not only strike a devastating blow at those engaged in the dairy industry but it will put this monopoly into a position where they can imitate butter, and when they have this opportunity the consumers who are now purchasing oleo for what it is, will find that this monopoly has raised the price which will work a hardship on the consumer. Those people who have been deceived by this oleo trust in the thought that it will be beneficial to them in price will find that they have made a great mistake and that the price of oleo when colored yellow will rapidly move up to near the price of real butter.

Mr. Chairman, I believe that the housewives in the towns, cities, and villages of this Nation who can now buy oleo in its natural color would rather so buy it at the lower price, and take the little trouble necessary to color it, as they have been doing, than to take the chance on the price raise that is sure to follow if the oleo trust is allowed to sell it over the counter in the yellow color.

The American people when they understand a problem are generally fair. I do not believe the consumer now that we are willing to take the tax off of the price of oleo, will want a blow struck against the dairy industry that will bring about less milk, less beef for the table, less hides with which to make the shoes, luggage and leather goods the men and women buy, or that they will want to penalize the farm women and take away from them their opportunity for a decent living, who are working along with their families in helping to produce the dairy products of the Nation.

Any substitute bill for the Granger bill should be defeated. The Granger bill should be enacted into law in the interest of all of the people of this Nation.

Mr. CRAWFORD. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CRAWFORD moves to strike out the enacting clause of H. R. 2023.

Mr. CRAWFORD. Mr. Chairman, I make this motion merely to get a chance to speak on this bill as I could not get time otherwise.

Mr. Chairman, we have on the books at the present time a law which has been there for a number of years which prohibits the manufacture and sale in any of our States, Territories, or the District of Columbia, what is known as filled milk:

The term "filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting produce is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.

The law states that filled milk, as herein defined, is an adulterated food injurious to the public health, and its sale constitutes a fraud upon the public.

This subject which we are discussing today may be broader than we think. On yesterday I introduced in the House

two bills, one H. R. 3938, to prohibit the manufacture and shipment in interstate commerce of imitation cheese; and the second, H. R. 3939, to prohibit the shipment in interstate commerce of imitation ice cream and ice milk, and for other purposes.

There is the filled-milk proposition. The bill under consideration is the oleo-margarine-butter situation. I hope the Committee on Interstate and Foreign Commerce may do something about the other two bills to which I have referred, because eventually this will all have to come to a show-down and we shall have to deal with it. We might as well start dealing with it now, for it has a bearing on the Granger-Andresen bill, which I propose to support.

I doubt if there is any Member of the House who has had to do with farming in any more States than I. I was practically born in a cottonfield. When I was 5, 6, 8, 10, and 12 years of age, I had gone to the cottonfields many, many mornings as early as 4 o'clock in the morning, gone to sleep in the cotton piles, cotton unginned, and slept for awhile until the sun came up or until the dew was a little bit off the cotton so we could go to work. I spent years in the cotton areas of this country and I know something about cotton. I have lived in the West and in the irrigated areas in the Midwest of Iowa, Minnesota, Michigan; and recently, that is, some 4 or 5 years ago, I picked up a farm out here in Maryland which had been farmed to tobacco for generations. You can go out there this afternoon and you will see some white-faced steers where I am trying to build up that soil. I want to pay tribute to the gentleman from Missouri [Mr. CHRISTOPHER] who gave us some unadulterated farm facts here yesterday. Should he say nothing else while he is in Congress, he would have me convinced that he knows something about farming. You are not going to run farms successfully unless you have livestock on them. You are not going to rebuild your worn-out soils unless you have livestock. I know what straight cotton farming will do; I know what will happen to the cotton industry if we withdraw the Government support; and I know also that the crop of cotton is one of the greatest boons to mankind, and one of the most valuable crops on the face of the earth. I know what peanuts will do to the country. I know the kind of support we gave to the peanut industry where we have raised the price to the farmer from around \$34 per ton to up around \$190 per ton. We need a little more fat converted from vegetables into meat on the hoof grown on farms to keep the farms going if we are to feed the 147,000,000 people we have at the present time, to say nothing about the other twenty to thirty million we shall have in this country before some of the Members of this Congress have passed to the Great Beyond. So, there are economic reasons, which have been partly touched upon but which have not been fully developed, which cause me to support the Granger-Andresen bill; and I hope this House will vote it through when the time comes to vote on it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise at this time to tell a little story to the members of the Committee this afternoon which I think is rather apropos of our present situation. We seem to have arrived at a point where understanding is in question and where confusion is rampant.

It reminds me of the story I heard some time ago of the farmer who was driving a load of fertilizer across the environs of an institution for the mentally inept. As he drove his wagon he was accosted by one of the patients. The patient said to him, "What have you got in your wagon?"

The farmer answered, "That is fertilizer."

The patient thereupon asked him, "What are you going to do with it?"

The farmer answered, "I am going to put it on my strawberries."

The patient looked at the farmer a minute, scratched his head, then said, "That's funny. We put sugar and cream on ours and they call us crazy."

Mr. Chairman, we have had three bills presented to us today and I think the Members can well scratch their heads and wonder what this is all about.

Reference has been made this afternoon to the so-called Butter Trust. If there is a butter trust in this country, I am too naive to know that there is one, and I may say further that I have never been contacted by any member of the Butter Trust suggesting that I cast my vote one way or the other on any question that has come before the Committee on Agriculture.

I have been accused of having something to do with the dairy lobby. If there is a dairy lobby, there, again, I am completely innocent of its presence. I am cognizant of the fact that there are 30,000 dairy farmers in my district, and if they constitute a lobby, then they could probably have some effect if they were to suggest to me that I vote in their interest. I do not think that is entirely apart from the policy which every conscientious God-fearing Member of the House of Representatives takes and the position he assumes when he represents his own district. The suggestion that there is a dairy trust or a dairy lobby working upon the Members of the House to vote in the interest of the dairy farmer is entirely foreign to anything I know of. I have had no experience or connection with them, and I know that the great majority of the Members of this House have had nothing to do with them. So, for that reason, I want to say that I feel that the opportunity is here for every Representative to cast his vote as he sees fit, in a conscientious way, and as his convictions demand that he cast that vote.

I want to say one other thing, and that is that a lot has been bandied about on the floor regarding the price of oleomargarine and what this bill is going to do to it. The price of oleomargarine is going up within a few cents of butter when this tax is taken off. I am going to vote to take this tax off, but, as I said on the floor of the House the other day, I have grave fears that those ambitious and greedy people who are anxious to absorb this tax will immediately bring about a price rise in oleo so that it will come within a few cents of the cost of a pound of butter. Of course, it may result in this: That the butter market may go up and there may be more demand for a pound of butter than there ever has been before because all you have to do is put the two side by side at the same price level and see what happens.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BREHM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it should be pointed out that it costs less to manufacture colored oleomargarine than it does uncolored oleo, according to a representative from an oleo manufacturing company in my office a few days ago. He told me that it costs less to make the colored variety than it does to make the uncolored. I said, "That being true, why do you not sell the colored variety for less money than you sell the uncolored?" He said, "Because it more naturally resembles butter and therefore commands a higher price." For those of you who seem to think that if you pass legislation by reason of which all oleo will be colored that you will provide a cheaper spread to low-income groups, I would like to point out that if it is true that the colored variety can be made cheaper than the uncolored, there just will be no uncolored oleo on the market, it will all be colored, and therefore you will not be doing any kindness or any favor to the low income group, because the uncolored will disappear from the market. He told me that the reason it was more expensive was because they had to process the uncolored in order to keep it white, otherwise it would fade out and become a dirty gray in color. That may be one reason, or at least something to think about as to why they insist that all must be colored. It would be good dollar business to make the colored for less and sell it for more.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I do not want to question what the oleo manufacturer told the gentleman, but all of the information we have had before our committee from chemists state that they must get it into its white form before it can get into the type so that it will be in a shape to look like butter. I have before me samples. It is true that cottonseed oil and soybean oil are naturally yellow in color, but they cannot make a product without taking that color out of it; it is just impossible to do it. There are certain chemical processes they must go through with to get a material and a consistency that will shape into butter,

so I am afraid the gentleman stretched his imagination.

Mr. BREHM. Of course, I am only quoting. He came into the office and asked me if I cared to state my position, and I replied certainly not. I said, "I am in favor of eliminating all taxes on oleo; as a matter of fact, I am opposed to all taxes on food. I think it is morally wrong to tax food of any kind." He said, "Thank you, that is all I am interested in." And I said, "Are you not interested in the color?" "Well," he said, "we will take care of that." Then I asked the question, "Would uncolored oleomargarine disappear from the market if this bill becomes law?" And he said, "Between you and me, we can make the colored cheaper than the uncolored," and he was the man making it, so I could not question his statement.

The only point I am trying to make is that if it is cheaper to manufacture the colored variety and sell it for more money than it is to manufacture the uncolored, and the consumer is demanding a law which will permit him to buy colored oleo, then that may be the reason the manufacturers of oleo are spending millions in order to try and get this law passed. They would be foolish if they did otherwise. If the uncolored disappears and the price of colored goes up I will venture the prophecy that butter sales increase. No one will choose oleo in preference to butter if the price is in close proximity.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BREHM. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman understands that he reason it is easier and cheaper to make colored margarine than to make uncolored margarine is that under the present law and under the Granger-Andresen bill it becomes necessary to bleach every bit of margarine that is sold as uncolored margarine, because the natural oils are yellow. While it is true that the manufacturing process now used does destroy most of that color, there is an amount of color left that has to be taken out to avoid the payment of the tax. Consequently, white margarine has to be bleached. The result is that there is an extra process involved in producing white margarine, and it costs more to do it.

Mr. BREHM. Does the gentleman feel there would be any white margarine on the market? Would it not all be colored, then, and sold as imitation butter at a higher price? They would not make the cheaper product. They would not sell white for less, as they are now doing, because there would be none of the white variety available.

Mr. POAGE. Clearly it would not sell for less than the white margarine now sells, no; but it would sell for approximately what white margarine now sells for, because if you would pass H. R. 3 there would be free competition.

Mr. BREHM. There would be no white margarine on the market if this bill becomes law, is not that true?

Mr. POAGE. I think it is probably true that the great mass of it would be yellow, because it would be cheaper, and

the public would want it; but it would sell at the cheaper price.

Mr. BREHM. It should now; they make the colored cheaper than they make white.

Mr. POAGE. But they cannot do it, because right now these dairy people have a tax of 10 cents a pound on every pound of yellow margarine, so it cannot sell for less.

Mr. BREHM. Well, Mr. Chairman, frankly I favor the Granger-Andresen bill and intend to support it to the very end. However, if we should be defeated in that objective and in the final analysis I have no other choice presented than the Poage bill, I will be compelled to support it for the following reasons:

First, it removes all Federal tax and license fees. Second, it provides adequate safeguards against fraud or deception by all those serving or handling the product, and, third, it reserves for the individual States the right to take final action within their borders through their various State legislatures. This means, for instance, in my native State of Ohio, that all Federal taxes are removed, and that it is entirely up to the State legislature as to whether or not the ban against selling colored oleo in Ohio shall be lifted. I do not see how anyone can object to these three provisions.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York [Mr. EDWIN ARTHUR HALL] stated that he knew of no pressure that has been applied by the dairy interests on any Member of Congress. That may be true. I know of no such tactic that has been applied. I do know that they maintain one of the strongest lobbies that Washington has ever seen. You know that is true. They have a perfect right to do that. They can carry on this work if they care to. It is perfectly lawful to lobby provided you register as provided in the Reorganization Act.

Let us see what the RECORD shows with regard to that lobby. I read from page 461 of the 1948 hearings, "Further statement of Charles W. Holman, secretary, National Cooperative Milk Producers Federation":

Mr. POAGE. Mr. Holman, I want to read a little article. It says:

"Dairy plants are being used to contribute a sizable amount of money to a fund which is designed to circumvent the efforts of the oleomargarine industry to deceive Congress and the Nation's consumers—to deceive Congress and the Nation's consumers—with respect to the vital issues involved in the existing controversy."

It goes on now to talk about this fund:

"Dairy Record endorses this movement and urges generous contributions to the fund. Those not affiliated with any of the three organizations"—

The three organizations are stated as being the American Butter Institute, the National Cooperative Milk Producers Federation, and the National Creameries Association—

"may select the one of their choice as the medium of collecting their contributions. It really does not make much difference which you select."

"The program calls for a contribution of 20 cents per 1,000 pounds of butter fat received last year.

"The purpose of the joint committee representing the three groups involves setting up means whereby the Members of the Congress and the consuming public will be kept fully informed regarding the dairy industry's side of the argument, not only while the present battle is in session before Congress, but in the years to come as well."

That was brought to the attention of Mr. Holman. Mr. Holman knew very little about it. The gentleman from Texas [Mr. POAGE] asked this question:

Now then, does the National Cooperative Milk Producers Federation, which is listed as one of the three agencies that are to receive contributions, according to the editorial in the Dairy Record, have any knowledge of this plan to collect 20 cents a thousand pounds of butterfat?

Mr. HOLMAN. Yes, we have some knowledge of the plan which has not yet been put into effect. I hope it will be.

Let us see how much money was contributed, if the plan was put into effect.

The gentleman from Texas [Mr. POAGE] asked:

How much would you estimate?

Mr. HOLMAN. I think that outside of the National Milk Producers Federation you would get about \$25,000. I am being realistic, Mr. POAGE.

Mr. POAGE. Of course, if you actually collected for this fund at the rate suggested it would bring in nearly a quarter of a million dollars. According to the Bureau of Agricultural Economics, there were 1,067,934,000 pounds of butterfat required in 1947 to produce the butter that was produced, and that, at 20 cents per thousand pounds, would total \$213,586.80, would it not?

That fund, of course, would be used for the purpose of influencing Members of this Congress in line with the program of the dairy lobby—the butter lobby, to continue the restrictions against the sale, use, or distribution of yellow margarine.

Let us see a little further. Mr. Holman is on the stand.

The gentleman from Texas [Mr. POAGE] is asking him about the expenditures that he has made as head of the organization in Washington, and the testimony is as follows:

Mr. HOLMAN. I have no book records with me. I can say this, that the congressional dinner was attended by about 200 of our friends in the Senate and the House, and the cost to us of the dinner was \$4.95 per plate.

I bring you this testimony to show that there are other types of organizations coming before the Members of this body, and before congressional committees that are not aligned with the oleomargarine industry—and they have a perfect right to do that. I do not condemn organizations for lobbying. They are simply doing what they were created to do.

Mr. Chairman, the consumers of America have been deprived of freedom of choice, one industry favored and another tied down to discriminatory laws passed many years ago. I hope that yellow margarine can be placed on the same basis as its competitor.

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time particularly to keep the record straight.

That is about the only thing that I want to do. Before I make any further remarks, I want to say I am leaving it in the hands of the gentlemen who have been in the House much longer than I have. I do not know that they need to be reminded about it, but I am going to remind them, to see that this bill and every amendment to it get a yea-and-nay vote, because I want these things to be a matter of record. I want that record kept straight, because I want to be able to know who does what.

Mr. Chairman, there has never been a depression in the United States except that it started on the farm. That is the only place we have ever had a depression start. I have a little statistical information which looked so unreliable that this morning I called the Department of Agriculture to check on it and find out if it could be true. The statisticians in the Department of Agriculture assured me that the 25 percent of American farmers who were in the lower bracket—that is, from zero to 25 percent, the lower one-fourth—with an average of 4.12 people in each family, had an annual net income in 1946 of less than \$400. You want to remember that. If you think I have made a misstatement, call the Department of Agriculture and check it. If I am wrong, I will get up here and admit it and apologize.

He further told me that the next 25 percent of American farmers had an average income per family in 1946 of less than a thousand dollars. A great many of these folks are dairy farmers. They cannot buy a full-page ad in the Country Gentleman. It cannot be done. Their income does not justify it.

I want to remind the gentleman from Texas [Mr. POAGE] that that is one of the reasons why the dairy farmer has been retreating and retreating and retreating. Today the American dairy farmer is standing on the bank of a precipice. There is no further retreat. But I am going to retreat, and I am one of them. I am going to sell my dairy herd for whatever it will bring. They are pure-bred Holsteins. I am going into the beef-cattle business. If somebody wants milk let them beat up a little oleo in a cup of water and drink it. It will suit me.

I do not like this Granger bill a bit, but I am accepting it as the least of two evils. The Poage bill and the Rivers bill remind me of the story of the two tramps and the dog. The dog was just inside the gate and he was growling and wagging his tail. One tramp said to the other: "Go on in. Don't you see the dog is wagging his tail?" Bill said, "But he growls and shows his teeth. One end of that dog isn't telling the truth."

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. No. I have only 5 minutes. You will have the floor plenty soon.

Now, the gentleman from Texas said he wanted everybody to know exactly what he bought; whether he bought butter or oleo. If oleo was not so intent on stealing the yellow color, it would not have to be policed. If oleo was any color except yellow, you would know that when you got yellow spread you were getting

butter, and when you got a spread of any other color you would be getting oleo. But the oleo people, with the aid of certain folks in this House, are bent upon and determined to perpetuate a fraud on the American people. They speak for that privilege and they will probably vote for it. But I want the RECORD clear. I want to know who perpetuates that fraud.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CHRISTOPHER] has expired.

Mr. TALLE. Mr. Chairman, I move to strike out the required number of words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TALLE. Mr. Chairman, Iowa, the State I represent, is one of the largest butter-producing States in the Union; a State that during World War II furnished 10 percent of the Nation's food. I was born and reared on a dairy farm. I have done all of the kinds of work that are done on a dairy, livestock, poultry, and grain farm in the upper Mississippi Valley.

I trust, Mr. Chairman, that the membership of this House will think twice before dealing a crushing blow to the dairy industry, because sometimes careless blows go farther than the first target. I am thinking of the words of the great political philosopher of the nineteenth century, Herbert Spencer, who said:

The theory on which he, the practical politician, proceeds is that the change caused by his measure will stop where he intends it to stop.

He contemplates intently the things his issue will achieve, but thinks little of the remoter issues of the movement his act sets up, and still less of the collateral issues.

Knocking out the dairy industry may be the bull's-eye objective of the "practical politicians," but the ultimate consequences of hasty action will not be overlooked by the thoughtful legislator. So, I refer to the preface of the book on economics by Alfred Marshall, a name I think all of you know, for he was a distinguished economist of the late nineteenth and the early twentieth centuries. He produced a book that is on the reference shelf of every college or university that makes any pretense of teaching sound economics. In the preface to his notable work he says, "If the economist reasons rapidly and with a light heart, he is apt to make mistakes at every turn of his work." I wonder if it may not be true that there has been too much rapid reasoning in Government affairs during the past 15 years; and I wonder, too, if the light-hearted atmosphere surrounding those who have made the decisions has not been more merry than it would have been if the ultimate consequences had been contemplated in advance.

I say to you that I am not interested in the window dressing of this dispute. I am not interested in the surface arguments. I want to dig deeper than the first layer. This is a struggle between big business, on the one hand, and small enterprise, on the other—and do not

forget the old adage that all power corrupts and absolute power corrupts absolutely.

Oleomargarine is a mass-production, assembly-line product, controlled by some 20 companies with 65 percent of the total production concentrated in five gigantic industrial corporations. Butter, on the other hand, is produced individually and cooperatively by approximately two and one-half million farm families plus some 40,000 small dairy plants. Obviously the farmers and small creamery cooperatives cannot hope to produce butter at a figure anywhere near the production costs of a synthetic, assembly-line, mass-production substitute. Remember, once monopoly is firmly established, he who controls the supply fixes the price. That price will be the figure which yields the highest net profit to the monopolist.

In the past century we have developed here in the United States a well-balanced agriculture in which dairying, livestock and poultry raising, and crop farming are closely interrelated. If this balance is upset, our entire economy will unquestionably be shaken. Let us then examine the agricultural structure. The millions of dairy farmers and thousands of small creameries, to which I referred a moment ago, are admittedly the dominant food-producing group in American agriculture. More than one-quarter of all the milk produced by the dairy farmers is churned into butter. Butter, then, is the balance wheel of the dairy industry, and it follows logically, I contend, that sacrificing butter production to the oleomargarine industrialists will upset the balance of our agricultural structure with a resulting adverse effect upon the Nation's economy.

Mr. Chairman, in the current session I have introduced a bill similar to H. R. 2023; I want to say, however, that in my opinion the provisions of this legislation do not go far enough. Instead of merely prohibiting the movement of butter-colored oleomargarine in interstate commerce, we should prohibit the manufacture and sale of butter-colored imitations. Mr. Chairman, in support of my views, permit me to cite the recommendations adopted by the board of directors of the Iowa Creameries Association a few days ago:

We urge you to put forth every effort to secure passage of H. R. 2023, recommended by the Agriculture Committee of the House. In making this request to you, we wish to add this explanation:

We believe H. R. 2023 should be changed so as to not restrict its scope to interstate commerce only. The elimination of taxes and licenses which were established as control devices on oleomargarine manufacturers and protective measures for the consumers were, as we understand the bill, incorporated in the original H. R. 2023. The oleo group at the start used the tax and license requirements as a basis for their propaganda and advertising. Now instead it is the right to color.

We feel the defeat of H. R. 2023 would not be to the best interest of our national welfare and certainly not for the best interests of agriculture or the consumers. We believe the passage of any legislation that permits the unrestricted manufacture and sale of products, made, processed, and packaged so as to imitate in every possible way other

established products, will break down the moral fiber of our people, undermine fair trade practices and weaken our confidence in democratic government.

We not only urge your support to H. R. 2023, but your personal efforts to enlighten other Members of the House to see the serious impact the defeat of this bill will have on our entire economy.

Mr. Chairman, the issue is clear. It is the big business oleo industrialist as against the small business dairy farmer. I choose to cast my lot with him who has always been a staunch supporter of free enterprise—the American dairy farmer.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. LEMKE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the dairy industry does not object to free competition, but it does object to deception.

Mr. Chairman, there are three classes of people who want oleo colored yellow. First, there is the housewife who is ashamed of what she is doing when she buys oleo and she wishes to deceive herself and her family by coloring it yellow—by imitating butter.

There is nothing new in this self-deception. We even deceive ourselves to the extent that we think we can lengthen or shorten the day by turning the clock backward or forward. Self-deception is as old as man; but my advice to these people is, if they are ashamed of what they are eating, not to eat it. Stick with the cow and let oleo alone. The cow has been your best friend—the best friend of your children and your family. "Don't cut off your nose to spite your face."

If you like oleo, you need not be ashamed of its color. White is supposed to be the sign of purity. You are not ashamed of eating white potatoes. You are not ashamed of eating white ice cream. You are not ashamed of eating angel-food cake. Why so finicky about the margarine? Are you afraid that there may be pink boll weevils in it? Just why do you wish to steal the trademark of butter for a few oleo manufacturers?

Then there is the second class—the hotels, restaurants, and some of the grocers. These wish to deceive their guests and their patrons for a profit. This deception is a fraud upon the guests as well as upon the dairy business.

Last, but not least, come the oleo manufacturers. They wish to imitate butter for a fraudulent profit. They wish to steal the trademark of butter, which since time immemorial has been yellow. It is true of different shades of yellow, the same as oleo also has different shades and colors, but not yellow. In its natural form it is pink or brown—perhaps pink from the pink boll weevil.

These people are asking the Congress of the United States to assist them in this theft. Surely this Congress will not knowingly assist the oleo manufacturers in perpetrating a fraud upon the public as well as upon the dairy industry. The Granger bill will prohibit the imitation for the sole purpose of deception, fraud, and a profit.

There are no two ways about this.

Surely my southern friends, whom we of the Middle West have continually assisted and aided in their cotton crisis, do not now wish to pay us back by assisting the oleo people to perpetrate this fraud upon the dairy industry.

I repeat, "Do not cut off your nose to spite your face." If you permit the oleo manufacturers, who have gotten together to monopolize the oleo industry, to succeed in crushing the dairy industry, then the price of oleo will go up and you will soon be paying as much for oleo as you will for butter. You will kill the dairy industry and with it will go veal. You then, in buying roast veal and veal chops, will pay the penalty in higher prices, and you will also pay higher prices for beef.

I am reliably informed that the dairy industry produces 40 percent of the beef consumed in the United States. With the price of beef going up, the price of fluid milk will go up. There will be no fluid milk for the babies or for the children.

You may say that you will get synthetic milk, but that will not be the kind that has produced the healthy children of the past. If we are not careful, the babies may even become synthetic.

In my State 60 percent of the milk is churned into butter. We have no large cities. We are now the ninth State in the Union in dairy production. If we permit oleo to be colored yellow, then the vast majority of the dairy people of my State will have to go out of business, and do not forget that you will pay the penalty in higher prices for fluid milk, veal, and beef, and your babies will have to be fed on synthetic milk.

It is unthinkable that this Congress will become a party to the perpetration of a fraud—will knowingly permit the oleo industry—yes, the millions they have spent to create an erroneous sentiment—to perpetrate a fraud upon the public and the dairy industry, to steal the trademark of butter. Surely we have not forgotten the commandment, "Thou shalt not steal."

We have no objection if oleo does not like its white dress and wishes to put on a pink or even red garment, but we must not permit a deception and fraud that will in the end be paid for in dollars and cents many times over by the consumer of dairy products such as butter, veal, beef; yes, and even pork and poultry and eggs because skim milk is used in producing these products.

Mr. COOLEY. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, there are two things that I would like to call to the attention of the Committee. The first is that the Poage substitute which has been introduced contains an additional provision which does not appear in the original Poage bill. This provision reads:

This act shall not abrogate or nullify any statute of any State or Territory now in effect or which may hereafter be enacted.

I think that language is perfectly clear and there can be no question about the fact that the Poage bill will not in any way affect laws enacted in the several States.

Much has been said during this debate about the precarious condition that the dairy industry is in. On yesterday the gentleman from Iowa [Mr. HOEVEN] made this statement on the floor of the House:

I am very much concerned about the present decline in our cow population. It has declined 2,731,000 head since 1945, only a period of 4 years.

Now I call your attention to the fact that the decline occurred during the time that the oleo tax was in effect, so certainly nothing pertaining to oleo had anything on earth to do with the present situation in which the dairy industry finds itself today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman saw the chart that I showed here earlier in the day which shows that as the oleo consumption went up, the butter consumption went down, and when butter consumption went down it necessitated the selling off of a large number of milk cows. Therefore, the dairy farmers have been injured.

Mr. COOLEY. I do not agree with the gentleman's conclusion. I think every man and woman in this House knows what happened to the dairy herds, and I think the dairymen in this House know that the dairymen sold off their herds and culled out their herds at a time when they could sell them at a high profit, when beefsteak was selling at an all-time high.

One other thing. The gentleman said a moment ago that we should not act hastily about this. The fact is this controversy has been going on since 1886, when Grover Cleveland signed the tax bill which from that day has been considered as punitive and discriminatory, and in signing the tax bill Grover Cleveland said this:

If the existence of the commodity taxed, and the profits of its manufacture and sale, depend upon disposing of it to the people for something else which it deceptively imitates, the entire enterprise is a fraud and not an industry; and if it cannot endure the exhibition of its real character which will be effected by the inspection, supervision, and stamping which this bill directs, the sooner it is destroyed the better, in the interest of fair dealing.

For 63 years oleo has endured the cruel exhibition of its real character, and I submit that it is no longer considered a fraud but rather a legitimate industry.

With regard to these Members who ran for Congress on the Democratic platform, I merely want to say again that to stand here in the well of the House and say, "I will vote for the Granger bill because it repeals the tax and redeems the promise of my party's platform," is not quite enough, because in voting for the Granger bill you know you are doing something more than merely repealing the tax, you are outlawing the object upon which the tax has heretofore been levied. I say again, that is a feeble effort to redeem a platform pledge. Vote that way and go back and meet your peo-

ple and say, "Yes, I repealed the tax, but I fooled you, I outlawed the thing the tax was levied on."

Let me show you how ridiculous this Granger bill is: It is a mongrel and a monstrosity. Its original authors have abandoned their original purpose. Now the bill comes before us and it provides in effect that if a baker down in Richmond, Va., bakes a loaf of bread and uses yellow oleo, and then delivers that bread to the Pullman Co. at the railroad station, everybody connected with that transaction is violating the criminal law of this great Republic.

Mr. Chairman, this language is found in section 2 of the Granger bill:

The manufacture, transportation, handling, possession, sale, use, or serving of yellow oleomargarine in commerce, or after shipment in commerce, or in connection with the production of goods for commerce, or which affects, obstructs, or burdens commerce, or the free flow of goods in commerce is hereby declared unlawful.

So if yellow oleomargarine is used in the manufacture of bread, cakes, puddings, or pies, and such foods go into commerce, and they certainly would go into commerce if they were delivered by a baker to the steward on a pullman car moving in interstate commerce, then all connected with that transaction would become criminals and subject to the pains and penalties of the law.

Mr. Chairman, I call attention to a letter dated February 28, 1949, which I received from Mr. J. Donald Kingsley, acting administrator, Federal Security Agency, in which H. R. 3, H. R. 2023, and H. R. 1703 are discussed:

FEDERAL SECURITY AGENCY,
Washington, February 28, 1949.

Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,

Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 5, 1949, addressed to the Commissioner of Foods and Drugs, for a report on H. R. 3, a bill to repeal the tax on oleomargarine, to amend the Federal Food, Drug, and Cosmetic Act so as to complete the requirements for the positive identification of yellow oleomargarine, and for other purposes, and H. R. 1703 and 2023, identical bills, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes.

Both proposals would repeal the tax on oleomargarine. H. R. 3 would also amend the Federal Food, Drug, and Cosmetic Act to provide control of colored oleomargarine whether it originates from an interstate source or from the State in which it is sold, and sets up special provisions regulating its possession in public eating places and its serving in such places. H. R. 1703 and 2023 would prohibit traffic in yellow oleomargarine in both interstate and intrastate commerce and would forbid its use or serving except in private homes; violations would be subject to the sanctions contained in the Federal Food, Drug, and Cosmetic Act.

Because of its similarity to butter, colored oleomargarine can be easily substituted for butter. Considerable incentive for such substitution is afforded by the usual price differential. However, "colored oleomargarine has become established as a legitimate food when it is served for what it is." It is apparent that if the tax laws are repealed some effective regulatory mechanism should be set up, whether traffic in colored oleomargarine

is regulated or prohibited. If a Federal mechanism is set up, the Food and Drug Administration of this Agency is the organization best equipped, through facilities and experience, to undertake the job.

OPA records indicate that when sugar rationing was discontinued there were about 525,000 public eating places in the country. The effective policing of all these places obviously presents a formidable task.

There would not appear to be much difference between the cost of enforcement of the proposed measures. Under H. R. 1703 and 2023, uncolored oleomargarine would be available for purchase and use in private homes. From supplies available for such use, it might be purchased and colored by public eating places.

It is estimated that if one inspection is made each year of each of the public eating places, an annual appropriation of approximately \$5,000,000 will be needed (the first year's cost would be about \$1,000,000 greater because of the purchase of necessary equipment). The total personnel needed would be approximately 950.

If it is decided that one inspection of each eating place every 2 years or every 3 years would be adequate, or that it would be desirable to inspect each establishment two or three times a year, the cost would be approximately proportional to the above estimate.

It should be noted in considering the appropriation for enforcement of the amendment that the budget now before the Congress calls for an appropriation to the Food and Drug Administration of \$4,985,000 for law enforcement and provides for a total personnel of 984. This appropriation covers all foods (except that a separate appropriation is made for enforcement of the Meat Inspection Act by the Department of Agriculture), all drugs, all therapeutic devices, and all cosmetics, and will enable attention to 10 to 15 percent of the establishments involved in these industries. Many of these regulatory problems are highly important to the public health. In fact, the great bulk of the appropriation is expended on dangerously potent drugs and on foods which are contaminated by poisonous substances or with filth. The substitution of oleomargarine for butter has no demonstrable public-health aspect, although it is a serious economic cheat.

A few comments seem in order on the text of the bills. In H. R. 3, page 2, lines 2 and 16, the words "possession or" should be inserted before "serving" to accord with the text on page 3, lines 3 and 12. In H. R. 3, page 3, line 3, the following language occurs: "No person shall possess in a form ready for serving colored oleomargarine or colored margarine at a public eating place unless a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place."

The first underscored phrase would raise doubt as to whether the particular forms in which colored oleomargarine is found in an eating place are forms ready for serving. We know of no reason why a public eating place should possess colored oleomargarine except for serving. If it is used for general cooking purposes, the uncolored product would satisfy all needs. The second underscored phrase would raise the question as to whether the clientele of the particular eating place would have to be thoroughly investigated in order to determine whether the ordinary individual in that clientele would be likely to read and understand the displayed notice. We suggest the deletion of both the underscored phrases.

At line 14, on the same page, occurs the phrase "unless each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine." The term "labeling" is defined by section 201 (m) of

the Federal Food, Drug, and Cosmetic Act to mean "all labels and other written, printed, or graphic matter (1) upon any article * * * or (2) accompanying such article." Court decisions have held that the word "accompanying" is to be given a broad interpretation and includes related written, printed, and graphic matter not attached to or immediately adjacent to the article. (See *Kordell v. U. S.*, 69 Sup. Ct. 106 (1948).) We believe the meaning of the quoted phrase could be clarified by changing it to read: "Unless labeling of each separate serving identifies it as oleomargarine or margarine." It will be noted that section 403 (f) of the Food, Drug, and Cosmetic Act defines a food as misbranded "If any word, statement, or other information required by, or under authority of this act to appear on the * * * labeling is not prominently placed thereon with such conspicuously * * * as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use." This would require, we believe, that each individual serving be associated with a written, printed, or graphic statement so presented that the consumer would be likely to read it.

H. R. 1703, page 4, line 24, provides that "Any person, firm, or corporation violating any of the provisions of this act * * * and any officer, agent, or employee thereof who directs or knowingly permits such violations, or who aids or assists therein, shall upon conviction be subject to punishment. We question whether the underscored language is necessary in view of the provisions of section 2 of title 18 of the Criminal Code. (Also see *U. S. v. Joseph H. Dotterweich*, 320 U. S. 277, 64 Sup. Ct. 134 (1943).)

Time has not permitted us to obtain advice from the Bureau of the Budget as to the relationship of these bills to the program of the President.

Sincerely yours,
J. DONALD KINGSLY,
Acting Administrator.

I call attention to another letter dated March 18, 1949, written to me by Dr. P. B. Dunbar, Commissioner of Food and Drugs:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., March 18, 1949.

DEAR MR. CHAIRMAN: This is in response to your telephonic request for our views on the obligation that the enactment of H. R. 2023 will place upon the Food and Drug Administration the cost of enforcement of the bill, and the relationship of this legislation to the President's program.

It is our view that the bill would require surveillance over oleomargarine traffic in both interstate and intrastate commerce and the institution of legal action against traffic in yellow oleomargarine from interstate sources, including its service in restaurants, and against yellow oleomargarine from intrastate sources where the facts reveal that the intrastate traffic "affects, obstructs, or burdens commerce or the free flow" of butter from interstate sources.

These conclusions are reached from the definition of commerce in section 2 (c) as including not only interstate traffic but the "possession, transportation, serving, or sale * * * of articles within a State after shipment in interstate or foreign commerce," and from prohibited acts in section 3 of manufacturing, transporting, handling, sale, use, or serving of yellow oleomargarine not only in commerce as defined in section 2 (c) but also where any such act in intrastate commerce "affects, obstructs, or burdens commerce or the free flow of goods in commerce." The use of the word "serving" in both the definition of commerce and in that of prohibited acts clearly indicates that enforcement operations are expected in restaurants and other eating places.

We have been told that the proviso of section 2 (c) that "oleomargarine or yellow oleomargarine within the borders of a State shall be subject to the laws and regulations of such State or Territory" would exclude the operation of this bill in States and Territories which permit the sale of yellow oleomargarine. We do not believe this language is likely to be so construed. A more normal interpretation is that this bill is not intended to oust the States from jurisdiction to exercise concurrent control that harmonizes with the Federal policy. It would be most unfortunate if the bill should be taken to oust all Federal controls, including the protection afforded by the Federal Food, Drug, and Cosmetic Act, once the oleomargarine arrived in the State of sale.

In the letter of the Acting Federal Administrator, addressed to you under date of February 28, it was estimated that the cost of the enforcement of H. R. 3 or 2023, including one inspection each year of each public eating place, would require an annual appropriation of approximately \$5,000,000, although the first year's cost would be about \$6,000,000 because of the purchase of necessary equipment. This would provide a total personnel of approximately 950. It was stated that if the Congress decided that one inspection of each eating place every 2 years or every 3 years would be adequate, or that it would be desirable to inspect each establishment two or three times a year, the cost would be approximately proportional to the above estimate.

It was further pointed out that the appropriation to the Food and Drug Administration in the budget then being considered by the House was \$4,985,000 and was intended to cover all foods except meat and meat-food products, all drugs, all therapeutic devices, and all cosmetics, and would enable attention to 10 to 15 percent of the establishments involved in these industries. Many of these regulatory problems are highly important to the public health.

In the letter of March 10, 1949, addressed to the Federal Security Administrator by the Bureau of the Budget, the following statement occurs:

"The enactment of section 3 of H. R. 1703 (or of the identical bill, H. R. 2023) prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine except the use of yellow oleomargarine in private homes would virtually nullify the effect of repealing the tax on oleomargarine. Consequently, these prohibitions are not in accord with the program of the President."

I understand that a copy of this letter is being referred to you by the Administrator.

If I can be of any further service, please do not hesitate to let me know.

Sincerely yours,
P. B. DUNBAR,
Commissioner of Food and Drugs.

On March 23, 1949, I received another letter from Mr. J. Donald Kingsley, enclosing a letter dated March 10, 1949, addressed to Hon. Oscar R. Ewing, Administrator, Federal Security Agency, and signed by Mr. Roger W. Jones, Assistant Director, Legislative Reference, of the Bureau of the Budget.

FEDERAL SECURITY AGENCY,
March 23, 1949.
Hon. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: This Agency's letter to you of February 28, 1949, reporting on H. R. 3, 1703, and 2023, stated that time had not permitted us to obtain advice from the Bureau of the Budget as to the relationship of these bills to the program of the President.

We now have a letter from the Bureau of the Budget stating that the provisions of sec-

tion 3 of H. R. 3 and section 3 of H. R. 1703 (H. R. 2023) are not in accord with the program of the President. A copy of the letter is enclosed.

Sincerely yours,

J. DONALD KINGSLEY,
Acting Administrator.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 10, 1949.
Hon. OSCAR R. EWING,
Administrator, Federal Security Agency,
Washington, D. C.

MY DEAR MR. EWING: This will acknowledge your letter of February 18, 1949, transmitting copies of the report which the Agency proposes to present to the chairman of the House Committee on Agriculture upon H. R. 1703 and H. R. 2023, to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, and upon H. R. 3, to repeal the tax on oleomargarine, to amend the Federal Food, Drug, and Cosmetic Act so as to complete the requirements for the positive identification of yellow oleomargarine, and for other purposes.

You are advised that the accomplishment of the repeal of the taxes imposed upon oleomargarine would be in accord with the program of the President.

The enactment of the provisions of section 3 of H. R. 3, dealing with the sale or use of colored oleomargarine and proposing to amend the Federal Food, Drug, and Cosmetic Act, as amended, would not, in view of the potential costs of enforcement which would be involved in the event of their adoption, the adequacy of the present provisions of the Federal Food, Drug, and Cosmetic Act, as a means of regulating and controlling the shipment in commerce of oleomargarine, and the special and discriminatory treatment which these provisions would impose upon this article of food, be regarded as in accord with the program of the President.

The enactment of section 3 of H. R. 1703 (or of the identical bill H. R. 2023) prohibiting the manufacture, transportation, possession, sale, use, or serving of yellow oleomargarine except the use of yellow oleomargarine in private homes would virtually nullify the effect of repealing the tax on oleomargarine. Consequently, these prohibitions are not in accord with the program of the President.

Very truly yours,

ROGER W. JONES,
Assistant Director,
Legislative Reference.

On March 24, 1949, Dr. Dunbar, Commissioner of Food and Drugs, wrote the following letter to the gentleman from Utah, Hon. WALTER K. GRANGER, the author of H. R. 2023:

FEDERAL SECURITY AGENCY,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., March 24, 1949.
Hon. WALTER K. GRANGER,
House of Representatives,
Washington, D. C.

DEAR MR. GRANGER: Mr. Parker has asked that we advise you of the probable cost of enforcement of H. R. 2023 if the scope of enforcement is consistent with the intent expressed in Report No. 277.

My letter of March 18 to Chairman COOLEY gave our understanding of the obligation which H. R. 2023 would place on the Food and Drug Administration. From Report No. 277 it appears that it was the committee's intention "to limit the regulation authorized under this act to yellow margarine in interstate commerce." Frankly it does not seem to us that the text of the bill effects such a limitation. I confess that because of this apparent difference between the language of the bill and of Report No. 277 we are somewhat confused as to just what our obliga-

tions will be. It seems clear, however, that additional administrative and inspectional burdens will be placed on the Food and Drug Administration.

Report No. 277 indicates that enforcement operations under this bill will not be expected in those States which legalize the sale of yellow oleomargarine despite the provision in section 2 prohibiting not only interstate traffic in yellow oleomargarine but also any traffic which "affects, obstructs, or burdens commerce or the free flow of goods in commerce."

However, while the report is not specific on this point, we assume that enforcement operations under the bill, including measures to prohibit the serving of yellow oleomargarine in public eating places, would be expected in those States which do not permit the sale of yellow oleomargarine.

We understand that 20 States, including the 5 most populous, do not legalize the sale of yellow oleomargarine, and that these 20 States contain something more than half the total population of the country. Upon this basis the cost of enforcement at the retail level would be approximately half that which we estimated in our letter of March 18 to Chairman COOLEY.

We have no way of estimating the increase in manufacturing plants, especially coloring plants, that would be established upon the passage of this bill. It is quite probable, however, that there will be a very substantial number of new manufacturers. If one inspection each year is expected in eating establishments in States not permitting yellow oleomargarine and coverage under the Federal Food, Drug, and Cosmetic Act is given the new plants, we estimate that approximately \$3,000,000 would be required.

I trust this furnishes the information you desire.

Sincerely yours,
P. B. DUNBAR,
Commissioner of Food and Drugs.

Mr. CHAIRMAN, I realize, of course, that the dairy industry constitutes a very important segment of the agricultural economy of our country. It is in fact vital and essential to the health and well-being of America. No other industry can or will take its place. If I thought for one moment that the enactment of the Poage bill or a repeal of the tax now imposed on oleomargarine would destroy or unduly burden the dairy industry of this country, I would vote against the Poage bill or any other bill which would bring about such distressing results. I am just as interested in the welfare of the dairy farmers of this Nation as I am in the welfare of the producers of any other agricultural commodity. I do, however, believe that the present tax is unjustified. Apparently everyone now agrees that the tax should be repealed and everything indicates that the tax will be repealed at the present session of Congress. Because of the anxiety of those engaged in the dairy industry, I am anxious to provide every practical safeguard against every possible fraud in the sale of oleomargarine. I do not want frauds perpetrated upon the consumers of this country. I do not want the dairy industry subject to unfair, unreasonable, or unlawful competition. I shall, therefore, vote for the Poage bill, because I honestly and sincerely believe that it affords every conceivable protection for the public and for the dairy industry. It will be expensive to administer to be sure, but the expense involved may be thoroughly justified if the apprehensions of the dairy industry

are warranted and well-founded, and I am perfectly willing to provide for the appropriation of a sufficient amount of money to enforce the provisions of the Poage bill. By the passage of the Poage bill, the public will have the protection of the Food and Drug Administration. On the other hand, if the Granger bill is enacted, and its provisions are applicable only to interstate commerce, the Food and Drug Administration will not be in a position to protect the public from fraud nor even to keep oleo pure. I believe that the dairy industry should approve the provisions of the Poage bill and be delighted with the protection that it provides.

I am unwilling to outlaw yellow oleomargarine, which has been sold and consumed for so many years and which is healthful and wholesome, and therefore deprive the people of America of the privilege of buying a food commodity which they very much desire. I am unwilling to make it a crime punishable by fine and imprisonment to transport yellow oleomargarine across State lines. To do so would be an abuse by Congress of the interstate-commerce clause of the Constitution.

I hope, Mr. Chairman, that this issue, yes, this ancient controversy, will be satisfactorily settled at the present session, and I hope that the Poage bill may finally be enacted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. O'HARA of Minnesota. Reserving the right to object, Mr. Chairman—

Mr. MURRAY of Wisconsin. No; let him have it.

Mr. COOLEY. In view of the fact, Mr. Chairman, that there seems to be some objection, I withdraw my request, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. COOLEY. I object, Mr. Chairman.

Mr. MURRAY of Wisconsin. Mr. Chairman, I did not object when the distinguished gentleman from North Carolina asked for additional time. I regret very much that he does not want me to have a few minutes. I do not think he realizes that I come from a State that produces over one-eighth of the milk in the United States, a State that went out during the war and added 3,000,000,000 pounds to its production—which is more than many States produce—to what it produced before the war.

If I came from a State such as my distinguished colleague from North Carolina or some of my other southern friends come from, where we have the Smoot-Hawley Tariff Act still in effect on our tobacco, or had it frozen in the rates as you do on rice, or had the Smoot-Hawley rate on peanuts, and not only were not satisfied with that but turned around and placed an embargo on cotton coming into this country, I probably would not be so disturbed.

The fact that we have lost between two and three million dairy cows the last 3 or 4 years is just one of the things that are taking place in the dairy world. This Administration has ruined the fur industry in this country, and the largest part of that is in the State of Wisconsin. They have gone to work and practically ruined the sheep industry in this country. Now they want to go ahead and ruin the rest of the livestock industry. So I say to my good friends on the right, everybody in this country knows that you have the votes here.

Last year I got myself rather disturbed. I did not want my party to do these unkind things to the dairy industry. I am not taking credit for it by any means, but I will just say to every man here that I did everything I could do to keep them from erring in their ways. So if you Democrats today want the responsibility of killing off the dairy industry in this country it is your responsibility and the baby is on your doorstep. You probably do not know what has happened in the dairy business. I think you would like to know what has happened to the dairy industry since election day. Surely you would like to know. I know what promises were made—I do not know whether there was a mandate or not. I did not ever intend to discuss this phase of it. Last year milk averaged \$4.84 throughout the whole United States. Do you know there are many places in the country today where milk is only bringing \$2.40? I should think you have done enough to the dairy industry, without coming here now to give it the final death blow and put it out of business. That is just exactly what you are going to do today. I regret very much that my committee would bring out such a bill. The gentleman from Texas [Mr. POAGEL] has another bill now where he wants to furnish telephones to people. He is going to be the great savior in connection with the telephone business. I say to the gentleman from Texas [Mr. POAGEL] here now that if you pass this bill you are going to take more telephones out of farm homes in the country than your telephone bill will ever put in farm homes in the next 25 years. This is a serious matter. The dairy people have been very generous in supporting the Andresen-Granger bill. They have bent over backward in order to do it. We are going to run out of money here some of these days. We cannot always keep King Cotton in the style in which he has become accustomed to being kept. There are between four and five million dollars to support agricultural products. Billions of dollars are being dissipated. I am willing to have it in bold type in the RECORD at this time that you will remember what I am saying to you here today.

Talk about propaganda—talk about the butter lobby.

I will yield to the gentleman from Kansas [Mr. HOPE] at this time, because I think he has something to tell us on this lobby business.

Mr. HOPE. I hold in my hand a telegram, addressed to the editor of the Concordia Kansan, a daily paper in Concordia, Kans. This telegram was dated March 24, at a time when the State legislature in Kansas had before it a bill to prohibit the manufacture and sale of colored oleo. The telegram reads as follows:

KANSAN,

Concordia, Kans.

(Attention, Editor.)

Communicating with you on behalf of our client who would be seriously affected if House bill 423, now in your State senate, would be passed. This bill would prohibit in Kansas the manufacture and sale of yellow margarine, which is now permitted in approximately 30 States. Passage of this bill would definitely be step backward when whole tendency throughout country is to remove discriminatory taxes and restrictions upon margarine, a most wholesome and needed food. Would appreciate your editorializing and doing what you can to prevent enactment of this most unjust legislation. Action on bill in senate will probably come up soon, so that anything you may do needs prompt attention. Such efforts on your part would be in best interests of the people of your State. Thanks.

CLARENCE B. GOSHORN,
President, Benton & Bowles, Inc.

Now, this telegram is not signed by a manufacturer of oleo, or by a producer of vegetable oils, or anyone who might have a direct interest in the matter. It is signed by Clarence B. Goshorn, president of Benton & Bowles, Inc., one of the great advertising agencies in the country.

Mr. MURRAY of Wisconsin. With Chester Bowles, Lever Bros., and Sidney Luckman in the picture, and millions of dollars, who can be too surprised as to what will happen?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOLEY. Mr. Chairman, I move that all debate on the substitute and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is that the substitute proposed for the amendment offered by the gentleman from Texas [Mr. POAGEL]? Is the gentleman's motion limited to the Rivers amendment?

Mr. COOLEY. The Poage bill was offered as a substitute, and the Rivers bill was offered as an amendment to the substitute.

The CHAIRMAN. Is the gentleman's motion limited to the Rivers bill?

Mr. COOLEY. To the Poage bill and the Rivers bill and all amendments thereto.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I understand the gentleman from North Carolina [Mr. COOLEY] is now proposing to cut off all debate on the Rivers substitute and the original Poage amendment, in 30 minutes?

Mr. COOLEY. That is exactly right.

The CHAIRMAN. And all amendments thereto. That is the motion, as the Chair understands it.

The question is on the motion of the gentleman from North Carolina [Mr. COOLEY] that all debate on the amendment offered by the gentleman from Texas [Mr. POAGEL] and the substitute for that amendment offered by the gentleman from South Carolina [Mr. RIVERS] and all amendments thereto be limited to 30 minutes.

The question was taken; and the Chair being in doubt the Committee divided, and there were—ayes 135, noes 78.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. COOLEY and Mr. AUGUST H. ANDRESEN to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 132, noes 78.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, I have been trying to get recognition since yesterday in order to speak upon the pending bill. I am proud to represent one of the heavy dairy districts in this country. There is no finer group of people, there is no group of people who work harder 365 days of the year than do the dairymen of this country, and I make that statement to apply to other dairy districts in the United States besides Minnesota.

Mr. Chairman, if it is desired to kill off the dairy industry, there are two ways to do it. You can do it by adopting the Rivers amendment. That is the electric-chair method. That will be quick and short. The Poage amendment is the lethal-gas-chamber method. They will let in a little deadly gas at a time until finally the dairy industry is dead. Now, there is no question about that.

On the other hand, if you want to do decently by the great dairy farmers in this country and the great dairy industry, vote for the Granger bill. Now, do not misunderstand me. As a Member of Congress I have supported the cotton people of the South, I have supported the tobacco people of Kentucky and the South. As the gentleman from Georgia so well said, it is tragic that the great agricultural groups are fighting among themselves. It is tragic that this is happening because you are going to need one another at some time or other in the near future. It is tragic also what these amendments will do to the great dairy industry and to the economy of the country and to the health of the people of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I am sorry that this legislation is being considered as a party issue, for surely, politics has no part in this discussion at the present time. I do not think there is anyone in this Chamber today who believes that a dairy lobby does not in fact exist. At this time the legislation is being clouded by representations made by the butter lobby.

I feel sorry for the dairy farmers of this country, and I have the greatest sympathy for them. In my opinion, they have been misled in this fight. In my State and in every other State and in every large city of the Nation we have seen the existence of a monopoly which has taken advantage of the dairy farmer and has fixed a price on his product which has robbed the dairy farmers. Today this lobby is trying to use sympathy for the dairy farmer to continue this unfair discrimination which has existed for years. I say that the dairy interests have robbed the people of this country by continually diluting and robbing the whole milk of its butterfat content. I say that these people who talk about the shortage of milk for our children have failed to realize that those very interests are the ones who have taken the food value from your milk and in their greedy and ambitious effort they have robbed the very children they are endeavoring to speak for today.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

OLEO VERSUS BUTTER

Mr. MILLER of Nebraska. Mr. Chairman, when I read in the morning papers the headline "Oleo wins," I was glad I was one who voted against the rule which puts this bill before us.

I believe the dairy industry has gone rather far, and has been leaning backward, and made some concessions which it may regret. I say that because of the teller vote that has just been recorded. If the dairy interests could have seen who went through the line they would know that 90 percent were from the Democratic side who are going to favor oleo against butter. That vote was convincing. They are the ones that are about to put a dagger into the heart of the dairy industry.

My colleagues, there are 2,500,000 dairy farmers and they give employment to nearly 10,000,000 people. There are 28 great concerns interested in the manufacture of oleo. Now you folks who profess to represent the little fellow ought to hesitate when you line up the 28 manufacturers of oleo against 10,000,000 people engaged in the dairy industry. You demonstrated the action you will take on the final passage of this bill. You will be in Mr. Oleo's corner. It is my judgment that if taxes are taken off as you propose and place the product on the same basis as butter, it will about destroy our great basic dairy industry.

The American dairy farmer sold about \$4,000,000,000 worth of dairy products in 1947. As the use of butter declines, the use of oleo goes up. The record shows that in 1938 the per capita use of butter was 16.4 pounds, and that of oleo was 2.9 pounds. In 1943, butter 11.7 pounds, oleo 3.9 pounds. In 1948, butter 10.2 pounds and oleo 6.1 pounds.

Dairy farms promote soil fertility, soil conservation and the restoration of our worn-out soil. This is basic if we expect to continue full production from our soil. All of the products going into the manufacture of oleo are soil-depleting crops.

Your action on the recent teller vote indicates that 90 percent going through

the tellers who were Democrats are not interested in the welfare of the 2.5 million dairy farmers. You are not interested in the fact that three out of every four farmers in the United States are in the dairy business either on a large or small scale. By their action they indicate they are for the oleo people who will make a bigger profit off of housewives of America.

In my judgment the South and you Democrats who are supporting the removal of the taxes on oleo and permitting it to be sold yellow, could best serve your own interests if you would work more on promoting the dairy industry. The South needs the dairy industry. They need to rebuild their soil.

We ought to protect the American people from fraud. The bill provides that where there is no tax, no color. If there is no color, then fraud is eliminated.

I know from personal experience that the farm industry breeds good citizenship. I can recall, as a boy, the good training I received being up early in the morning to milk the cows. It was a 365-day job each year. The cows were our bread and butter then. They are still the livelihood on many farms.

This Congress should not undermine the great dairy industry by permitting free competition, with a fraudulent product, to compete with the milk and other products on the farm.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTÉ].

Mr. LECOMPTÉ. Mr. Chairman, after waiting here a day and a half it appears I am entitled to a minute and a half to discuss an issue that is vital to the great State of Iowa where we rank No. 1 in the production of dairy products. Down through the war years, with 10 percent of the population in the armed services, Iowa produced 10 percent of the food of the United States. It would be trite to call attention to the fact that food was as important to the war effort as weapons. The Poage amendment, whatever else may be said about it, in the last analysis comes down to this point: The Poage bill is an effort to legalize the sale of colored oleomargarine as a butter substitute; in other words, to sell colored oleomargarine, however wholesome and pure and rich in vitamins it may or may not be, to the people disguised as butter. In other words, people appear to want oleomargarine when it has the appearance of butter, but do not want it in its natural color. Oleomargarine finally is nothing more or less than a butter substitute. It should be sold legally, but should not have the appearance of butter so that people are deceived in eating the substitute and think they are eating a pure product of the dairy farms. The dairy industry is vital to this country, and the dairymen are not asking very much. The dairy people have consented to the removal of all taxes, and all they ask is to be protected from a butter substitute that has the appearance of butter and is disguised as butter, but is not actually butter.

The dairymen whom I know do not favor the Poage bill and make no mistake about this: the farmer is no fool.

He knows his business and knows what he wants.

The Iowa legislature has consistently maintained its position against the sale of colored oleomargarine in the State of Iowa. This position has been maintained through the years and was recently reaffirmed by the present fifty-third general assembly now in session.

I regret that I have so little time to discuss so important an issue.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, in my district in Iowa I have thousands of members of organized labor and I have many thousands of farmers. There is no demand in my district on the part of organized labor for this kind of legislation. Labor would like to see taxes on oleomargarine repealed, but not at the expense of destroying the farmer market for dairy products, and that is what the Poage and Rivers amendments will eventually do, make no mistake about that.

The Granger bill, which we will vote upon if the Poage and Rivers amendments are defeated, provides for repeal of Federal license fees and taxes but retains at least some of the protection which dairy farmers sorely need. There is every demand on the part of the farmers of my district for the protection of the butter industry, and by that I mean to say for retention of the color yellow, exclusive to butter in retail sale.

Mr. Chairman, I hope these two amendments, the Poage and Rivers amendments, are defeated, and that the Granger bill will be passed.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I opposed the granting of a rule on the Granger bill for one reason. I am convinced that it is the intention of this administration and the present majority in this Congress to permit the Granger bill to reach the floor and then to amend it with either the Rivers or Poage bills which will completely remove the last remaining protection the dairy industry has against this vicious imitator—oleomargarine.

I sincerely hope that my fears prove groundless, and that the Democratic majority will not permit such thoughtless action to jeopardize the basic welfare of our most important soil-conserving agricultural industry—dairying. We are faced with the cold facts, however, that not one voice in the administration has been raised on behalf of the dairy farmer in this fight for his very life, and that the Democrats are in complete control of the Congress.

For obvious reasons, I will oppose the Rivers amendment, removing all restrictions on the sale of oleomargarine, and the Poage amendment offering protection against fraud on paper only. The adoption of either of these amendments will be disastrous to the dairying industry. I will support the Granger bill, and vote for it if it is not weakened by crippling amendments, as a fair compromise on the part of the dairying industry to the problem before us.

I would like to discuss the various aspects of that problem at this time. First, let us consider the nature of the two products involved—butter and oleomargarine.

Butter is a natural product; it has been made for hundreds of years. It is made by churning the cream that has been separated from milk. Thus, its basic ingredient is milk, which is produced by the dairy cow. Its traditional color is yellow—various shades of yellow to be sure, but a yellow that is derived from the natural color of the butterfat—which constitutes 80 percent of a given amount of butter. The rest is composed of other natural products of the cow; skim milk, which breaks down into water and curd, plus about 2 percent salt.

Oleomargarine, on the other hand, is a synthetic product, that is, it is a frank imitation of natural butter. Its formula was imported from France in the 1870's and was based upon a simple trick. That trick was the substitution of a different kind of fat for the natural animal, or butterfat, produced by the dairy cow. That trick was important, because there are many kinds of fats that can be produced much cheaper than the butterfat produced naturally in the dairy cow. In order to produce butterfat, the cow must be raised, tended carefully, and fed high-price feed. The substitute fats, however, derived mostly from seeds, coconuts, and so forth, could be produced much cheaper, and of course, still can.

So the trick in producing oleomargarine is actually a simple one—substitute for the butterfat that the cow has laboriously and expensively produced, the vegetable fats which are cheap and fairly plentiful.

There is one important factor, though, that the oleomargarine manufacturers could not imitate and still get a product that resembled butter. That was skim milk. So remember this one important fact in discussions concerning oleomargarine and butter. Oleomargarine cannot be made without the dairy cow. It has to contain its 15 to 17 percent of skim milk.

Thus, using a base of skim milk, oleomargarine manufacturers have been able to produce a product that resembles butter very closely, except that it does not have butter's natural yellow color—a color which through the years has become closely associated with this dairy product.

Now that simply is the issue at stake on the floor of the House today. Shall the oleomargarine manufacturer be permitted to manufacture and sell a product which will almost exactly resemble in appearance the butter which it frankly imitates?

Now, it is true that yellow coloring is sometimes used in butter. It is used to give a uniformity of color throughout different seasons of the year when the degree of yellow in butter changes with the food being eaten by the cow. But there is no butter produced that is not yellow, there is only a difference in the amount of yellow in it from time to time. The coloring that is added to butter is added only for uniformity's sake, and most im-

portant, it is not added to give butter the appearance of something else.

Oleomargarine's natural color, however, ranges from a yellowish green to dark brown. Some people say that soybean oil and cottonseed oil, two of the principal ingredients of oleomargarine, are naturally golden yellow in color and that they actually have to be bleached in order to avoid the tax. A chemist for an oleomargarine manufacturer demonstrated last year, however, that these oils have to be transformed into a paste before they can be used in oleo. With actual samples, he then showed the true color of the paste derived from the different oils. Cottonseed turned into a white, while soybean oil turned into a pale green. So the only way you can make oleomargarine yellow is by coloring it. Natural oleo ends up in some shade other than yellow.

Therefore, the only reason that can possibly be advanced for allowing manufacturers to color oleo yellow, and I think everyone is in agreement on this, is that the product then more closely resembles the product it tries to imitate, natural butter.

The dairy farmer claims, and I agree with him, that the American consumer is entitled to protection against deception and fraud in the nature of substitutes. The dairy farmer knows that what causes injury to the consuming public also causes injury to the dairy farmer. As one of them has testified, "Lack of confidence on the part of the consumer in what is being bought throws a national doubt upon every pound of butter that is offered for sale in the stores and upon every pat of butter that is being served in hotels, restaurants, and boarding houses."

The dairy farmer knows that if all restrictions upon the sale of colored oleo are removed, there will be widespread deception in the sale of oleomargarine represented as butter. He knows that the removal of these restrictions will cause a serious falling off in the sale of butter, because the imitation of his product, except for its indefinable qualities, will have become complete. That is why he opposes the attempt to aid oleo in its deception so vigorously.

Now, if the sale of butter should fall off considerably with the removal of these taxes, as has been claimed, what effect would this have upon the consuming public? That leads us to a short discussion of the economics of the dairy industry.

If butter production is reduced, it can only mean a decrease in total milk production. The reason for this is that butter is the great stabilizing product of all dairy products. Some 42 pounds out of every 100 pounds of milk produced in America is made into butter. Without the availability of this market—a market in which milk can be preserved for a period of time—the farmer would have only one choice—to reduce his production of milk. This means cutting his herds and slaughtering his dairy cows.

In the face of an increased demand for whole milk and milk products such as ice cream—products which mean so

much to our children and to the health of our Nation—the reduction in the production of milk could mean only one thing: less milk, and higher prices for the milk that is produced.

So this factor must be weighed carefully in the balance of this argument. It should be considered very carefully by the housewife—who see only the apparent inequity of having to color her white margarine after she buys it. It should even be considered very carefully by the oleomargarine manufacturers, because with less milk, there will be less skim milk, and oleomargarine cannot possibly be made without this vital ingredient.

Those are some of the vital reasons why I am so strongly opposed to the Rivers and Poage amendments.

Supporters of those amendments are concerned with the free choice of the housewife. They fail to tell the housewife the true facts of the matter. They hold up the lure of oleo already colored in butter's golden hue.

Color adds nothing in the way of nutrition to the product; the only thing it adds is butter's universal trade-mark—a yellow hue. It is true that most everyone wants to serve oleo—after they buy it—in yellow form. It is true that adding yellow coloring to it by the old-fashioned way—in a mixing bowl—is a laborious process for the housewife. Modern packaging will eliminate this step eventually, but the housewife must weigh in the balance this inconvenience against the threat of greatly increased milk prices if the free sale of oleo is permitted. This inconvenience must also be considered in the light of the irreparable harm that might be done to our great dairy industry if it should lose a great portion of its butter market through fraud and deception.

The dairy industry typifies the American system and is of vital concern to the economy of Wisconsin. Milk is produced on some 160,000 Wisconsin farms. The total value of the two and one-half million cows milked in Wisconsin amounts to about \$475,000,000. In the three principal butter-producing States—Wisconsin, Minnesota, and Iowa—where 41 percent of the butter originates, over 80 percent of the butter is produced in cooperative creameries controlled by dairy farmers living and working on dairy-sized farms. The farmer gets about 62 percent of the consumer's butter dollar.

Contrast this with oleomargarine, where about 26 corporations control the bulk of oleo manufacture, and where the farmer gets about only 30 percent of the consumer's oleo dollar.

In the interest of a stable dairy industry, and that is certainly of great concern to the Wisconsin people, in the interest of a sound agriculture, and in the interest of the consumers, it appears only logical that the simple protections embodied in the Granger bill should be enacted into law.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, certainly the agricultural interests of the United States ought to stand together. It is my opinion that the entire movement for this legislation will work to the detriment of all agriculture and all consumers. Therefore, on yesterday I voted against the rule. I realize that the Granger bill is the lesser evil, but I do not believe any of this legislation ought to pass. It is in the interest of the consumers of every State in the Union that the protection butter now has must be continued. It is in the interest of our soil-saving program and our program for building up the soil that the dairy industry be preserved and protected in every State in the Union. It is in the interest of good nutrition and the health and well-being of our people that the protection and safeguards now given to butter continue. This is something that pertains not to any one State but to all the States.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise to express my support of the Granger bill and to express opposition to the substitutes offered by the gentleman from Texas [Mr. POAGE] and the gentleman from South Carolina [Mr. RIVERS].

To my way of thinking, there is very little difference in the practical effect of the Poage and Rivers substitutes. The Rivers proposal would wipe out all existing Federal taxes on yellow oleo. The Poage substitute has a similar provision, but in addition seeks to compel public places, which sell and serve oleo, to inform the public of that fact.

I have very serious doubts as to the legal validity of this second portion of the Poage substitute, and actually, I doubt if it makes too much difference whether it would be deemed valid or not. If it is so, I do not believe it can be enforced as a practical matter. If it is not so, then of course there can be no enforcement of it.

We have heard much here yesterday and today about the discrimination of the existing Federal taxes on yellow oleo, yet I venture to say that if these taxes are to be removed, without protection to the producers of butter or the consuming public, then the discrimination would be entirely in the other direction.

The crux of the whole problem is the desire of the producers of oleo to sell their product colored yellow. If that were not true, there would be no contest regarding the existing tax and there would be no contest over the portion of the Granger bill which prohibits the transportation of yellow-colored oleo in interstate commerce. I do not believe there is any desire here among any large number of Members to prevent the repeal of the licensing fees for the manufacture and sale of oleo colored other than yellow.

Will the repeal of these taxes make it possible to buy oleo any cheaper? Our experience is certainly to the contrary. The record has shown that where oleo has had a chance to do so the price has risen to nearly the price level of butter.

At the same time, anyone with an understanding of the over-all problem will

realize that the substitution of oleo for butter will in the long run mean higher prices for meat and higher prices for milk. The trend of our cattle population is noticeably downward. Butter is the balance wheel of the dairy industry, just as the livestock industry is the balance wheel of American agriculture. More than one-fourth of the milk produced in this country is made into butter. In recent years we have seen a substantial substitution of oleo for butter in the American diet. This is an unhealthy and not a healthy trend. It has an unhealthy effect on the economy of our Nation and, I fear, upon the health of our people as well.

Destroy the livestock industry and you destroy the fertility of America's soil. Thus both directly and indirectly you are depriving America's people of the healthful product of America's dairy industry and of America's soil.

It has yet to be proven that oleo and other synthetic dairy products can match the real thing with respect to the availability and digestibility of certain elements of nutrition. Just within the last few weeks we have witnessed the consequences of attempting to substitute chemical compounds for nature's products. From this we ought to take warning against this move that might destroy America's greatest source of nutritious food.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, repeal of the oleomargarine tax is a long overdue reform in the interests alike of agriculture and of city consumers. It is in the tradition of the American farmer that he does not fear competition, and I doubt that American farmers wish to throttle the competition of oleomargarine with butter. We certainly want to preserve our dairy industry, and if it needs help in the public interest as do other commodities which are in the parity-price program, I am sure we will be fully prepared to consider giving dairy farmers such help.

City consumers should not be denied, however, by an artificial tax, the cheaper food which is oleomargarine. To refuse to color oleomargarine also seems like an artificial measure, no more sensible than it would be to refuse to color cloth just because it can keep you warm uncolored.

I propose to support the substitutes to this bill which will enable oleomargarine, both colored and uncolored, to circulate freely in interstate commerce without discriminatory taxes. Certainly the regulations requiring identification of oleomargarine in one of these substitutes should be considered by the dairy producers as going a very long way to make this legislation agreeable to them.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, to say that I am disillusioned today with the course this bill has taken is putting it mildly. To think that one of our large agricultural industries is being considered on a partisan basis. When I think of the great industry of dairying in California, and particularly in my district, it

will be hard for me to report to my very great number of Democratic friends the attitude that is being taken here today to try to disfranchise their business.

I wish you could be out in my district and see the future farmers and the 4-H boys who are going into business, raising and developing their dairy stock. I know one young man whose father passed away. He was in a 4-H Club and had 2 cows and a little dairy route. He started to build that up, and before he had graduated from junior college that boy had a herd of 30 cows and was in a good business. That is what is happening and can happen in the dairy industry. You cannot go into the cotton business with that type of background. I trust and hope that you will have consideration for the dairy industry, which I contend is the greatest American agricultural industry.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, it has been said here that if my bill is passed there will be no regulation of oleomargarine. I called the Deputy Commissioner of the Food and Drug Administration, Mr. Charles W. Crawford, and if anyone doubts the statement I am going to make he can call him on the telephone now.

Mr. Crawford, Deputy Commissioner, advises me that their legal staff has studied the provisions of H. R. 2023 with respect to its application to the enforcement of the Pure Food and Drug Act. He specifically states that it is their opinion that the language in my bill is sufficient to enforce the act in every State where oleomargarine is sold under the provisions of my bill. He further stated that the committee report was conclusive evidence of the committee's intention, namely: it was not the intention of the committee to modify or limit the Pure Food and Drug Act in any particular, and I further state here and now that it is our purpose to have the RECORD clear in this particular.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL. Mr. Chairman, a number of the members did not use the time allotted to them. I have an amendment to offer to the amendment offered by the gentleman from Texas [Mr. POAGE]. May I use their time?

The CHAIRMAN. The gentleman could use their time if he had asked permission to have their time transferred to him. That has not been done, and in the absence of such a request, the gentleman is recognized for 1½ minutes, and if he desires to offer his amendment, that may be done at this time.

Mr. HILL. Mr. Chairman, would it be in order to ask unanimous consent to use the remainder of the time allotted for this debate?

The CHAIRMAN. The time was allotted to individuals and those individuals have submitted no such request.

Mr. HILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL to the substitute bill offered by Mr. POAGE:

Page 3, line 5, insert after the word "unless" the figure 1 in parenthesis "(1)."

Page 3, line 16, strike out the period at the end of line 16 and insert the following: "or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not a charge is made therefor, unless each separate serving thereof is triangular in shape."

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield, if I have the time.

Mr. POAGE. As the author of the Poage substitute, I gladly accept the amendment offered by the gentleman from Colorado, as I want every possible safeguard against any kind of fraud, and I think the gentleman is making a reasonable proposition.

Mr. HILL. Mr. Chairman, before I sit down, I want to say that this just adds another paragraph to the bill of the gentleman from Texas [Mr. POAGE], and simply says that if you want to sell oleo as oleo it will come out in a triangular form. I presented this amendment last year. But the State of Maryland the other day, I am informed, lacked a few votes of putting this sort of provision on the statute books. There is no reason, if you are going to sell oleo, and sell it at public eating places, why you should not be able to identify it by its form and shape, especially if you are going to give them the right to use the yellow color.

Butter is vital to the distribution of milk and dairy products. Since milk is produced on three out of every four farms in this country and supplies the largest single source of farm income, it is obvious that the dairy farmer is an important factor in national prosperity. The dairy industry itself is one and one-half times the size of our gigantic steel industry, and if the steel industry were threatened with a loss of one-fourth of its output, we would all be worried about business conditions. The dairy industry is larger even than our great automotive industry, and I need not tell you that a 25-percent drop in automobile sales would have repercussions on our economy.

The dairy industry favors the removal of all taxes and license fees on oleomargarine. That means that the housewife would be able to buy all the oleomargarine she wanted in its most economical uncolored form without the payment of any taxes whatever.

If the oleomargarine manufacturers are allowed the unrestricted right to sell their product colored yellow in imitation of butter, the cheaper, uncolored form will tend to disappear from the market. Yellow oleo will then be free to follow the price of butter. In States where it may now be sold, yellow oleo is bringing as much as 30 cents a pound more than the white kind, although the Federal tax is only 10 cents a pound.

The testimony before the House Committee on Agriculture established that yellow oleo might take over from 25 to 40 percent of the butter market if its unrestricted sale was permitted. This would eliminate many outlets for surplus milk and force dairy farmers in many States to go out of business entirely. In North Dakota, for instance, where there are very few big metropolitan markets for fluid milk, 92.5 percent of all the milk produced goes into butter. If that output was unable to find a butter market, it would depress the markets for every other kind of dairy product. Naturally, you cannot force farmers to remain in a business that does not make a living for them and their families. They would slaughter their cows, and our national sources of milk and meat would be reduced by just that much. Incidentally, our dairy cow numbers are already at the lowest point since 1940, and last year's decline was the sharpest in history.

There are only 28 oleomargarine manufacturers, with 65 percent of the business in the hands of five of the giant corporations. There are 2,500,000 dairy farmers producing milk in every State in the Union, with 250,000 dairy processing and delivery workers and 40,000 local dairy plants who are dependent on the output of the dairy farmers for their livelihood.

The question is whether a synthetic, artificial product should be allowed to displace a genuine dairy product that is vital to the price and production structure of our farm economy. In other words, do we want to preserve a fundamental type of agriculture based on the dairy cow, soil conservation, and healthful nutrition; or do we want to let a few large manufacturers capture the spread market by fraud and deception? Do we want to continue the meat and milk products diet that has made our Nation the best fed on earth, or do we want a subsistence diet of soil-eroding crops?

I quote from one of the witnesses appearing before our committee:

I believe it is rather significant that of the 10 States where the rural level of living index is over 125 (United States average equals 100), seven derive the principal source of their farm income from dairying, and the five States with the highest rural level of living are dairy States. All of the principal dairy-producing States have a level of living index of well over 100. This level of living is measured by the degree of education, adequacy of housing, and the possession of such things as automobiles and radios.

It is estimated that there will be 15,000,000 more people in the United States in 1950 than there were in 1940. These people undoubtedly will be looking forward to obtaining adequate amounts of milk, particularly for their babies and old folks—butter, cheese, ice cream, and other essential dairy foods. Our cow population is slipping. Unless every encouragement is given to maintaining a profitable dairy industry, everybody will suffer.

A strong, efficient, and healthy dairy industry means a strong and virile America, economically and physically.

Dr. E. V. McCollum, world renowned nutritionist of Johns Hopkins University has said, and I quote:

Who are the peoples of the earth who have used the dairy cow as the foster mother

of the race? They are the people of northern Europe and North America. They are the tallest of stature, the longest lived, have the lowest infant mortality, the greatest resistance to disease, and they are the only people on earth who have ever made any material progress in literature, science, and politics.

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, there is a lot of solicitude in Congress. It is expressed in every debate and upon every other possible occasion. It is coming forth in volumes in the discussion of this measure. Last week, some were solicitous as to the welfare of the wealthier residents of the District of Columbia. To raise more revenues for District purposes, an income-tax bill was defeated. The big incomes were protected.

Within an hour thereafter, a sales tax was imposed on all the people, whether residents or transients. The cost of living was upped a bit for everybody, but particularly for those of smaller incomes who compose the larger portion of the population. The sales tax applies to practically everything bought for household or personal purposes, except foods and the drugs prescribed by physicians. The housewife pays the tax on nearly everything she buys for her personal purposes. The solicitude for the housekeepers was only slightly lessened, but among the commodities to remain untaxed is oleomargarine. The profits of monopolies were not reduced by an income-tax but the costs of living were added to.

In the present debate, solicitude for the housewife is much in evidence. But less is said of solicitude for the powerful foreign-controlled monopolies which manufacture two-thirds of the oleomargarine made and sold in this country, which will profit them and their dealers \$16,000,000 annually. There are scores of measures before Congress to reduce other excise taxes upon many commodities and services, running into hundreds of millions of dollars annually, but the only reduction thus far proposed in this House is the removal of the tax of one-fourth cent per pound on uncolored oleo and 10 cents per pound on colored oleo. The solicitude expressed is for the housewife, but the real push back of oleo-tax repeal is to abolish the excise taxes upon the most ruthless and powerful associations which are seeking bigger and better profits from the sale of a product which would be used to throttle and help destroy the great dairy industry in which 10,000,000 people are engaged.

There are 700,000,000 pounds of surplus vegetable oils in our country. The price is low. The European cartels which own or control the world supply of vegetable oils are selling the vegetable oils of Brazil, for instance, to European countries at nearly double our market prices. The same world monopolies want us to pass legislation to broaden their markets by permitting the sale of oleo to our own people. Thus they would add \$100,000,000 or more to their annual profits, and help maintain the vegetable-oil control they now have.

Only a few months ago, the rural people were told that food will win the war and food will establish a lasting peace. Our farmers responded to the call of their country and produced the needed foods, while their sons went to the fox holes of the tropical islands to regain possession of the coconut groves for the cartels, among other and more important purposes. Scarcely was the war over until the millions commenced to flow into the big newspapers and magazines to portray the farmers whose endeavors saved the world from starvation and won the war, as profiteers and claimants to special privileges. The solicitude expressed for the farmers was quickly turned into virulent attack and condemnation. Never in all history has our good country displayed greater ingrati- tude toward millions of its own people.

Over 60 years ago, the farmers came to Congress seeking a law which would stop the fraudulent competition of oleo makers. The small tax on uncolored oleo and the higher tax on colored oleo were effective mainly because they could be and would be enforced. I am opposed to their repeal because they can be enforced. But the great propaganda spread by the oleo monopolies has led some to believe that the taxes are discriminatory. Hence, there comes the Granger-Andresen bill which would substitute for the tax provisions the forbidding of interstate traffic in yellow oleomargarine. I shall give it my support as the only method of meeting the situation which will develop from the removal of the tax.

The dairy situation is in a bad way. In 3 years the number of dairy cows in the country has declined by over three millions. Thousands of dairy farmers are so discouraged over the fall in prices for dairy commodities, as the expenses continue to permit no return for their endeavors, that they are selling their herds and quitting. The situation is serious for the consumers as well as the farmers. The oleo monopolies are helping making that situation even more critical.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WHITE] for 1½ minutes.

Mr. WHITE of California. Mr. Chairman, I think the issue is quite clear-cut now. Both sides have stated that it is definitely an economic fight. Each side is fighting for its own interest. Both sides have not denied that there are strong lobbies working for them. I think this issue has resolved itself into the same kind of a fight that labor and management frequently get into. When you come to a fight of that type, the only way to resolve it is in the public interest. That is just exactly what I ask in this instance, that this matter be decided so the consumers, the people of this Nation, are free to buy whatever product they want with their money.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to include at this point a speech by the gentleman from Idaho [Mr. WHITE].

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DAIRYING THE BACKBONE OF AGRICULTURE

Mr. WHITE of Idaho. Mr. Chairman, the legislation under consideration deals with one of the most important issues affecting agriculture and the welfare of the American people.

Our national leaders have long recognized the paramount importance of the dairy industry to the growth and welfare of our country. The Congress in its wisdom has enacted laws to safeguard our principal dairy product—butter—from the destructive competition of cheap butter substitutes.

Mr. Chairman, the milk cow has followed the pioneer in every State in the Union, bringing sustenance and support to the men and women with their families that have built America. In the covered-wagon days it was the milk cow and her progeny that accompanied the settlers in their migrations to the Nation's frontiers and supported them with milk, butter, and beef while they reclaimed the land and built the homes and communities of this great country. The old-fashioned churn and the farm wife with her golden rolls of delicious butter did more to sustain the farmer and finance the building up of early-day American agriculture than any other product of the farm. This was so in the South, where now so much of the support of cheap butter substitutes comes from.

Well do I remember as a boy when I grew up in the Deep South the system of cultivation followed by my father to increase the fertility of poor land. "Crawfish land" southern people called it when the little white chimney of the crawfish indicated the deficiency in fertility of the soil. My father practiced what he called "cowpenning the land." A cowpen was built on this poor land and the milk cows were penned on the ground every night. Next spring the cowpen was moved and a good crop was produced on the land where the cowpen had been the year before. Each year the cowpen was moved to another piece of land and in time the fertility of the farm was built up while the dairy herd thrived and grew. The butter and the increase from the dairy herd was sold in town to finance farm improvements and purchase the machinery used on the farm.

Let me remind the members of the committee that England has long recognized the importance of dairying and beef production. We are indebted to the English for the excellence and productivity of the dairy herds in this country by their contribution of Jersey, Guernsey, Aldeny, and Ayrshire milk- and butter-producing cows, perfection achieved by generations of painstaking selection and breeding. So it is with their contribution of the beef strains of Shorthorns and Herefords to our matchless herds of beef cattle.

The prowess of the English race in conquering and colonizing many parts of the world must be credited in a large measure to the fighting ability and rugged physiques of her beef eaters.

When Japan was making a bid for military advancement some years ago we read that she endeavored to ascertain what could be done to improve her national diet and increase the stature and prowess of her fighters, and we learned that the commission reported that milk, butter, and beef were the answer.

Mr. Chairman, show me a community or a country that is devoted to dairying and I will show you a hardy race and a prosperous people. Today, little Denmark with its dairy farms, its butter and bacon, a byproduct of the dairy, is an example of farm thrift and national stability to the rest of the world.

Little Holland, with its canals and dairy farms that gave us, and to the world, her famous dairy strains of Holstein-Friesian milk- and butter-producing cows—a country minus timber, without deposits of coal, iron, or oil, dependent on her farms and dairy herds, was before the war one of the richest of European countries.

Now the processors of cheap vegetable oils, surplus fats, and grease have taken over the soap trade and the tremendous business of supplying the Nation's cooking fats and compounds, together with the vast market for lubricants.

They have even come in and taken the market for our dairy-product cheese with their tinseled, adulterated cheese substitutes.

Mr. Chairman, today there is hardly a grocery store in the country where you can buy a piece of honest-to-goodness full cream cheese. Not content with taking over these vast markets, now these processors of cheap vegetable oils, surplus fats, and grease propose to come in and tear down the last legislative safeguards to the main product of our dairy industry, butter, and flood the market with their cheap butter substitute, oleomargarine, that will masquerade as butter in the stores of many communities and deprive the housewife of any opportunity to buy genuine butter. If the oleomargarine dealers have their way and this law is repealed, when the housewife goes to the store and asks for real butter she will get the same response we get today when we ask for full cream cheese, "Sorry; we don't keep it."

Now, when the world is struggling with inflation and is crying to us for fats and oils, we are being pressed by these profiteering packing-house companies and the manufacturers of the cheap butter substitutes—oleomargarine—to reverse our national policy and tear down the laws that Congress has enacted to protect the purity of the food of our children and safeguard our chief agricultural industry, yes, to protect the very stability of our farm economy by preserving our home markets for our principal dairy product—butter.

They would impoverish the farmer and dwarf our children to enrich profiteering manufacturers and unscrupulous oleomargarine dealers.

Mr. Chairman, we know and sympathize with the cotton growers of the South. They have been struggling for generations with their soil-depleting one-crop standard—cotton. Naturally, they are demanding a bigger and better market

for their byproduct, cottonseed oil. They need the money to buy commercial fertilizers if they are to grow another good crop and more cottonseed oil.

Mr. Chairman, our Government undertook the construction of Muscle Shoals to provide fertilizer for the worn-out cotton fields of the South.

There has been a concerted effort in the cotton-growing States to get away from cotton and soil depletion, valiant attempts have been made with some success to build up the livestock and dairy industry as a means of increasing the fertility of its worn-out soil.

To meet a temporary price emergency caused by inflation, we are called upon to repeal our laws and deprive agriculture of the security of its dairy industry and the means of maintaining the fertility of the soil.

Mr. Chairman, we must not adopt a short-sighted policy that will bring the standards of agriculture down to the production of soil-depleting crops in order to expand the market for vegetable oil and the purchase of more commercial fertilizer to build up a one-crop, soil-depleting industry.

Mr. Chairman, in the light of a lifetime of observation and experience in watching the growth of the business of manufacturing and marketing cheap butter substitutes and the inroads these butter substitutes have made in the market for dairy products in this country, I cannot bring myself to believe that this Congress can be persuaded to tear down the safeguards of our dairy industry by repealing the last of the laws that previous Congresses in their wisdom have enacted to preserve our basic farm industry, dairying.

The CHAIRMAN. The gentleman from South Carolina [Mr. RIVERS] is recognized for 1½ minutes.

Mr. RIVERS. Mr. Chairman, summing up this proposition before us today, do you want to give oleomargarine, which is agreed and acknowledged by everybody as an edible product, good for every conceivable operation of eating known to human kind, an opportunity to compete with all other free things in our country or not? My amendment gives you that opportunity. You do not need any further talk. The issue is clear. Shall we give an opportunity to compete or not? My amendment does exactly that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Chairman, I have listened very attentively for nearly 2 days to the debate both pro and con in regard to H. R. 2023, known as the Granger-Andresen bill. I have come to the conclusion, Mr. Chairman, that a great many Members of Congress do not realize that we have 2,500,000 dairy-farm families who supply the Nation with vital livestock products. The very existence of these families is threatened

by the attempt to place a substitute dairy product on the open market in competition with butter and by not giving the consumer the protection he should have.

The records will show that butter and dairy prices are rapidly declining and pushing downward the dairyman's income. May I call to your attention that milk is produced on approximately three out of every four farms and provides the largest single source of cash farm revenue. Last year the controversial part of similar legislation was the repeal of the Federal tax on oleo. This year the tax is not in controversy, as nearly all groups, including leading farm organization, favor tax repeal on oleomargarine. May I call to your attention that if unrestricted sale of colored oleo is allowed, it means an additional loss to the farmers of \$250,000,000 a year. It will also mean a tremendous loss to 40,000 dairy plants and their employees. Farmers will be forced to slaughter millions of milk cows, an economic blow to consumers who are dependent upon dairy herds for 40 percent of their beef and veal and all of their milk. This can only result in scarcity and high prices for meat, milk, and other dairy products. It will also bring to an end the historic soil-conservation program practiced on nearly every dairy farm.

This bill, Mr. Chairman, will protect the vital dairy industry against a complete loss of its crucial butter market to a product using a deceptive coloration. This bill will protect the buying public and prevent them from the sale of oleo colored in semblance of butter, but will remove all taxes and license fees on oleo itself. This bill does not prevent colored oleomargarine from being manufactured in Ohio, for example, if the laws of Ohio so permit. It certainly is the right of every State to legislate for itself. If the people of Indiana want to buy yellow, green, or white oleo, it should be up to their State legislature to decide and they should not be dictated to by Washington. This bill gives that opportunity. It also makes certain that the product will be sold for what it is and not as an imitation of butter. I recognize that several amendments are needed in this legislation to clarify and protect all of us, but I am certain this will be done and amendments will be offered so the final form of the bill will protect the consumer against fraud and deception.

I am hoping that you will join with me in giving this bill, H. R. 2023, your wholehearted support and that it will become a law.

The gentleman from Arkansas [Mr. GATHINGS] is recognized to close the debate.

Mr. GATHINGS. Mr. Chairman, I favor the passage, or the approval of the Poage amendment. I am opposed to the Andresen-Granger substitute because of the fact that I do not believe that it is proper to impose a penalty upon the housewife who lives in the District of Columbia or who lives close to a State line. Let us take the case of the housewife living in the District of Columbia. Suppose she goes to Bethesda, which is just across the line in Maryland, and buys

a pound of colored margarine. It is legal to sell colored margarine in the State of Maryland, but under the Andresen-Granger bill it is illegal to sell it or bring it into the District of Columbia. When she comes back into the District of Columbia with that pound of colored oleo she subjects herself to a fine of \$1,000 or to 1 year's imprisonment, or to both. The Granger bill should not be passed because under it you cannot sell colored margarine in any State unless a plant that manufactures margarine is operating in that State.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. POAGE. May I read to the gentleman an excerpt from a letter signed by Dr. P. B. Dunbar of the Federal Security Agency dated March 18?

Mr. GATHINGS. I yield to the gentleman for that purpose.

Mr. POAGE. Dr. Dunbar says that it is their opinion that the bill, H. R. 2023, would require surveillance over oleomargarine in both interstate and intrastate commerce. He says he considers that it would require the control of yellow margarine from intrastate sources. That is the reason he told the gentleman from Utah [Mr. GRANGER] that he did not think his bill took control out from under the Pure Food and Drug Act, because he interprets it to be a direct prohibition against the sale of yellow margarine in either intrastate commerce or interstate commerce; and here is the written explanation by the Federal Security Agency of the United States.

Mr. GATHINGS. I thank the gentleman.

I hope the Poage substitute will be agreed to.

Mr. EVINS. Mr. Chairman and members of the Committee, I have followed with a great deal of interest the hearings and testimony on this important question before the House Committee on Agriculture and also the debate on the floor yesterday and today on this pending legislation.

As many members of this Committee will recall, when this issue was before the House during the last session of the Congress I cast a vote which some considered a singular vote—being a representative from the South—as the South has such a great cotton economy. I voted for what I thought was for and in the best interests of the growing, thriving, and progressive dairy industry in Tennessee and particularly the district which I have the honor to represent—the Fifth Congressional District of Tennessee—which is one of the greatest, if not the greatest, dairying districts in the South. My voice and vote of last year was given as an expression and hope that the growing, thriving, progressive, and vitally important dairy industry in my State, and for that matter throughout the United States, would not be impaired. In the action which the House will take here today, I again express the hope that no action will be taken which will impede the future growth and progress of the vital dairy industry not only of my section of Tennessee but throughout the country.

Mr. Chairman, last summer it was my pleasure to visit a number of the TVA test demonstration farms in the southern portion of my district bordering on the Alabama line, where I talked with a number of farmers who were making great strides in dairying. One in particular I recall, and I should like to speak of the experience of this farmer-dairyman and good citizen, because his experience is so typical of the progress that is being made in my State in the field of dairying. This particular farmer stated to me that he moved into Tennessee in what was considered a rather poor agricultural section some 10 or 12 years ago and that his entire income for several years from the raising of cotton amounted to approximately \$700 per year. A few years ago he started raising alfalfa and other legume hay and feeding the hay to dairy cattle, milking the cows, and selling his dairy products, and that at the present time his average monthly income is \$700 per month. Thus, it was apparent that this farmer, which is so typical of the experiences of many, is receiving as much income per month from the sale of dairy products as he formerly received for an entire year in the growing of cotton. There is no inclination in speaking of this instance in any way to disparage our great cotton crop or cotton economy but rather I give this illustration to indicate what has been done and is being done with regard to the thriving and progressive dairy industry in my section of Tennessee.

In this region, those who visit there can see beautiful farms, fine dairy barns, excellent dairy herds, and an agricultural economy that is second to none. Knowing of the progress which our people are making in this respect, I certainly hope that no action will be taken here today which will disrupt or impede this progress or in any respect injure our agricultural and dairying economy.

I have considered the so-called Poage bill, H. R. 3, also the Granger bill, H. R. 2023, and the Rivers bill, H. R. 279. All three of these measures repeal the tax on oleomargarine. There seems to be no question regarding the fact that the tax at this time should be repealed. In fact, the dairy industry is not opposing or offering any opposition to the repeal of the tax. The so-called Rivers bill, H. R. 279, would permit the unregulated sale of oleomargarine, colored or otherwise. It takes off the bridle of any regulation and would permit of unfair competition. This bill goes to one extreme. The so-called Granger bill, H. R. 2023, would prohibit the manufacture, sale, and shipment of yellow-colored oleomargarine in interstate commerce. It would outlaw the transportation across State lines of colored oleomargarine. Many have said that this bill goes to another extreme and that it is too drastic. The Granger bill prohibits the interstate shipment of the manufactured product when colored, while on the other hand permitting the unregulated sale of the product once manufactured within the State. In my own State of Tennessee, oleomargarine

taxes have been repealed by the legislature and yellow oleomargarine may now be manufactured and sold within the limits of the State.

The Poage bill, H. R. 3, provides for positive identification of yellow margarine and for positive marking and identification of the product in labeling, branding, and in each individual patty sold in restaurants, hospitals, and other establishments where the product may be served. In addition, provision is made for the placing of a sign in each such establishment conspicuously showing that oleomargarine product is served in such establishment where such product may be served. As I have indicated, in listening to the debates and from being familiar with the testimony before the committee and with the provisions of the pending bills, it would thus appear that the Poage bill provides considerable protection—said by many to be the most effective protection—to the dairy farmers through the provision for positive labeling, branding, and proper identification.

As indicated, I want to lend my support to whatever measure will afford the greatest protection to our growing, thriving, and vitally important dairy industry while at the same time insuring fair competition and fair play and protection to members of the consuming public. Let us adopt a measure that will provide fair competition, eliminate the discriminatory tax and protect our important dairy industry against unfair methods of competition and unfair practices injurious to the dairy industry, which is of such vital importance to our agricultural economy.

The CHAIRMAN. All time has expired on the pending substitute and the pending amendment.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL] to the Poage substitute for the original bill.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the amendment may be read for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HILL to the substitute bill offered by Mr. POAGE:

On page 3, line 5, insert after the word "unless" the figure "(1)".

On page 3, line 16, strike out the period at the end of line 16 and insert the following: "or (2) such colored oleomargarine or colored margarine is molded and shaped in such manner so as to have three sides (exclusive of the ends) and no person shall serve colored oleomargarine at a public eating place, whether or not a charge is made therefor, unless each separate service thereof is triangular in shape."

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. As I understand, the Hill amendment is an amendment to the original Poage amendment. In view of that would the procedure not be to vote

first on the Rivers amendment to the Poage amendment before voting on the Hill amendment to the Poage amendment?

The CHAIRMAN. In response to the inquiry of the gentleman from Indiana the Chair will state that the vote comes first on the amendment of the gentleman from Colorado to the Poage amendment to clarify it, or in the nature of a clarifying amendment. The vote will then recur on the substitute of the gentleman from South Carolina [Mr. RIVERS] for the Poage amendment.

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL].

The amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from South Carolina [Mr. RIVERS] for the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. RIVERS) there were ayes 52, noes 190.

So the Rivers substitute was rejected.

The CHAIRMAN. The question is on the amendment to the original bill, in the nature of a substitute, offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 152, noes 140.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee again divided; and the tellers reported that there were—ayes 162, noes 141.

So the substitute amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. Will the gentleman state what he proposes to offer as a preferential motion?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman is out of order. That is not a preferential motion at this time.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, 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. 2023) to regulate oleomargarine, to repeal certain taxes relating to oleomargarine, and for other purposes, pursuant to House Resolution 168, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. AUGUST H. ANDRESEN. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 137, answered “present” 1, not voting 52, as follows:

[Roll No. 62]

YEAS—243

Abernethy	Gary	Multer
Addonizio	Gathings	Murdock
Albert	Gavin	Murray, Tenn.
Allen, Calif.	Golden	Nicholson
Allen, Ill.	Goodwin	Nixon
Allen, La.	Gordon	Noland
Anderson, Calif.	Gore	Norrell
Andrews	Gorski, Ill.	Norton
Angell	Gorski, N. Y.	O'Brien, Ill.
Arends	Graham	O'Hara, Ill.
Auchincloss	Granahan	O'Neill
Barden	Grant	O'Toole
Baring	Green	Pace
Barrett, Pa.	Gregory	Passman
Bates, Ky.	Gwinn	Patman
Bates, Mass.	Hale	Patten
Battle	Hand	Patterson
Beckworth	Hardy	Perkins
Bennett, Fla.	Hare	Peterson
Bentsen	Harris	Philbin
Bland	Harrison	Phillips, Tenn.
Boggs, Del.	Hart	Pickett
Boggs, La.	Havener	Poage
Bolling	Hays, Ark.	Poulson
Bonner	Heffernan	Preston
Brooks	Heller	Price
Brown, Ga.	Herlong	Priest
Bryson	Heselton	Rabaut
Buchanan	Hinshaw	Rains
Buckley, Ill.	Hobbs	Ramsay
Burke	Hoffman, Ill.	Rankin
Burleson	Hollfield	Redden
Burnside	Howell	Rhodes
Camp	Huber	Ribicoff
Canfield	Irving	Rich
Carlyle	Jackson, Calif.	Richards
Carroll	Jacobs	Rivers
Case, N. J.	James	Rodino
Celler	Javits	Rogers, Fla.
Chesney	Johnson	Rooney
Church	Jonas	Sabath
Cole, Kans.	Jones, Ala.	Sadowksi
Colmer	Jones, Mo.	Scott, Hardie
Combs	Jones, N. C.	Scott,
Cooley	Judd	Hugh D., Jr.
Cooper	Karst	Sheppard
Corbett	Karsten	Sikes
Cotton	Kearns	Sims
Cox	Kee	Smathers
Crosser	Kennedy	Spence
Davenport	Kerr	Steed
Davis, Ga.	Kilday	Stigler
Davis, Tenn.	King	Sullivan
Dawson	Kruse	Sutton
Deane	Kunkel	Tackett
DeGraffenreid	Lanham	Tauriello
Delaney	Larcade	Teague
Dollinger	Latham	Thomas, Tex.
Dondero	Lesinski	Thompson
Donohue	Linehan	Thornberry
Doughton	Lodge	Towe
Douglas	Lucas	Underwood
Doyle	Lyle	Vorys
Durham	Lynch	Wagner
Eaton	McConnell	Walter
Eberhardt	McCormack	Welch, Calif.
Elliott	McDonough	Werdel
Elston	McGrath	Wheeler
Engle, Calif.	McKinnon	White, Calif.
Fallon	McMillan, S. C.	Whitten
Feighan	McMillen, Ill.	Whittington
Fenton	Mack, Ill.	Wiggleworth
Fernandez	Madden	Williams
Fisher	Mahon	Willis
Flood	Marcantonio	Wilson, Tex.
Fogarty	Marsalis	Winstead
Forand	Miles	Wolverton
Frazier	Miller, Calif.	Worley
Fulton	Mills	Yates
Fureolo	Monrone	Young
Gamble	Morris	
Garmatz	Morton	

NAYS—137

Abbitt	Bolton, Md.	Chelf
Andersen,	Bramblett	Chiperfield
H. Carl	Breen	Christopher
Andresen,	Brehm	Clevenger
August H.	Brown, Ohio	Cole, N. Y.
Aspinall	Burdick	Crawford
Bailey	Burton	Crook
Barrett, Wyo.	Byrne, N. Y.	Cunningham
Beall	Byrnes, Wis.	Curtis
Bennett, Mich.	Cannon	Dague
Bishop	Carnahan	Davies, N. Y.
Blackney	Case, S. Dak.	Davis, Wis.
Blatnik	Chatham	Denton

D'Ewart	Lemke	Riehman
Dolliver	Lichtenwalter	Sadlak
Ellsworth	Lind	St. George
Engel, Mich.	Lovre	Sanborn
Evins	McCarthy	Sasscer
Fellows	McCulloch	Scrivner
Ford	McGregor	Scudder
Fugate	McSweeney	Secrest
Gillette	Mack, Wash.	Shafer
Granger	Magee	Short
Gross	Marshall	Simpson, Ill.
Hagen	Martin, Iowa	Simpson, Pa.
Hall	Mason	Smith, Kans.
Edwin Arthur	Meyer	Smith, Va.
Halleck	Michener	Smith, Wis.
Harden	Miller, Md.	Stockman
Harvey	Miller, Nebr.	Taber
Hedrick	Mitchell	Talle
Hill	Moulder	Taylor
Hoeven	Murray, Wis.	Tollefson
Holmes	Nelson	Trimble
Hope	Norblad	Van Zandt
Horan	O'Hara, Minn.	Velde
Hull	O'Konski	Vursell
Jackson, Wash.	O'Sullivan	Walsh
Jenison	Pfeiffer	Weichel
Jenkins	William L.	Wickersham
Jensen	Phillips, Calif.	Wier
Kearney	Plumley	Wilson, Ind.
Keating	Poik	Wilson, Okla.
Keefe	Potter	Withrow
Kilburn	Reed, Ill.	Wolcott
LeCompte	Reed, N. Y.	Woodhouse
LeFevre	Rees	Zablocki

ANSWERED “PRESENT”—1

Mansfield

NOT VOTING—52

Biemiller	Hoffman, Mich.	Quinn
Bolton, Ohio	Jennings	Regan
Bosone	Kean	Rogers, Mass.
Boykin	Kelley	Smith, Ohio
Buckley, N. Y.	Keogh	Somers
Bulwinkle	Kirwan	Staggers
Cavalcante	Klein	Stanley
Chudoff	Lane	Stefan
Clemente	McGuire	Thomas, N. J.
Coffey	Macy	Vinson
Coudert	Martin, Mass.	Wadsworth
Dingell	Merrow	Welch, Mo.
Gilmer	Morgan	Whitaker
Gossett	Morrison	White, Idaho
Hall,	Murphy	Wood
Leonard W.	O'Brien, Mich.	Woodruff
Hays, Ohio	Pfeiffer	
Hébert	Joseph L.	
Herter	Powell	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kean for, with Mr. Stefan against.
Mr. Wadsworth for, with Mr. Woodruff against.

Mr. Kirwan for, with Mr. Mansfield against.
Mr. Vinson for, with Mr. Welch of Missouri against.

Mr. Gossett for, with Mr. Stanley against.
Mr. Klein for, with Mr. Hays of Ohio against.

Mr. Hébert for, with Mr. White of Idaho against.

Mr. Jennings for, with Mr. Hoffman of Michigan against.

Mr. Keogh for, with Mr. Biemiller against.

General pairs until further notice:

Mr. Regan with Mr. Leonard W. Hall.
Mr. McGuire with Mr. Martin of Massachusetts.

Mr. Kelley with Mr. Macy.

Mr. Whitaker with Mr. Merrow.

Mr. Wood with Mrs. Rogers of Massachusetts.

Mr. Staggers with Mr. Coudert.

Mr. Morrison with Mrs. Bolton of Ohio.

Mr. Gilmer with Mr. Smith of Ohio.

Mr. PERKINS, Mr. IRVING, and Mr. BURKE changed their votes from “nay” to “yea.”

Mr. MANSFIELD. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. KIRWAN. If he were present he would have voted “yea.” I voted

“nay.” I withdraw my vote and vote “present.”

The result of the vote was announced as above recorded.

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. AUGUST H. ANDRESEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. AUGUST H. ANDRESEN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. AUGUST H. ANDRESEN moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 287, nays 89, not voting 57, as follows:

[Roll No. 63]

YEAS—287

Abbitt	Church	Gavin
Abernethy	Coffey	Golden
Addonizio	Cole, Kans.	Goodwin
Albert	Colmer	Gordon
Allen, Calif.	Combs	Gore
Allen, Ill.	Cooley	Gorski, Ill.
Allen, La.	Cooper	Gorski, N. Y.
Anderson, Calif.	Corbett	Graham
Andrews	Cotton	Granahan
Angell	Cox	Grant
Arends	Crook	Green
Aspinall	Crosser	Gregory
Auchincloss	Dague	Gwinn
Bailey	Davenport	Hale
Barden	Davis, Ga.	Hall,
Baring	Davis, Tenn.	Edwin Arthur
Barrett, Pa.	Dawson	Halleck
Bates, Ky.	Deane	Hand
Bates, Mass.	DeGraffenreid	Harden
Battle	Delaney	Hardy
Beall	Denton	Hare
Beckworth	Dollinger	Harris
Bennett, Fla.	Dondero	Harrison
Bennett, Mich.	Donohue	Hart
Bentsen	Doughton	Harvey
Bland	Douglas	Havener
Boggs, Del.	Doyle	Hays, Ark.
Bolling	Eberhardt	Heffernan
Bolton, Md.	Elliott	Heller
Bonner	Elston	Herlong
Bramblett	Engle, Calif.	Heselton
Breath	Evans	Hill
Brooks	Fallon	Hinshaw
Brown, Ga.	Feighan	Hobbs
Bryson	Felows	Hoffman, Ill.
Buchanan	Fenton	Hollowell
Buckley, Ill.	Fernandez	Fisher
Burke	Fitzgerald	Huber
Burleson	Flood	Irving
Burnside	Fogarty	Jackson, Calif.
Burton	Forand	Jacobs
Byrne, N. Y.	Frazier	James
Canfield	Fugate	Javits
Carlyle	Fulton	Jenkins
Carroll	Furcol	Johnson
Case, N. J.	Gamble	Jones, Ala.
Celler	Garmatz	Jones, N. C.
Chesney	Gary	Judd
Chiperfield	Gathings	Karst

Karsten	Murdock	Sadlak
Kearney	Murray, Tenn.	Sadowski
Kearns	Nelson	Sasscer
Keating	Nicholson	Scott, Hardie
Kee	Nixon	Scott,
Kennedy	Noland	Hugh D., Jr.
Kerr	Norrell	Scrivner
Kilday	Norton	Sheppard
King	O'Brien, Ill.	Sims
Kruse	O'Hara, Ill.	Smathers
Kunkel	O'Neill	Spence
Lanham	O'Toole	Steed
Larcade	Pace	Stigler
Latham	Passman	Sullivan
LeFevre	Patman	Sutton
Lesinski	Patten	Tackett
Lichtenwarter	Patterson	Tauriello
Lind	Perkins	Taylor
Linehan	Peterson	Teague
Lodge	Pfeiffer,	Thomas, Tex.
Lucas	William L.	Thompson
Lyle	Philbin	Thornberry
Lynch	Phillips, Tenn.	Towe
McConnell	Pickett	Underwood
McCormack	Poage	Van Zandt
McDonough	Potter	Vorys
McGrath	Poulson	Wagner
McKinnon	Preston	Walsh
McMillan, S. C.	Price	Walter
McMillen, Ill.	Priest	Weich, Calif.
McSweeney	Rabaut	Werdel
Mack, Ill.	Rains	Wheeler
Madden	Ramsay	White, Calif.
Mahon	Rankin	Whitten
Mansfield	Redden	Whittington
Marcantonio	Rees	Wigglesworth
Marsalis	Rhodes	Williams
Meyer	Ribicoff	Willis
Miles	Rich	Wilson, Tex.
Miller, Calif.	Richards	Winstead
Mills	Riehiman	Wolverton
Mitchell	Rivers	Worley
Monroney	Rodino	Yates
Morris	Rogers, Fla.	Young
Morton	Rooney	Zablocki
Multer	Sabath	

NAYS—89

Andersen, H. Carl	Hagen	Phillips, Calif.
Andresen, August H.	Hoeven	Polk
Barrett, Wyo.	Holmes	Reed, Ill.
Bishop	Hope	Reed, N. Y.
Blackney	Horan	St. George
Blatnik	Hull	Sanborn
Breen	Jackson, Wash.	Scudder
Brown, Ohio	Jenison	Secret
Burdick	Jensen	Shaefer
Byrnes, Wis.	Keefe	Short
Cannon	Kilburn	Simpson, Ill.
Carnahan	LeCompte	Simpson, Pa.
Case, S. Dak.	Lemke	Smith, Kans.
Chelf	Lovre	Smith, Va.
Christopher	McCarthy	Smith, Wis.
Clevenger	McCulloch	Stockman
Cole, N. Y.	McGregor	Taber
Crawford	Mack, Wash.	Talle
Cunningham	Magee	Tollefson
Curtis	Marshall	Trimble
Davies, N. Y.	Martin, Iowa	Vursell
Davis, Wis.	Mason	Weichel
D'Ewart	Michener	Wickersham
Dolliver	Miller, Md.	Wier
Ellsworth	Miller, Nebr.	Wilson, Ind.
Engel, Mich.	Moulder	Wilson, Okla.
Gillette	Murray, Wis.	Withrow
Granger	Norblad	Wolcott
Gross	O'Hara, Minn.	Woodhouse
	O'Konski	
	O'Sullivan	

NOT VOTING—57

Biemiller	Hoffman, Mich.	Powell
Boiton, Ohio	Jennings	Quinn
Bosone	Jones, Mo.	Regan
Boykin	Kean	Rogers, Mass.
Buckley, N. Y.	Kelley	Sikes
Buiwinkle	Keogh	Smith, Ohio
Cavalcante	Kirwan	Somers
Chatham	Klein	Staggers
Chudoff	Lane	Stanley
Clemente	McGuire	Stefan
Coudert	Macy	Thomas, N. J.
Dingell	Martin, Mass.	Velde
Eaton	Merrow	Vinson
Gilmer	Morgan	Wadsworth
Gossett	Morrison	Welch, Mo.
Hall, Leonard W.	Murphy	Whitaker
Hays, Ohio	O'Brien, Mich.	White, Idaho
Hebert	Pfeifer,	Wood
Harter	Joseph L.	Woodruff

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Chatham against.
Mr. Gossett for, with Mr. Stanley against.
Mr. Hébert for, with Mr. Hays of Ohio against.

Mr. Staggers for, with Mr. White of Idaho against.

Mr. Regan for, with Mr. Welch of Missouri against.

Mr. Herter for, with Mr. Velde against.
Mr. Kean for, with Mr. Woodruff against.
Mr. Jennings for, with Mr. Stefan against.
Mr. Coudert for, with Mr. Hoffman of Michigan against.

Mr. Merrow for, with Mr. Macy against.

Additional general pairs:

Mrs. Bosone with Mrs. Bolton of Ohio.
Mr. Kelley with Mr. Martin of Massachusetts.

Mr. Wood with Mr. Leonard W. Hall.
Mr. Whitaker with Mr. Wadsworth.
Mr. Morrison with Mr. Smith of Ohio.
Mr. Gilmer with Mr. Plumley.
Mr. McGuire with Mr. Eaton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill be given permission to revise and extend their remarks and that all other Members be given five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT OVER AND PROGRAM FOR
NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if the gentleman could tell us about the program for next week.

Mr. McCORMACK. I will be glad to.

On Monday the Consent Calendar will be called. Then the following bills will be called up under suspension of the rules: H. R. 3856, which provides for a Commission on Renovation of the Executive Mansion; H. R. 3830, extension of the aid to China bill.

Mr. HALLECK. There has been some discussion about an amendment that will be offered in connection with that suspension. Would the gentleman tell us about that so that it may be clarified in the minds of the Members?

Mr. McCORMACK. I will be very glad to. On page 2 of the bill, lines 3 and 4, there is the following language: "Without regard to the foregoing provisions of this act."

The motion to suspend will be accompanied by an amendment striking out those words.

Then continuing on Monday there will be H. R. 165, the American River Basin Development.

On Tuesday the Private Calendar will be called, and thereafter I am bracketing the remainder of the week together, Tuesday, Wednesday, Thursday, Friday,

and Saturday; the agricultural appropriation bill; State, Justice and Commerce appropriation bill; ECA; and independent offices appropriation bill.

Any further program will be announced later.

Mr. PHILLIPS of California. Mr. Speaker, if the gentleman will yield, what date was the independent offices appropriation bill set for?

Mr. McCORMACK. The independent offices appropriation bill is scheduled after ECA.

Mr. PHILLIPS of California. At the end of this coming week?

Mr. McCORMACK. Yes. I have in mind of course, the statement I made a few days ago about the 10-day recess, at which time I said the chances were 98 out of 100 that we would be able to take such a recess. I still adhere to that statement I made a few days ago. I realize it is a heavy schedule but, if necessary, I shall ask the indulgence of the leadership on the Republican side and of my colleagues of the House to meet earlier some days during next week.

The following week we will take up the Army appropriation bill and other legislation which I cannot state now. When that is done, we will have passed every supply bill except the legislative appropriation bill, which I think is a most remarkable record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. PLUMLEY. Mr. Speaker, I was called out of the Chamber while the final vote was being taken on the oleo bill. Had I been here I would have voted "nay."

EXTENSION OF REMARKS

Mr. EVINS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include an article by the American Parents Committee on the pressing needs of American children.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include three letters passing between himself and the Department of the Interior on the subject of the Jefferson Memorial.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an article on the two hundred fiftieth anniversary of the oldest settlement in the Mississippi Valley, Cahokia, Ill.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD and include a news article.

Mr. JENSEN asked and was given permission to extend his remarks in the RECORD and include the language of his bill H. R. 2368.

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the San Rafael Independent, of San Rafael, Calif.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEAN (at the request of Mr. WOLVERTON), for 3 days on account of death in family.

To Mrs. BOSONE at the request of Mr. GRANGER), for April 1, 1949, on account of official business.

To Mr. LANE (at the request of Mr. McCORMACK), for an indefinite period, on account of illness.

To Mr. McGuire (at the request of Mr. WAGNER), for April 1, 1949 on account of official business.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2101. An act to abolish the Regional Agricultural Credit Corporation of Washington, D. C., and transfer its functions to the Secretary of Agriculture, to authorize the Secretary of Agriculture to make disaster loans, and for other purposes.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until Monday, April 4, 1949, 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:

485. A communication from the President of the United States, transmitting a revision of the budget for the fiscal year 1950 involving a decrease of \$3,257,000 in an estimate of appropriation for the United States Maritime Commission in the form of an amendment to the budget for said fiscal year (H. Doc. No. 151); to the Committee on Appropriations and ordered to be printed.

486. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting its report on Federal business enterprises and, separately, the task-force reports on revolving funds, as appendix J; on water resources projects, as appendix K; and on lending agencies, as appendix R (H. Doc. No. 152); to the Committee on Expenditures in the Executive Departments and ordered to be printed with illustrations.

487. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration on certain aspects of revolving funds and business enterprises of the Government other than lending agencies; to the Committee on Expenditures in the Executive Departments.

488. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration on certain aspects of power, irrigation, and flood-control projects; to the

Committee on Expenditures in the Executive Departments.

489. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress a study prepared for the Commission's consideration of activities and organization of lending agencies of the Government; to the Committee on Expenditures in the Executive Departments.

490. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting to the Congress, in typescript, the following staff reports which were prepared for the Commission's consideration by the task force as a supplement to the Commission's report on Federal business enterprises: (1) Farmers Home Administration and predecessor agencies; (2) Housing and Home Finance Agency and its constituent agencies; (3) Export-Import Bank of Washington, Federal Deposit Insurance Corporation, auxiliary Government lending agencies; (4) Farm Credit Administration and its supervised agencies; (5) Reconstruction Finance Corporation and subsidiaries; to the Committee on Expenditures in the Executive Departments.

491. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Savings and Loan Insurance Corporation for the fiscal year ended June 30, 1947 (H. Doc. No. 153); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

492. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report with respect to the development of a program for the disposal to private industry of the Government-owned rubber-producing facilities; to the Committee on Armed Services.

493. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to provide for the appointment of a Deputy Disbursing Officer and assistant disbursing officers for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

494. A letter from the Secretary of Defense, transmitting a letter from the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation, entitled "A bill to amend the act to authorize the construction of experimental submarines, and for other purposes, approved May 16, 1947"; to the Committee on Armed Services.

495. A letter from the Department of the Interior, Geological Survey, representative of United States Pecos River compact negotiations, transmitting a copy of a compact entered into between the States of New Mexico and Texas to determine the rights and obligations of those States respecting uses and deliveries of the waters of the Pecos River; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. REDDEN: Committee on Public Lands. H. R. 225. A bill authorizing the Legislature of Alaska to alter, amend, or repeal certain laws of Alaska imposing taxes for carrying on business and trade, and for other purposes; with an amendment (Rept. No. 371). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1407. A bill to declare that the United States holds certain lands in trust for the Bad River Band of Lake Superior Chippewa

Indians of the State of Wisconsin; without amendment (Rept. No. 372). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 1892. A bill authorizing the Secretary of the Interior to issue a patent in fee to certain Indian lands in Lake County, Mont.; without amendment (Rept. No. 373). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 2387. A bill authorizing the Governor of Alaska to fix certain fees and charges with respect to elections; with an amendment (Rept. No. 374). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 2876. A bill to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes; without amendment (Rept. No. 375). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 2914. A bill to amend the Taylor Grazing Act, and for other purposes; with amendments (Rept. No. 376). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 2988. A bill to provide for a Resident Commissioner from the Virgin Islands, and for other purposes; with amendments (Rept. No. 377). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 212. Joint resolution authorizing appropriations to the Federal Security Administration in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; without amendment (Rept. No. 383). 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. MORRIS: Committee on Public Lands. H. R. 1976. A bill to authorize the sale of certain allotted inherited land on the Flathead Indian Reservation, Mont.; without amendment (Rept. No. 378). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1281. A bill authorizing the Secretary of the Interior to issue a patent in fee to Leslie Paul Schroeder; without amendment (Rept. No. 379). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1109. A bill authorizing the Secretary of the Interior to issue a patent in fee to Phena M. Anderson; with an amendment (Rept. No. 380). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1030. A bill authorizing the Secretary of the Interior to issue a patent in fee to Francis Howe; without amendment (Rept. No. 381). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 1029. A bill authorizing the Secretary of the Interior to issue a patent in fee to Howard C. Heckenlively; with an amendment (Rept. No. 382). 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. ABERNETHY:

H. R. 3967. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1950; to the Committee on the District of Columbia.

By Mr. ANGELL:

H. R. 3968. A bill to provide for raising and strengthening the levees of the peninsula drainage district, No. 1, Oregon, in the interest of providing additional flood protection; to the Committee on Public Works.

H. R. 3969. A bill authorizing the construction of certain works of improvement on the lower Columbia River in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. BUCHANAN:

H. R. 3970. A bill to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Banking and Currency.

By Mr. BYRNE of New York:

H. R. 3971. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory and supplementary thereto; to the Committee on the Judiciary.

By Mr. EVINS:

H. R. 3972. A bill to provide for the issuance of a postage stamp commemorative of the Eleventh Tennessee Walking Horse Celebration; to the Committee on Post Office and Civil Service.

By Mr. HOBBS:

H. R. 3973. A bill to advance on the retired list certain members of the armed forces commended for their performance of duty; to the Committee on Armed Services.

By Mr. LEMKE:

H. R. 3974. A bill to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes; to the Committee on Public Lands.

By Mr. ROGERS of Florida:

H. R. 3975. A bill to exempt baby oil and baby powder from the retailers' excise tax on toilet preparations; to the Committee on Ways and Means.

By Mr. SASSCER:

H. R. 3976. A bill to provide for a preliminary examination and survey of Port Tobacco Run and Gilbert Run, Charles County, Md.; to the Committee on Public Works.

By Mr. COLE of Kansas:

H. R. 3977. A bill to allow a deduction, for income-tax purposes, of expenditures made incident to the prevention of erosion of agricultural land; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 3978. A bill to amend section 3250 (1) (5) of the Internal Revenue Code, and for other purposes; to the Committee on Ways and Means.

By Mr. KARSTEN:

H. R. 3979. A bill to name the twin highway bridge over the Potomac River in the District of Columbia the "Franklin Delano Roosevelt Memorial Bridge"; to the Committee on the District of Columbia.

By Mr. MILES:

H. R. 3980. A bill to provide percentage depletion in the case of pumice and scoria; to the Committee on Ways and Means.

By Mr. MULTER:

H. R. 3981. A bill relating to the review by the Supreme Court of judgments of con-

viction in criminal proceedings; to the Committee on the Judiciary.

By Mr. PATTEN:

H. R. 3982. A bill to authorize the Secretary of Agriculture to sell certain lands to the Sisters of St. Joseph in Arizona, Inc., of Tucson, Ariz., to consolidate the desert laboratory experimental area of the Southwestern Forest and Range Experiment Station, and for other purposes; to the Committee on Agriculture.

By Mr. RHODES:

H. R. 3983. A bill to extend and improve the old-age and survivors insurance system, to reduce the eligibility age from 65 to 60, to add protection against disability, and for other purposes; to the Committee on Ways and Means.

H. R. 3984. A bill to amend the Social Security Act to enable States to establish more adequate public-welfare programs, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLCOTT:

H. R. 3985. A bill to provide for the issuance of a postage stamp in commemoration of the centennial of the cutting of the world-famous Cass River cork pine at Vassar, Mich.; to the Committee on Post Office and Civil Service.

By Mr. HINSHAW:

H. R. 3986. A bill to provide for the acquisition of McCornack General Hospital, Pasadena, Calif., by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MARSLIS:

H. R. 3987. A bill to provide for the transfer of the temporary housing project located on the former Pueblo Army Air Base to the city of Pueblo, Colo.; to the Committee on Banking and Currency.

By Mr. STOCKMAN:

H. R. 3988. A bill allowing the cost of construction of farm-storage facilities to be deducted, for income-tax purposes, over a period of 60 months; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 3989. A bill to amend the National Housing Act and thereby facilitate the financing of homes for veterans under the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Banking and Currency.

H. R. 3990. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. KENNEDY:

H. R. 3991. A bill to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development; to the Committee on the District of Columbia.

By Mr. DOUGHTON:

H. J. Res. 212. Joint resolution authorizing appropriations to the Federal Security Administrator in addition to those authorized under title V, part 2, of the Social Security Act, as amended, to provide for meeting emergency needs of crippled children during the fiscal year ending June 30, 1949; to the Committee on Ways and Means.

By Mr. DAWSON:

H. J. Res. 213. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949; to the Committee on Foreign Affairs.

By Mr. HAYS of Arkansas:

H. J. Res. 214. Joint resolution proposing an amendment to the Constitution relating to the qualifications of electors; to the Committee on the Judiciary.

By Mr. HART:

H. Con. Res. 54. Concurrent resolution to investigate certain economic problems; to the Committee on Rules.

MEMORIALS

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

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to pass the General Pulaski's Memorial Day resolution now pending before it; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. EVINS:

H. R. 3992. A bill for the relief of J. L. Hitt; to the committee on the Judiciary.

By Mr. HINSHAW:

H. R. 3993. A bill for the relief of James Q. Henry of Montrose, Los Angeles County, Calif.; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 3994. A bill for the relief of John D. Lange; to the Committee on the Judiciary.

By Mr. LEFEVRE:

H. R. 3995. A bill for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 3996. A bill for the relief of Dr. J. Carlyle Nagle; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause I of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

446. By Mr. ASPINALL: Joint memorial of the Colorado State Legislature, to support the passage of the Local Public Health Services Act of 1949, and that the appropriation of \$10,808,000, "Assistance to States, general public health," which was deleted from the appropriation bill, H. R. 3333, for the Public Health Service, passed March 9, 1949, by the House of Representatives, be restored so that adequate financial assistance will be available, to the end that public health in Colorado may continue to go forward; to the Committee on Appropriations.

447. By Mr. GATHINGS: Four petitions on the question of repealing the taxes on cosmetics; to the Committee on Ways and Means.

448. By Mr. HALE: Memorial of the Maine Senate and House of Representatives, urging the Congress of the United States to enact a bill requiring shippers of cigarettes in interstate commerce to furnish to the taxing authority of the State to which shipped a copy of the invoice on each such shipment, or to enact such other bill to the aid of the several States affected as may be proper; to the Committee on Ways and Means.

449. By Mr. HILL: Memorial of the State of Colorado, asking that the appropriation of \$10,808,000, "Assistance to States, general public health," which was deleted from the appropriation bill, H. R. 3333, for the Public Health Service, passed March 9, 1949, be restored; to the Committee on Appropriations.

450. By Mr. MILLER of Maryland: Resolution of the Caroline County Medical Society, of Denton, Md., going on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

451. By Mr. NELSON: Memorial of the State of Maine, asking enactment of a bill to aid the State in the enforcement of the cigarette tax now evaded by use of the United

States mails; to the Committee on Ways and Means.

452. By the SPEAKER: Petition of Effie B. Rice and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

453. Also, petition of R. E. Collins and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

454. Also, petition of Mrs. George E. Knapp and others, Orlo Vista, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

455. Also, petition of Joaquin F. Fernandez and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

SATURDAY, APRIL 2, 1949

(Legislative day of Friday, March 18, 1949)

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, with contrite spirits we come asking that Thou wilt strengthen our weakness, steady and calm our disturbed hearts, quiet our ill tempers, curb our hasty speech, give us faith for cynicism, and make us worthy of these demanding days that call for wisdom and character. May our own attitudes contribute to the warmth of that climate of friendship which shall yet cover every landscape with its magic charm and at last spread its divine tints across all the areas of human life. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 1, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

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

CANCELLATION OF DRAINAGE CHARGES AGAINST CERTAIN LANDS IN UNTAH INDIAN IRRIGATION PROJECT, UTAH

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a copy of the order of October 15, 1945, canceling, subject to approval by Congress, the sum of \$23,090.62 expended for drainage works to serve non-Indian-owned land under the Uintah Indian irrigation project, Utah, together with a draft of proposed legislation to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah (with accompanying papers); to the Committee on Interior and Insular Affairs.

ADDITION TO SUMMIT LAKE INDIAN RESERVATION, NEV.

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON WEST UNIT OF THE DALLES PROJECT, OREGON

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, his report and findings on the west unit of The Dalles project, Oregon (with an accompanying report); to the Committee on Interior and Insular Affairs.

AUDIT REPORT OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Federal Savings and Loan Insurance Corporation, for the fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Chairman of the Munitions Board, Washington, D. C., transmitting, pursuant to law, a report on the National Industrial Reserve (with an accompanying report); to the Committee on Armed Services.

COMPACT BETWEEN NEW MEXICO AND TEXAS ON WATERS OF PECOS RIVER

A letter from the representative of the United States on Pecos River compact negotiations, Geological Survey, Department of the Interior, transmitting a copy of a compact entered into on December 3, 1948, between the States of New Mexico and Texas, respecting uses and deliveries of the waters of the Pecos River (with accompanying papers); to the Committee on Interior and Insular Affairs.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Aiken	Hill	Mundt
Anderson	Holland	Murray
Baldwin	Hunt	Neely
Brewster	Ives	O'Mahoney
Bricker	Johnson, Tex.	Reed
Butler	Johnston, S. C.	Robertson
Cain	Kefauver	Russell
Chapman	Kem	Saitonstall
Connally	Kerr	Smith, Maine
Cordon	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taylor
Downey	Lucas	Thomas, Utah
Ecton	McCarran	Thye
Ellender	McClellan	Vandenberg
Ferguson	McGrath	Watkins
George	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Martin	Williams
Hayden	Maybank	Withers
Hendrickson	Miller	Young
Hickenlooper	Millikin	

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Arizona [Mr. MCFARLAND], the Senator from Maryland [Mr. O'CONOR], and the Senator from Florida [Mr. PEPPER] are detained on official business.

The Senator from Delaware [Mr. FREAR] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. HOEY], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness in his family.

The Senator from Vermont [Mr. FLANDERS], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Kansas [Mr. SCHOEPFEL] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

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

The senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNEN], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. McCARTHY], and the Senator from Oregon [Mr. MORSE] are unavoidably detained on official business.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

LEAVE OF ABSENCE

Mr. BRICKER asked and obtained consent to be absent from the session of the Senate on Monday next.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. If it is agreeable to the Senate, the Chair will recognize Senators to present routine matters without debate, and without prejudicing the parliamentary situation. The Chair hears no objection, and it is so ordered.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Oklahoma, relating to the amendment of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

(See text of concurrent resolution printed in full when presented by Mr. THOMAS of Oklahoma on March 31, 1949, p. 3549, CONGRESSIONAL RECORD.)

A concurrent resolution of the Legislature of the State of Maine, relating to aid to that State in the enforcement of the cigarette tax; to the Committee on Finance.

(See text of concurrent resolution printed in full when presented by Mr. BREWSTER on April 1, 1949, p. 3636, CONGRESSIONAL RECORD.)

A resolution of the Legislature of the State of Nebraska, relating to the ratification of