

summer with a view to construction as soon as possible; to the Committee on Public Works.

Also, memorial of the Legislature of the Territory of Alaska, urging the construction of a road between Livengood and Nome, Alaska; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CLEMENTE:

H. R. 4184. A bill for the relief of Michael Zarechnak; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 4185. A bill for the relief of Edward W. Dellmater; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 4186. A bill for the relief of Jan Liga; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 4187. A bill for the relief of Mrs. Ada Svejkovsky; to the Committee on the Judiciary.

By Mr. TAURIELLO:

H. R. 4188. A bill for the relief of Dr. Ferdinando Schiappa; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H. R. 4189. A bill for the relief of Charles E. Crook and B. L. Fleider; 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:

547. By Mr. ASFINALL: Memorial of the Colorado State Legislature, memorializing the Congress of the United States to enact pending legislation for the amendment of the Social Security Act to provide assistance to unemployables; to the Committee on Ways and Means.

548. Also, resolution of the senate of the State of Colorado, petitioning the President of the United States to prohibit the importation of furs from Russia; to the Committee on Interstate and Foreign Commerce.

549. By Mr. BARING: Senate Joint Resolution 10, approved by Governor Pittman on March 29, 1949; to the Committee on Banking and Currency.

550. By Mr. CARROLL: Memorial of the Colorado State Legislature, urging 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 Committee on Appropriations.

551. Also, memorial of the State Legislature of Colorado, urging the Congress to approve proposed legislation providing for amendments to the Social Security Act in order to provide for assistance to the chronically ill, physically or mentally handicapped, or otherwise unemployable persons between the ages of 18 and 65, who have been determined by clinical and laboratory tests or otherwise to have a chronic or prolonged disability which causes them to be unable or unavailable for gainful employments; to the Committee on Ways and Means.

552. By Mr. HALE: Memorial of the Senate and House of Representatives of the State of Maine, asking that the Congress of the United States, pursuant to article V of the Constitution give serious consideration to the calling of a convention for the sole purpose of proposing amendments to the Constitution

which are appropriate to authorize the United States to negotiate with other nations, subject to later ratification, a constitution of a world federal government, open to all nations, with limited powers adequate to assure peace, or amendments to the Constitution which are appropriate to ratify any world constitution which is presented to the United States by the United Nations, by a world constitutional convention, or otherwise; to the Committee on the Judiciary.

553. By Mr. HESELTON: Petition of the Board of Aldermen of the City of Holyoke, Mass., regarding the immediate repeal of the Taft-Hartley law; to the Committee on Education and Labor.

554. By Mr. LECOMPTE: Petition of Robert R. Dalziel, druggist, and other citizens of What Cheer, Iowa, urging repeal of the 20 percent excise tax on all toilet goods; to the Committee on Ways and Means.

555. By Mr. SADLAK: Resolution of the Court of Common Council of the City of Meriden, Conn., memorializing the Congress to pass and the President to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the Congress; to the Committee on the Judiciary.

556. By the SPEAKER: Petition of the president, Gulf Ports Association, Inc., Galveston, Tex., stating approval of the wording of the bill H. R. 1340; to the Committee on Merchant Marine and Fisheries.

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

558. Also, petition of Mrs. Robert L. 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.

559. Also, petition of Mrs. Ruth Childers and others, Avon Park, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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

561. Also, petition of Mrs. Anna Pinckard 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.

562. Also, petition of J. M. Villa and others, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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

SENATE

TUESDAY, APRIL 12, 1949

(Legislative day of Monday, April 11, 1949)

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

His Eminence, Francis Cardinal Spellman, of New York City, offered the following prayer:

O God of our Fathers! In this solemn hour we call upon Thy name. We are Thy people. Thou art our God, our watching, mighty God. Thou hast carved us a nation out of the wilderness, sealing us with high destiny, to be light to peoples in darkness, to bring freedom to nations in chains. Thou didst breathe Thy breath into the face of our sires, Thy breath of freedom, of justice, of

peace. Breathe we Thy breath, our Nation shall not die. O God, preserve us, Thy Nation, a union of States, one and indivisible.

Grim are the signs we sight as rolling wrecks drift by, nations with decks awash, nations in frantic fear. Death riding at the masthead, with mutiny aboard, against Thy holy will, O God, our captain! Preserve us Thy Nation, a union of States, one and indivisible.

When a nation drops God as a pilot, God abandons the ship of state to gales of pernicious doctrines, to cross-currents of greed, to the lash of pirates, to the lot of slaves, to the doom of drowning. O God, our captain! Preserve us Thy Nation, a union of States, one and indivisible.

O Father of the nations! Great is Thy trust in us, sacred our hope in Thee. In Thee, we pledge our faith with the blood and tears of our bravest! Beside us lie the tasks of the hour. Before us shine the goals to be won. Bless us, O God, with unity; unity of heads, sharing common counsels; unity of hands, sharing common toil; unity of hearts, sharing common hopes. Our unity revealing Thy strength and our will.

O God, our Father! Preserve us Thy Nation, a union of States, one and indivisible.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 11, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 3932) to exempt artificial limbs from duty if imported for personal use and not for sale, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. Do I understand correctly that the Senator from New Hampshire [Mr. BRIDGES] retained the floor under a unanimous-consent agreement last evening?

The PRESIDENT pro tempore. There was no express agreement, but he had offered an amendment and was on his feet yesterday at the time the Senate took a recess.

Mr. LUCAS. Mr. President, will the Senator from New Hampshire yield to me to make a unanimous-consent request?

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Illinois?

Mr. BRIDGES. I yield.

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present routine business and matters for the RECORD without jeopard-

izing the parliamentary situation and without debate.

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

FOURTH ANNIVERSARY OF DEATH OF FRANKLIN D. ROOSEVELT

Mr. GREEN. Mr. President, my personal feelings on this anniversary compel me to take a few minutes of the time of the Senate to recall to my colleagues—

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The unanimous-consent agreement under which the Senate is now operating precludes debate, the Chair will say to the Senator from Rhode Island.

Mr. GREEN. Then, Mr. President, I ask unanimous consent that I may be permitted to make a short address not exceeding 5 minutes in length.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and the Senator from Rhode Island may proceed.

Mr. GREEN. Mr. President, my personal feelings on this anniversary compel me to take a few minutes of the time of the Senate to recall to my colleagues the shock we all received 4 years ago today when the news of the death of our President, Commander in Chief, world leader, and friend came to us over the wires from Warm Springs, Ga. It seemed to many of us as though the world stood still. The nervous strain we had been under during the trying days of the Great War had been eased by the confidence we had in his leadership, and this leadership was gone. For a little while we groped as though in darkness after the light had suddenly been extinguished.

There followed an upsurge of grief in all hearts, in the hearts not only of ourselves and of our fellow countrymen, but of the people throughout the world, especially the common people.

They felt that they had lost an understanding friend who had their welfare at heart. I give a couple of illustrations. Shortly after his death, I was in the city of Bogotá and was told how the telephone system broke down upon the spread of the tragic news. There was a strange human reason for this. Thousands were calling up to find out whether the rumor was true, but the telephone operators were so choked with tears they could not answer the calls. In the city of Caracas I visited a large new housing development erected by the Government for the occupation of white-collared workers. I wanted to see the interior of one of the apartments and selected one by lot. When I called, the family was having its midday meal, but the mother of the family took pride in showing me around. Finally she unlocked a glass cupboard and took out a cardboard on which was pasted a newspaper portrait of President Roosevelt in a little frame of paper flowers. She said, "He was a friend of ours, too." Surprised, I asked, "How did you know I was his friend?" and she said, "Because I saw your picture in the newspaper and am glad to welcome his friend here."

This affectionate regard for Roosevelt endures. Last fall when I was the guest of a group of farmers and farm laborers at an outdoor luncheon in the Mexican countryside, a laborer sitting far down the table finally arose to his feet and asked permission to speak. He said I was introduced as a friend of Roosevelt, and then he burst into praise of the great man and grief over his passing. The tears actually rolled down his cheeks. I have had similar experiences in other parts of the world.

So in these few words of eulogy, I want to emphasize not the leader who by natural temperament, expert training and long experience was best qualified for dealing with the great issues, first, of winning the war, and, second, of winning the subsequent peace, not the statesman who led us out of the depression and established the principles of the New Deal, but rather the big-hearted man who understood the masses of his fellow citizens. He had not only the heart to sympathize with them, but also the brain to devise means for helping them.

For a short while after his death the people wondered whether his policies would be followed. The new President was thinking profoundly and acting slowly. Personally I never doubted that he would continue along the path blazed by his predecessor. He has done so, and I am sure he will continue to do so.

It is this American way of life which now faces its greatest travail. It has won the greatest war in history. It must now win the peace. The time is approaching when it will be determined whether democracy can survive, whether we have reached and passed the highest point of a thousand years of recorded history. It is my belief that the clear, unified will of America will continue to be manifest in the administration which now represents it. So now, after looking backward for a short while, let us again look forward, and follow upward the leadership of President Roosevelt's loyal follower, President Truman.

VISIT OF THE PRESIDENT—ORDER FOR RECESS

Mr. LUCAS. Mr. President, I have an important announcement to make which I want every Senator to hear. The President of the United States has very graciously agreed to come to the Capitol today at 1 o'clock and take lunch with all Senators. Today marks his fourth anniversary as Chief Executive of the Nation. Under those circumstances, I think it is most appropriate that the Senate of the United States take a recess from 1 o'clock until 2 o'clock. Therefore I ask unanimous consent that the Senate stand in recess beginning at 1 o'clock until 2 o'clock this afternoon.

The PRESIDING OFFICER. Unanimous consent is requested that the Senate take a recess for 1 hour beginning at 1 o'clock. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communi-

cations and a letter, which were referred, as indicated:

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF INTERIOR (S. Doc. No. 46)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, amounting to \$152,000, and a proposed provision relating to an existing appropriation, fiscal year 1949, for the Department of the Interior (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF INTERIOR (S. Doc. No. 47)

A communication from the President of the United States, transmitting supplemental estimates, in the amount of \$5,777,250, Indian tribal fund authorizations in the amount of \$103,000, and drafts of proposed provisions for the fiscal year 1950, for the Department of the Interior, in the form of amendments to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, HOUSING EXPEDITER (S. Doc. No. 45)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$3,000,000, for the Housing Expediter, fiscal year 1949 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, NATIONAL ARCHIVES (S. Doc. No. 43)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$200,000, for the National Archives, fiscal year 1950, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, VETERANS' ADMINISTRATION (S. Doc. No. 44)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$12,685,000, for the Veterans' Administration, fiscal year 1950, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DIVISION OF LANDS AND FUNDS OF OSAGE INDIANS, OKLAHOMA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Colorado; to the Committee on Finance:

"House Joint Memorial 14

"Memorializing the Congress of the United States to enact pending legislation for the amendment of the Social Security Act to provide assistance to unemployables

"Whereas there is now pending in the Congress of the United States various measures for the amendment of the Social Security Act to provide for more comprehensive public-welfare programs of assistance and welfare services to various categories of needy persons; and

"Whereas it is essential that provision be made through Federal legislation in cooperation with the States for the assistance of the chronically ill, physically or mentally handicapped, or otherwise unemployable persons between the ages of 18 and 65, who by clinical and laboratory tests, or otherwise, have been determined to have a chronic or prolonged disability which causes them to be unable or unavailable for gainful employment: Now, therefore, be it

"Resolved by the house of representatives of the thirty-seventh general assembly (the senate concurring herein), That the Congress of the United States be and it is hereby memorialized to approve such proposed legislation providing for amendments to the Social Security Act in order to provide for assistance to the chronically ill, physically or mentally handicapped, or otherwise unemployable persons between the ages of 18 and 65, who have been determined by clinical and laboratory tests, or otherwise, to have a chronic or prolonged disability which causes them to be unable or unavailable for gainful employment; and be it further

"Resolved, That copies of this memorial be forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Senators and Congressmen representing the State of Colorado in the Congress of the United States, and to the Federal Security Administrator."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Armed Services:

"Concurrent resolution memorializing the Congress of the United States to enact legislation securing to all citizens, and particularly to its Negro citizens, the right to serve in the National Guard of the United States without segregation in separate units

"Whereas equality of opportunity, responsibility, and privilege of all its people is a matter of vital importance to the people of the State of Minnesota; and

"Whereas it is the policy of the State of Minnesota that there shall be no discrimination between its people by reason of race, color, religion, or national origin; and

"Whereas the regulations prescribed by the Department of the Army require that all Negro manpower subject to its authority, except Negro manpower with special skills or qualifications, be employed in Negro units which will conform in general to other units of the Army; and

"Whereas these regulations control the employment of Negro manpower in the National Guard of the United States; and

"Whereas these regulations of the Department of the Army, in denying to Negro citizens of this State equality of opportunity and service in the National Guard, are in derogation of the public policy of the State of Minnesota: Now, therefore, be it

"Resolved by the Senate of the State of Minnesota (the House of Representatives concurring therein), That the Congress of the United States at its present sitting be and is urgently petitioned and requested to enact such legislation as will secure to all citizens of the United States, and particularly to its Negro citizens, the right to serve in the National Guard of the United States in the same units with all other members without segregation of Negro manpower or any other manpower by reason of race, color, religion, or national origin; and be it further

"Resolved, That a duly authenticated copy of this resolution be transmitted to the President of the United States, to the Presiding Officers of the Senate and House of Representatives of the Congress of the United

States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

*"C. ELMER ANDERSON,
"President of the Senate.
"JOHN A. HARTLE,*

*"Speaker of the House of Representatives.
"Passed the senate the 15th day of March in the year of our Lord 1949.*

*"H. Y. TONEY,
"Secretary of the Senate.*

"Passed the house of representatives the 29th day of March in the year of our Lord 1949.

*"G. H. LEAHY,
"Chief Clerk, House of Representatives.
"Approved April 2, 1949.*

*"LUTHER YOUNGBAHL,
"Governor of the State of Minnesota.
"Filed April 4, 1949.*

*"MIKE HOLM,
"Secretary of State."*

A joint resolution of the Legislature of the State of Nevada; to the Committee on Banking and Currency:

"Senate Joint Resolution 5

"Joint resolution memorializing the Congress of the United States to repeal all laws inhibiting free trade in gold in the open market

"Whereas the Congress of the United States has enacted laws restricting free trade in gold produced in the United States, its territories and possessions, and compelling that all such gold be sold only to the Government of the United States at a price fixed by statute at \$35 per fine ounce; and

"Whereas the aforesaid fixed price was established in 1934 at a time when both labor and materials were readily obtainable at a reasonable price; and

"Whereas wage costs and material costs have more than doubled since 1934 and no longer can be met by gold producers in the State of Nevada; and

"Whereas gold mining is a major industry in the State of Nevada and has, in the past, enabled the development of lead, copper, zinc, and silver properties which were of inestimable value to the Nation during World War II; and

"Whereas the restrictions and inhibitions on free trade in gold, coupled with the arbitrary and unreasonable fixed price on gold, have compelled the closing and abandonment of gold mines in the State of Nevada, resulting in unemployment and hardship for the people of Nevada and drastically affecting the economic and tax structure of the State of Nevada; and

"Whereas there is pending before the Congress of the United States proposed legislation to permit free trade in gold in the open market within the United States, its territories and possessions, and to permit gold to be exported without the imposition of duties, excise taxes, or licenses, permits, or any restrictions whatsoever; and

"Whereas the enactment of such legislation will be of inestimable benefit to the people of the State of Nevada: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, That the Congress of the United States be, and it is hereby memorialized to enact Senate bill 13, Eighty-first Congress, first session, or similar legislation repealing all restrictions on trade in gold and permitting gold to be freely bought, held, sold, or traded in the open market, and permitting gold to be exported without duties, taxes, licenses, permits, or any restrictions whatsoever; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United

States, and to each Senator and Representative of the State of Nevada in the Congress of the United States."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution 10

"Joint resolution memorializing the Congress of the United States to appropriate funds for the erection and operation of a new precious- and rare-metals station of the United States Bureau of Mines in Reno, Nev.

"Whereas the precious- and rare-metals station of the United States Bureau of Mines located on the campus of the University of Nevada in Reno, Nev., has for many years rendered invaluable service to the mining industry and to the country at large in solving problems of metallurgy through extensive research in precious and rare minerals; and

"Whereas the existing United States Bureau of Mines precious- and rare-metals station has been housed on the campus of the University of Nevada for 30 years in a building supplied by the university; and

"Whereas the University of Nevada is in great and pressing need of the university building occupied by the precious- and rare-metals station that it may take care of the ever-increasing enrollment in the Mackay school of mines of the university; and

"Whereas the present headquarters of the precious- and rare-metals station on the campus are inadequate to meet current and growing requirements and for proper laboratory space, and are further inadequate for the engineers and staff of the Bureau, and which requires much of the equipment of the mining branch of the Bureau to be placed in storage; and

"Whereas the geophysical workers of the United States Bureau of Mines have for years been located in a university building also needed by the Mackay school of mines and which, moreover, is inadequate for the purposes of the Bureau; and

"Whereas the University of Nevada has deeded to the Government of the United States a tract of land of about 2 acres located on the campus of the University of Nevada, said tract to be used for the site of a building sufficient to house the precious- and rare-metals station and various other branches of the United States Bureau of Mines now located in Reno; and

"Whereas there is pending in the Congress of the United States, H. R. 2386, introduced by Representative BARING, which directs the Secretary of the Interior to establish, equip, and maintain a research laboratory in Reno for research and assistance in matters pertaining to precious- and rare-metal mining and metallurgy, and directs appropriation of \$750,000 for construction of a building sufficient to house the facilities indicated, and also directs appropriation of \$250,000 annually for maintenance and operation of said precious- and rare-metals station and other Bureau of Mines activities: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, That the Congress of the United States be, and it is hereby memorialized to enact said bill, H. R. 2386, to the end that proper housing and facilities be furnished the United States Bureau of Mines precious- and rare-metals station, and that the University of Nevada may recover use of the building occupied by said station which it so sorely needs; and be it further

"Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United

States, and to each Senator and the Representative of the State of Nevada in the Congress of the United States."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Appropriations:

"House Concurrent Resolution 23

"Whereas it has been reliably reported that the Navy Department is contemplating the placing of the Naval Air Station, at Kaneohe, T. H., on an inactive status; and

"Whereas there has been introduced in the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii, a bill to appropriate the sum of \$50,000 for the construction of much needed wharfage and harbor facilities in the vicinity of Kaneohe, Oahu, for use by Hawaiian tuna fishermen; and

"Whereas if the wharfage facilities at Kaneohe Naval Air Station can be made available to the Territory, it would obviate the necessity of the expenditure of the aforesaid sum of money by the Territory and would be of great value and assistance to the people of the Territory in further developing its fishing resources: Now, therefore, be it

"Resolved, by the House of Representatives of the Twenty-fifth Session of the Legislature of the Territory of Hawaii (the Senate concurring), That the Congress of the United States of America be and it is hereby respectfully requested to make available such facilities to the Territory of Hawaii to be used for the public purposes contemplated in this resolution; and be it further

"Resolved, That certified copies of this concurrent resolution be forwarded to the President of the United States, President of the Senate, Speaker of the House of Representatives of the Congress, the Secretary of Defense, the Secretary of the Navy, the Delegate to Congress from Hawaii, and the Commandant of the Navy Yard, Pearl Harbor."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Armed Services:

"House Concurrent Resolution 2

"Be it resolved by the House of Representatives of the Twenty-fifth Legislature of the Territory of Hawaii (the Senate concurring), That the Secretary of Defense be and he is respectfully requested to defer any drastic reductions in the force of civilian personnel at Ford Island, Pearl Harbor, and other naval, military, and air installations and facilities in the Territory and to readjust the over-all defense program so that it may be carried out without undue hardship to the persons affected, many of whom have faithfully served for many years, and without serious adverse effects on the economy of the Territory.

"Be it further resolved, That certified copies of this resolution be forwarded to the President of the United States, Secretary of Defense, Secretary of the Navy, Secretary of the Army, Secretary for Air, to both Houses of the Congress of the United States of America, and to the Delegate to Congress from Hawaii."

A resolution adopted by Summerall Chapter, No. 10, Disabled American Veterans, of Miami, Fla., protesting against any reduction in the Veterans' Administration hospital program; to the Committee on Labor and Public Welfare.

An excerpt from the minutes of the meeting of the directors of the Lehigh County Taxpayers' League, of Allentown, Pa., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

Resolutions adopted by the Court of Common Council of Meriden, and the Board of

Aldermen of the City of Derby, both in the State of Connecticut; the City Council of the City of Ecorse, Mich.; the Board of Selectmen of the Town of Palmer, and the Polish Women's Citizens Club, of Three Rivers, both in the State of Massachusetts, favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

A letter in the nature of a memorial from the Bermuda Benevolent Association, Inc., of New York, N. Y., signed by Winnie B. Pitt, secretary, remonstrating against the enactment of House bill 199, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence and to make immigration quotas available to Asian and Pacific peoples; to the Committee on the Judiciary.

PERSECUTION OF CHRISTIAN PRIESTS, MINISTERS, AND LAYMEN IN SOVIET-OCCUPIED TERRITORY

Mr. CONNALLY. Mr. President, I present for appropriate reference a resolution adopted by citizens of Angelina County, Tex., in mass meeting assembled, condemning the persecution of Christian priests, ministers, and laymen by the Soviet Union and their satellites in occupied territory, and I ask unanimous consent that it may be printed in the RECORD.

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

Be it resolved by the citizens of Angelina County, Tex., in mass meeting assembled, That we condemn and denounce, as un-Christian and barbaric, the wholesale persecution of Christian priests, ministers, and laymen by the Soviet Union and their satellites in occupied territory. Freedom of religious worship and conscience is the most fundamental and sacred right which God intended and ordained that every person should enjoy. No government or king or dictatorship has any right to take away or abridge this God-given right. The very foundation of Christian civilization is the religious and political freedom of every person, regardless of race, color, or creed. There can never be peace or justice on this earth, so long as any of the people are denied the right to worship God according to the dictates of their conscience. It is, therefore, a matter of the deepest concern to us, that our brethren in the Balkan states, now controlled by the atheistic and pagan dictatorship of communism, are being subjected to indescribable torture because of their religious faith and practice. It is unbelievable that, in this age of enlightenment, a large part of the world should revert to the horrors and cruelties of religious persecution and suppression.

We call upon the President of the United States and the other officials of our Government to demand that Russia and her satellite countries be summoned by the United Nations to appear and be tried for the unspeakable crimes that are being committed upon the persons, rights, and consciences of Christian people and ministers who are now the victims of the same kind of persecution and outrages that were inflicted by Nero upon the early Christians. We call upon citizens of every community in the United States to assemble in mass meeting and pass similar resolutions, so that the world may know that all Americans, regardless of race, color, or creed, condemn any form of religious persecution. We denounce, as unwise and un-Christian, any policy that seeks to appease these heinous crimes against God and man. We have not forgotten the tragic blunder of

the appeasement of Adolf Hitler when he began his brutal policy of religious persecution of helpless minorities. We now know that, had we and other Christian countries taken a firm and uncompromising stand, Hitler could have been stopped before he became powerful, and the world could have been spared the horrors and sufferings of World War II. We call upon our fellow citizens, in America and in all of the Christian countries, to profit from this tragic example by taking a firm stand against Russian tyranny and persecution of defenseless minorities. We believe that the future of the United Nations depends upon its ability and willingness to deal firmly with any nation which violates the God-given rights of its citizens. We have learned by experience that we dare not sit idly and indifferently by, or remain silent when our fellow man—whoever he is or wherever he lives—is the victim of persecution and intolerance.

We reaffirm our faith in and devotion to the fundamental principles of Americanism that every person, whether in our own or foreign lands, is entitled to enjoy his God-given right to absolute and unfettered religious freedom. We condemn, as un-American and un-Christian and as unspeakably barbarous, every form, shape, or kind of bigotry and intolerance. We beseech our Government to go on record, formally and officially, against bigotry, persecution, intolerance, and the suppression of the rights of any minority.

Be it resolved that the chairman of this mass meeting be empowered and authorized to appoint a committee of five members to sign, in our behalf, and certify to this resolution, and to send copies of it to the President and Vice President of the United States and to the Secretary of State and to our Texas Representatives and Senators in Congress, with the request that this resolution be read on the floor of the House of Representatives and on the floor of the Senate of the United States and incorporated in the records thereof, and that a copy of this resolution be sent to the United Nations as a petition, urging the immediate trial of Russia, Bulgaria, Hungary, and other satellite countries, for the high crime of religious persecution and bigotry.

BENJAMIN J. WEBER.

ELBERT CLARK.

JOHN B. RILEY.

Dr. E. G. TAYLOR.

FR. FRED JULIEN, M. S.

I, Martin Dies, certify that this is a true and exact copy of the resolution presented by me for adoption at a mass meeting of Angelina County citizens on March 8, 1949, and unanimously adopted.

MARTIN DIES,
Secretary of Mass Meeting.

PROTEST AGAINST CONTROL OF NATIONAL GUARD BY ARMY—RESOLUTION OF SCIMITER CLUB OF BOUMI TEMPLE, BALTIMORE, MD.

Mr. O'CONOR. Mr. President, the Scimiter Club of Boumi Temple, A. A. O. N. M. S., of Baltimore, Md., has adopted a resolution opposing proposals to have the Army take over control of the National Guard of the several States. I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

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

Resolution of the Scimiter Club of Boumi Temple, Baltimore, Md.

Whereas there has appeared in the public press numerous references to a proposal by the Secretary of Defense to have the Army

take over the control of the National Guard of the several States; and

Whereas since the National Guard has proved beyond doubt that its existence is justified and through its efforts military training can be creditably accomplished at the civilian level; and

Whereas the integration of the National Guard into the Regular Army must ultimately lead to a military dictatorship: Now, therefore, be it

Resolved, That the Scimeter Club, a body composed of 600 members, be recorded as opposing any change in the control of the National Guard; and be it further

Resolved, That a copy of this resolution be forwarded to the Honorable MILLARD E. TYDINGS, the Honorable HERBERT R. O'CONNOR, and to each Member of the House of Representatives from the State of Maryland.

RETURN OF CERTAIN UNEMPLOYMENT TAXES TO NEW JERSEY

Mr. HENDRICKSON. Mr. President, I present for appropriate reference Concurrent Resolution No. 10 of the Legislature of the State of New Jersey, memorializing the Congress to return to the State of New Jersey sufficient moneys from taxes raised in the State of New Jersey for the administration of unemployment compensation to provide adequately for administration of the law in that State, and I ask unanimous consent that it be printed in the RECORD.

The concurrent resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Assembly Concurrent Resolution 10

Concurrent resolution memorializing the Congress of the United States to return to the State of New Jersey sufficient moneys from taxes raised in the State of New Jersey for the administration of unemployment compensation to provide adequately for administration of the law in the State of New Jersey

Whereas the Federal Government has raised by taxation in the State of New Jersey for administration of the unemployment compensation law \$34,000,000, about 38 percent in excess of the sums actually appropriated and expended for the administration of the law in this State; and

Whereas the funds appropriated by the Congress of the United States from taxes raised in New Jersey for administration have been and are insufficient for adequate administration of the law which has resulted in a drastic, emergent situation in New Jersey, in that thousands of involuntarily unemployed persons have been unable to secure the compensation to which they are entitled for many weeks after such payments are due, as long as 20 weeks in some cases; and

Whereas comparable industrial States have received for administration larger percentages of the sums raised therein; and

Whereas immediate action must be taken by the Congress of the United States to alleviate this distressing situation: Therefore, be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring)—

1. That the Congress of the United States be urgently requested to enact legislation by which sufficient moneys for the adequate administration of the unemployment compensation law will be returned to the State of New Jersey and to other States from the sums raised by the Federal Government by taxation in the States for the administration of the law to the end that the claims of unemployed persons entitled thereto may be promptly paid.

2. That the Congress of the United States be urged to enact basic amendments to the social-security law which will assure to all State unemployment compensation agencies adequate annual amounts for the proper administration of the law payable from the sums raised by the Federal Government by taxation therein for the administration thereof in order to prevent the annual recurrence of the present emergent condition.

3. *Be it further resolved*, That the secretary of state is directed forthwith to forward copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, the chairmen of the Senate and House of Representatives Committees on Appropriations, and to the Members of the Congress from the State of New Jersey.

(The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of New Jersey, identical with the foregoing, which was referred to the Committee on Finance.)

GENERAL PULASKI'S MEMORIAL DAY— RESOLUTION OF BOARD OF SELECTMEN OF PALMER, MASS.

Mr. LODGE. Mr. President, on behalf of my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I present for appropriate reference a resolution adopted by the Board of Selectmen of the town of Palmer, Mass., favoring the enactment of legislation proclaiming October 11 of each year as General Pulaski's Memorial Day, and I ask unanimous consent that it be printed in the RECORD.

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

Resolution relative to the General Pulaski's Memorial Day now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated from October 11, 1929, to October 11, 1946, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Board of Selectmen, Town of Palmer, Mass.—

1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's

Memorial Day resolution now pending in the United States Congress.

2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the two United States Senators from the State of Massachusetts, and to the Representative in Congress from the First Congressional District of the State of Massachusetts.

JAMES H. FITZGERALD,
HERBERT W. BISHOP,
PETER F. WARAKOMSKI,
Board of Selectmen.

PROPOSED REPEAL OF TAFT-HARTLEY LABOR LAW

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. LODGE] and myself, I present for appropriate reference a resolution adopted by the Board of Aldermen of the City of Holyoke, Mass., favoring the immediate and unqualified repeal of the Taft-Hartley labor law, and I ask unanimous consent that it be printed in the RECORD.

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

Resolution regarding immediate repeal of the Taft-Hartley law

Whereas there has been enacted by the Eightieth Congress of the United States, a labor bill known as the Taft-Hartley law; and

Whereas since the passage of this law, labor organizations have been oppressed and collective bargaining has been made more difficult to promote the advancement of the American labor movement; and

Whereas the Taft-Hartley law creates an inferior class of citizens, and inferior category and a debased position politically for the men and women who toil by hand or brain for their daily subsistence; and

Whereas the Taft-Hartley Act, in its entirety, is an insult to the working people of the United States, a brand upon their integrity and decency, and a handicap to all fair-minded employers; and

Whereas the Taft-Hartley Act invades the constitutional guaranties of free speech, free press, and freedom of contract; and

Whereas one of the main issues in the last Presidential campaign was the repeal of the Taft-Hartley law and such issue was supported by an overwhelming majority vote for candidates to political office who were on record for the immediate repeal of this vicious and obnoxious law; and

Whereas the Eighty-first Congress has conducted hearings on a substitute labor bill known as the Thomas bill and such hearings have resulted in needless repetitious testimony, consequently delaying action on the repeal of this law; and

Whereas thousands of collective-bargaining contracts presently expiring and will expire in the very near future, and labor organizations and employers cannot negotiate with any degree of confidence as to the provisions that may be contained in a new labor bill, thus creating an air of uncertainty and endangering harmonious labor relations between labor and management which may result in unavoidable work stoppage; and

Whereas the citizens of the United States of America have, by their vote last November, delivered a mandate to the new Congress for immediate repeal of the Taft-Hartley law: Therefore be it

Resolved, That the Board of Aldermen of the City of Holyoke assert its disapproval of the Taft-Hartley law; and be it further

Resolved, That the Board of Aldermen of the City of Holyoke go on record for the immediate and unqualified repeal of the Taft-Hartley law and that the President of the

United States, Harry S. Truman, the majority leaders of the House and the Senate, the Members of Congress from the western Massachusetts area, and the United States Senators from Massachusetts, be so notified as soon as possible after the passage of this resolution so that they may act accordingly.

WORLD GOVERNMENT—RESOLUTIONS OF CITIZENS OF SHERBORN AND BELMONT, MASS.

Mr. SALTONSTALL. Mr. President, on behalf of the junior Senator from Massachusetts [Mr. LODGE] and myself, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, resolutions adopted by the citizens of Sherborn, and the town of Belmont, Mass., relating to making the United Nations into a world government.

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

Resolution adopted at the annual town meeting in Sherborn, Mass., March 7, 1949, by a unanimous vote of the citizens assembled

Now, therefore, be it resolved, by the people of Sherborn, Mass., in town meeting assembled, That they call upon their Representatives in the Congress, in the Executive Department of the United States, and in the United Nations, forthwith to take such steps as may be necessary to have our delegates to the United Nations present or support amendment of the Charter for the purpose of making the United Nations into a world government capable of enacting, interpreting, and enforcing world law to prevent war; and be it further

Resolved, That a copy of this resolution be transmitted to both Senators from Massachusetts, the Congressman from the Fourteenth Congressional District, the President of the United States, the Secretary of State, and the United States representative in the United Nations.

A true copy, attest:

[SEAL] ELIJAH C. BARBER,
Town Clerk.

I, Charles B. Wiggins, as I am town clerk of the town of Belmont, Mass., hereby certify that when article 43 in the warrant for the adjourned session of the annual town meeting was before the town meeting of the town of Belmont, Mass., for action on March 21, 1949, as follows:

"Article 43

"To see if the town will adopt a resolution affording the people of Belmont an opportunity to express to their Representatives in Congress, in the Executive Department of the United States, and in the United Nations, their deep feeling regarding war and peace and to request such representatives to take such steps as may be necessary to make the United Nations into a world government capable of enacting, interpreting, and enforcing world law to prevent war, or in any way act thereon."

The following resolution was adopted:

"Voted, that the town adopt the following resolution:

"Resolved, That—

"Whereas modern science has now produced means by which mankind can destroy itself; and

"Whereas the United Nations was created as an instrument to preserve peace and its charter is capable of amendment so as to make it effective for the maintenance of world order; and

"Whereas disarmament and world peace can only be achieved by world order, world law, and some measure of world government; and

"Whereas the people of Belmont have since 1859 been happy to delegate certain functions of government to their town government, other functions to their State government, and still other functions to their National Government and are now willing to delegate further limited functions of government to a world government for the purpose of maintaining peace: Now, therefore, be it

"Resolved by the people of Belmont, Mass., in town meeting assembled, That they call upon their Representatives in the Congress, in the Executive Department of the United States and in the United Nations, to take note of these truths and forthwith to take such steps as may be necessary to have our delegates to the United Nations present or support amendment of the Charter for the purpose of making the United Nations into a world government capable of enacting, interpreting, and enforcing world law to prevent war; and be it further

"Resolved, That a copy of this resolution be transmitted to both Senators from Massachusetts, the Congressman from the Fifth Congressional District, the President of the United States, the Secretary of State, and the United States representatives in the United Nations."

A true copy.

Attest: CHARLES B. WIGGIN,
[SEAL] Town Clerk.

EXTENSION OF TIME ON READJUSTMENT ALLOWANCE FOR VETERANS—RESOLUTION OF BUFFALO POST, NO. 87, AMERICAN LEGION, DEPARTMENT OF SOUTH CAROLINA

Mr. MAYBANK. Mr. President, I present for appropriate reference a resolution adopted by Buffalo Post, No. 87, the American Legion, Department of South Carolina, favoring the extension for an additional 12 months of readjustment allowance benefits for veterans, and I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

"Whereas the deadline on readjustment allowance for most World War II veterans is July 25, 1949; and

"Whereas a large percentage of eligible veterans have never made application for this benefit; and

"Whereas many manufacturing establishments are curtailing production and dismissing employees and the need for this particular benefit is very apparent: Therefore be it

"Resolved by Buffalo Post, No. 87, American Legion, in regular meeting, That this post go on record as favoring legislation extending readjustment allowance benefits, under Public Law 346, for an additional 12-month period."

The above resolution was unanimously adopted by Buffalo Post, No. 87, American Legion, Department of South Carolina, in regular session on April 4, 1949.

Attest:

HAROLD A. LAWSON,
Commander.
LLOYD H. FLEMING,
Adjutant.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

H. R. 3704. A bill to provide additional revenue for the District of Columbia; with amendments (Rept. No. 260).

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

John W. Askew, of Virginia, to be comptroller, Post Office Department, vice John J. Haggerty, resigned and retired; and Sundry postmasters.

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. TYDINGS:

S. 1550. A bill to authorize the appointment of Col. Kenneth D. Nichols, O17498, professor of the United States Military Academy, in the permanent grade of colonel, Regular Army, and for other purposes; to the Committee on Armed Services.

By Mr. KNOWLAND:

S. 1551. A bill for the relief of Anton Bos; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1552. A bill conferring jurisdiction upon the District Court of the United States for the District of Montana to hear, determine, and render judgment upon the claims of Caroline Henkel, William Henkel, and George Henkel, and granting a preference in hearing on such claims; to the Committee on the Judiciary.

S. 1553. A bill to authorize emergency flood control works on White Bear Island, Mont.; to the Committee on Public Works.

By Mr. MURRAY (for himself and Mr. ECTON):

S. 1554. A bill to transfer control over Indian tribal funds to the Indian tribes; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 1555. A bill for the relief of Dr. Ludovik Ruhmann; to the Committee on the Judiciary.

By Mr. CONNALLY:

S. 1556. A bill to authorize the issuance of a special series of stamps commemorative of the two-hundredth anniversary of the founding of Presidio La Bahia and the Mission Espiritu Santo in Goliad County, Tex.; to the Committee on Post Office and Civil Service.

By Mr. TOBEY:

S. 1557. A bill for the relief of Avner Feldman; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 1558. A bill for the relief of Anna Rajmann; and

S. 1559. A bill to confer jurisdiction on the district courts to determine income tax deficiencies asserted against a taxpayer; to the Committee on the Judiciary.

By Mr. CONNALLY:

S. 1570. A bill to preserve the export market for surplus agricultural export commodities; to the Committee on Banking and Currency.

By Mr. PEPPER:

S. 1571. A bill for the relief of Sergio Luis Rendon y Acosta, also known as Sergio Acosta; and

S. 1572. A bill for the relief of Steven Etienne Laszlo; his wife, Mary Laszlo and his son, Ervin Laszlo; to the Committee on the Judiciary.

(Mr. IVES introduced Senate Joint Resolution 76, extending an invitation to the International Olympic Committee to hold the 1956 Olympic Winter Games at Lake Placid, N. Y., which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

OLYMPIC WINTER GAMES, LAKE PLACID, N. Y.

Mr. IVES. Mr. President, I introduce for appropriate reference a joint resolution extending an invitation to the International Olympic Committee to hold the 1956 Olympic winter games at Lake Placid, N. Y.

I understand no other resolution of this kind has been introduced and that this is the only invitation thus far extended.

In view of the fact that provision must be made during the next 12 days regarding this question, I trust and I beg the Senate will take as early action as possible in connection with this matter.

The joint resolution (S. J. Res. 76) extending an invitation to the International Olympic Committee to hold the 1956 Olympic winter games at Lake Placid, N. Y., introduced by Mr. IVES, was read twice by its title and referred to the Committee on Foreign Relations.

NATIONAL HOUSING PROGRAM—AMENDMENTS

Mr. BRICKER submitted amendments intended to be proposed by him to the bill (S. 1070) to establish a national housing objective and the policy to be followed in the attainment thereof, to provide Federal aid to assist slum-clearance projects and low-rent public-housing projects initiated by local agencies, to provide for financial assistance by the Secretary of Agriculture for farm housing, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 3932) to exempt artificial limbs from duty if imported for personal use and not for sale was read twice by its title and referred to the Committee on Finance.

PRINTING OF PAMPHLET ENTITLED "THE NORTH ATLANTIC TREATY"

Mr. CONNALLY. Mr. President, I ask that there be printed as a Senate document a pamphlet entitled "The North Atlantic Treaty," with the accompanying documents and illustrations.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

NORTH ATLANTIC TREATY—MESSAGE FROM THE PRESIDENT (EXECUTIVE L, 81ST CONG., 1ST SESS.)

Mr. LUCAS. Mr. President, a very important message has been sent to the Senate from the President of the United States. The message deals with the North Atlantic treaty. I ask unanimous consent that, as in executive session, the message be laid down by the Presiding Officer, and read by the clerk.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The Chair lays before the Senate a message from the President of the United States, which the clerk will read.

The Chief Clerk read as follows:

To the Senate of the United States:

I transmit herewith for the consideration of the Senate a copy of the North Atlantic treaty signed at Washington on April 4, 1949, together with a report of the Secretary of State.

This treaty is an expression of the desire of the people of the United States for peace and security, for the continuing opportunity to live and work in freedom.

Events of this century have taught us that we cannot achieve peace independently. The world has grown too small. The oceans to our east and west no longer protect us from the reach of brutality and aggression.

We have also learned—learned in blood and conflict—that if we are to achieve peace we must work for peace.

This knowledge has made us determined to do everything we can to insure that peace is maintained. We have not arrived at this decision lightly, or without recognition of the effort it entails. But we cannot escape the great responsibility that goes with our great stature in the world. Every action of this Nation in recent years has demonstrated the overwhelming will of our people that the strength and influence of the United States shall be used in the cause of peace, justice, and freedom.

In this determination, our people wholeheartedly accepted the Charter of the United Nations in 1945. Since then, we have worked unceasingly to reach international agreement through the United Nations and to make the United Nations a more effective instrument for its mighty task.

In the last year we have embarked on a great cooperative enterprise with the free nations of Europe to restore the vitality of the European economy—so important to the prosperity and peace of our country and the world.

The North Atlantic treaty is further evidence of our determination to work for a peaceful world. It is in accord with the action of the Senate last June when it signified its approval of our country's associating itself in peacetime with countries outside the Western Hemisphere in collective arrangements, within the framework of the United Nations Charter, designed to safeguard peace and security.

The twelve nations which have signed this treaty undertake to exercise their right of collective or individual self-defense against armed attack, in accordance with article 51 of the United Nations Charter, and subject to such measures as the Security Council may take to maintain and restore international peace and security. The treaty makes clear the determination of the people of the United States and of our neighbors in the North Atlantic community to do their utmost to maintain peace with justice and to take such action as they may deem necessary if the peace is broken.

The people of the North Atlantic community have seen solemn agreements,

designed to assure peace and the rights of small nations, broken one by one and the people of those nations deprived of freedom by terror and oppression. They are resolved that their nations shall not, one by one, suffer the same fate.

The nations signing this treaty share a common heritage of democracy, individual liberty, and the rule of law. The American members of the North Atlantic community stem directly from the European members in tradition and in love of freedom. We have joined together in the progressive development of free institutions, and we have shared our moral and material strength in the present task of rebuilding from the devastation of war.

The security and welfare of each member of this community depend upon the security and welfare of all. None of us alone can achieve economic prosperity or military security. None of us alone can assure the continuance of freedom.

Together, our joint strength is of tremendous significance to the future of free men in every part of the world. For this treaty is clear evidence that differences in language and in economic and political systems are no real bar to the effective association of nations devoted to the great principles of human freedom and justice.

This treaty is only one step—although a long one—on the road to peace. No single action, no matter how significant, will achieve peace. We must continue to work patiently and carefully, advancing with practical, realistic steps in the light of circumstances and events as they occur, building the structure of peace soundly and solidly.

I believe that the North Atlantic treaty is such a step, based on the realities of the situation we face today and framed within the terms of the United Nations Charter and the Constitution of the United States.

In the conviction that the North Atlantic treaty is a great advance toward fulfillment of the unconquerable will of the people of the United States to achieve a just and enduring peace, I request the advice and consent of the Senate to its ratification.

HARRY S. TRUMAN.

THE WHITE HOUSE, April 12, 1949.

The PRESIDING OFFICER. Without objection, the injunction of secrecy will be removed from the treaty, and the message, together with the papers and the treaty, will be referred to the Committee on Foreign Relations, and printed. The Chair hears no objection.

TAX ON COLORED OLEOMARGARINE—STATEMENT BY SENATOR MAYBANK

[Mr. MAYBANK asked and obtained leave to have printed in the Record a statement on the subject of the tax on colored oleomargarine made by him before the Senate Finance Committee on April 8, 1949, which appears in the Appendix.]

MAJOR PROBLEMS IN UNITED STATES FOREIGN POLICY—ADDRESS BY HON. FRANCIS B. SAYRE

[Mr. TAFT asked and obtained leave to have printed in the Record an address entitled "Major Problems in United States Foreign Policy," delivered by Hon. Francis B. Sayre, Representative of the United States

in the Trusteeship Council of the United Nations, at the Third Annual Conference on Public Affairs, at Ohio State University, Columbus, Ohio, on March 5, 1949, which appears in the Appendix.]

FOOD SUBSIDIES: FICTION VERSUS FACT—ARTICLE BY EDWARD H. COLLINS

[Mr. TAFT asked and obtained leave to have printed in the RECORD an article entitled "Food Subsidies: Fiction Versus Fact," written by Edward H. Collins, and published in the New York Times of April 11, 1949, which appears in the Appendix.]

SECRETARY BRANNAN'S PROPOSED FARM PLAN—EDITORIAL FROM OMAHA EVENING WORLD-HERALD

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "The Old Shell Game," published in the Omaha (Nebr.) Evening World-Herald of April 8, 1949, which appears in the Appendix.]

EUROPEAN RECOVERY PROGRAM—CONDITIONS IN ENGLAND—LETTER TO SENATOR JENNER

[Mr. JENNER asked and obtained leave to have printed in the RECORD a letter dated April 9, 1949, addressed to him, relating to the European recovery program and particularly to the Socialist Government of Great Britain, which appears in the Appendix.]

ECONOMIC CONDITIONS IN ENGLAND—LETTER FROM CHARLES MURPHY

[Mr. JENNER asked and obtained leave to have printed in the RECORD a letter from Charles Murphy, of London, England, under date of March 28, 1949, dealing with economic conditions in England under the present Socialist Government, which appears in the Appendix.]

SPEAKING OF SPEED—EDITORIAL FROM THE PITTSBURGH PRESS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Speaking of Speed," published in the Pittsburgh Press of April 9, 1949, which appears in the Appendix.]

BIRTH OF THE NEW STATE OF ISRAEL—ADDRESS BY AUBREY S. EBAN

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by Maj. Aubrey S. Eban, Israeli delegate to the United Nations, before the Washington Chapter of Hadassah, the Women's Zionist Organization of America, which appears in the Appendix.]

FEDERAL AID TO EDUCATION—LETTERS IN OPPOSITION

[Mr. WILEY asked and obtained leave to have printed in the RECORD three letters in opposition to proposed Federal aid to education legislation, which appear in the Appendix.]

CARE PACKAGES OF FOOD AND CLOTHING—STATEMENT BY SENATOR PEPPER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a statement prepared by him showing what the CARE organization has done during the past 3 years in sending CARE packages of food and clothing to Europeans, which appears in the Appendix.]

WALTER APFELBAUM AND JORDAN BITTEL, WINNERS OF GEORGETOWN UNIVERSITY INVITATIONAL DEBATING TOURNAMENT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article en-

titled "Florida Pair Wins Debate Tournament," published in the Washington Post of April 11, 1949, which appears in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSIONS

Mr. HOEY. Mr. President, I ask unanimous consent that the Committee on Finance may hold hearings this afternoon and tomorrow afternoon while the Senate is in session.

The PRESIDING OFFICER. Without objection, leave is granted.

A SCANDALOUS REPORT—EDITORIAL FROM THE OMAHA EVENING WORLD-HERALD

Mr. BUTLER. Mr. President, I am sure every Member of this body is interested in any material that will shed light upon the report of the Hoover Commission. I doubt if many of us are as familiar as we should be with the work of the task forces in connection therewith. An editorial was published in yesterday's Omaha Evening World-Herald entitled "A Scandalous Report," which, of course, does not reflect upon the report of the Hoover Commission, but upon the report of one of its task forces. I ask unanimous consent that the editorial may be printed at this point in the RECORD.

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

A SCANDALOUS REPORT

The Pick-Sloan plan recently has come under a barrage of criticism based on the report of a Hoover Commission task force.

This task force, headed by Edward A. Ackerman, a young professor of geography at the University of Chicago, turned in what it called a "case study" of Missouri Basin resources and the organization of Federal activities engaged in their development.

This "case study" finds much fault with the pattern of river basin development as exemplified by the Pick-Sloan plan. It dwells at some length and frequency on the lack of social and economic engineering. This, of course, is sweet music to the left-wing MVA crowd.

It also finds that the Missouri Basin Inter-agency Committee is inadequate as a centralized board to coordinate the work of Federal and State agencies, charges that the planning has been done backward and exhumes long-settled arguments about whether there is enough water in the Missouri River to do what Pick-Sloan planners have been authorized by Congress to do.

But the most striking feature of the task commission's report is not apparent in a mere reading of the report. The most striking feature is the fact that the task force apparently surveyed the Missouri Basin at long distance and with its field glasses reversed.

At a recent meeting of the Inter-Agency Committee in Jefferson City, Mo., Nebraska's Governor Peterson polled the membership, comprising Federal agency representatives and governors.

"Did any one from the Hoover task force ever talk to you about Missouri Basin development?" he asked each one.

The answers in each case except two were negative. W. G. Sloan, of the Department of the Interior, and Gladwin Young, of the Department of Agriculture, said they had been talked to by someone from the task force "for about a half hour."

Maj. Gen. Lewis A. Pick, Missouri River division engineer and chairman of the Missouri Basin Inter-Agency Committee at the

time the so-called "case study" was being made, was not asked for information or opinion.

That in itself is scandalous. General Pick is the principal author of the Pick-Sloan plan. He has been and is the chief executive in building its projects. In any inquiry into valley affairs, the first step, the most important step, should have been to consult General Pick, to review his records and to hear his plans and hopes for the future. The fact that the task force ignored him is almost incredible, and it strongly suggests that the report as made was spun out of hearsay and theory.

Almost equally scandalous is the fact that neither Governor Peterson nor any other official of the State of Nebraska was consulted. This is one of the key States of the valley development program, and certainly its experience with the developing Pick-Sloan plan, over a period of years, should have been of interest to the task force which was making a "case study" of the valley affairs.

This newspaper has the greatest respect for the Hoover Commission, and believes that its reports, taken as a whole, constitute a massive contribution to the cause of good government.

But in any undertaking so vast it is inevitable that mistakes will be made.

In the case of the Missouri Valley, we believe the evidence is conclusive that the task force which made the investigation was incompetent or biased or both. The fact that it did not so much as rap at the door of General Pick or State officials who know what is going on strongly suggests that the investigators had made up their minds before they went to work—that they were a loaded jury.

Neither the people of the valley nor the Congress nor the President should heed such irresponsible findings of fact.

DR. PETER MARSHALL—ARTICLE FROM THE CHRISTIAN ADVOCATE

Mr. WHERRY. Mr. President, a most significant article, paying deserved and sensitive tribute to the work of our late Senate Chaplain, Dr. Peter Marshall, will appear in the April 14 issue of the Christian Advocate.

I have been privileged to obtain an advance copy, and I ask unanimous consent for its publication in the CONGRESSIONAL RECORD, so that it may be shared by the entire Senate and all others who read the RECORD.

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

PRAYER ON CAPITOL HILL

(By Clyde W. Park)

In the recent death of a Washington clergyman, Chaplain Peter Marshall, a voice was stilled that had carried far beyond the confines of the Senate Chamber. His prayers will be long remembered, not only because they are part of the CONGRESSIONAL RECORD, but also because they made a lasting impression on many of the Chaplain's contemporaries. These unusual prayers first came to my attention some time ago in connection with a bit of research work I happened to be doing. It was a typical case of serendipity, in which the thing accidentally discovered turns out to be more interesting than the object sought. Accordingly, the notes made on the prayers were fuller than those dealing with the more prosaic subject of inquiry. To one who was leafing through the pages of the CONGRESSIONAL RECORD in order to verify the date or wording of an enactment, the brief invocation at the head of the day's proceedings stood out like a jewel seen against a background of colorful fabric.

A passage of direct address would naturally attract the reader's notice when placed alongside the conventional language of parliamentary reporting—the sort of standardized English that is sometimes called Federal prose. But, although it was very different from the procedural text that surrounded it, the language of Peter Marshall's prayers was not an example of style for style's sake. He often used a balanced phrase or a punch line for the sake of emphasis, but his speech was never artificially ornate. There was no suggestion of premeditated eloquence, no straining for effect, as in the consciously alliterative language of one speaker who sought divine guidance in facing "the problems of duty and deity and destiny." It is true that oratory of this kind has a long tradition, and there have been old-time Republicans who looked back fondly to a period when the invocations of the Rev. John Wesley Hill received as much applause as the nominating speeches of Robert Ingersoll or Chauncey Depew. Marshall's language is simpler and more representative of the "straight talk" that is preferred today. This is to be expected from a former steelworker and engineer, whose pre-theological experience included some work in a newspaper office. A certain crispness of utterance is probably traceable to his Scottish birth. Sometimes his speech is almost racy in its colloquial directness, but it conveys unmistakable overtones of sincerity and reverence.

Peter Marshall's prayers mean something; they appeal not only to the mind, but to the heart and spirit as well. He is mindful of the timely allusions that are expected of a clergyman-laureate; his prayers contain many references to national holidays and outstanding current happenings. Chiefly, however, he speaks as the collective conscience of the assembly, with earnest emphasis on the Senate's work and responsibility. The following extracts, including one or two complete prayers, will serve to illustrate his manner and his point of view.

"Eternal Father of our souls, grant to the Members and the officers of this body a sacred moment of quiet ere they take up the duties of the day. . . . From these moments of heart-searching may there come such a sweetness of disposition that all may know that Thou art in this place."

"Save this moment, O Lord, from being merely a gesture to custom or convention, and make it a real experience for each one of us."

"Slow us down, O Lord, that we may take time to think, time to pray, and time to find out Thy will. Then give us the sense and courage to do it, for the good of our country and the glory of Thy name."

"Let us not be frightened by the problems that confront us, but rather give Thee thanks that Thou hast matched us with this hour. May we resolve, God helping us, to be part of the answer, and not part of the problem."

"If there be any here sulking as children will, deal with and enlighten him."

"We pray for some evidence in what is done here that Thou hast been given a vote, and that men have yielded to Thee."

"O Lord, let us never be afraid of a new idea or unresponsive to a new thought, lest we pull down the shades of our minds and exclude Thy holy light."

"When we have the truth, let us not hit each other over the head with it, but rather use it as a lamp to lighten dark places, in order that we may see where we are going."

"Let us not mistake humility for an inferiority complex, but help us to understand that with the proud and the self-sufficient Thou canst do nothing until Thou hast brought them to their knees."

"Hear us as we pray for this blundering world, in which nations never seem to learn how to live as brothers."

"Spirit of God, come into our hearts and make us sensitive to the sufferings of other people. We think of the victims of flood and mishap and all those who have heavy hearts today. May we so grow in grace that the sympathy we feel for friends may also be felt for strangers."

"O Lord, our God, have pity on us, who have so little pity in our hearts."

"We give, but not in kindness."

"We give because the sound of crying disturbs us and we want to be free to look after the things that concern ourselves."

"We want peace without pain and security without sacrifice."

"We had to accept the responsibilities of war, but we do not want to accept the responsibilities of peace."

"O Lord, be patient with us."

"Give us yet more time to learn what love is, how love should act, and how love can change us as individuals and as a nation."

"We pray in the name of Him who loves us all. Amen."

"Our Father in heaven, today we pray for Thy gift of contentment, that we may not waste our time desiring more, but learn to use and enjoy what we have."

"We may not know everything, but we may know Thee and Thy will. We need not be rich to be generous, nor have all wisdom to be understanding. Our influence may not be great, but it can be good. Our speech may not be eloquent, but it can be truthful and sincere. We cannot all have good looks, but we can have good conscience, and having that, we shall have a good peace of mind and need fear no man."

"May we be kind to one another, tender hearted, forgiving one another even as Thou, for Christ's sake, hast forgiven us. Amen."

These examples are not cited in order to suggest comparisons between particular prayers and chaplains, much less between different branches of religious faith. The case of the late Reverend Marshall serves rather to highlight the general question of prayer as such, and its place in political or legislative assemblies. It has been argued that the custom of beginning such meetings with an invocation is a meaningless tradition, a hold-over from a time when public officials were more "religion-conscious." Along with the motto, "In God we trust" on the face of a coin, the official prayer is cited as something having chiefly historical interest. It has been made the subject of numerous jests, as in the well-known story of William Allen White, attending a political convention as a reporter, who was asked to give the invocation in the place of an absent clergyman and who declined, saying, "I don't want God to know that I'm here." And of course everyone is familiar with the ancient, oft-quoted saying that the Chaplain looks at Congress and then prays for the country.

This "gridiron" levity in the treatment of the subject is characteristic of American political humor. Equally characteristic, however, is a sober meaning beneath the surface. The great majority of elected officials take their responsibilities seriously, and evidently most of them consider it appropriate that their deliberations should begin in an atmosphere of reverence. At a time when these responsibilities are more fateful than ever before, it would seem logical to expect a deepening of the fundamental religious spirit that has always been closely identified with American patriotism. The prayers of the late Chaplain Peter Marshall have contributed much toward this end.

FIRST DEFICIENCY APPROPRIATIONS, 1949

The Senate resumed the consideration of the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year

ending June 30, 1949, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. Mr. President, yesterday in the concluding moments of the Senate session I offered an amendment, on page 12 of the bill, in lines 9 and 13, to strike out an item of \$2,500,000 in the Tennessee Valley Authority for the New Johnsonville steam plant.

Mr. President, the United States Senate should not consider lightly or casually the item in this deficiency appropriation bill appropriating funds for the construction of a steam plant at New Johnsonville, Tenn.

This item is one of the most important ever to come before this body. If anything, that is an understatement. The suggested appropriation covers an issue vital to our whole economic system. It involves the establishment of a policy which will be far reaching in its effects upon the private enterprise system.

Mr. President, this is not the first time those who favor a steam plant at New Johnsonville, Tenn., under Government cost and control have sought consideration here. The proposal was before us last year. It was turned down. It was turned down, not because of partisan considerations, but because there was a firm recognition of the proposal as an opening wedge in a further effort to nationalize or socialize the utility industry.

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

Mr. BRIDGES. I yield.

Mr. AIKEN. I should like to remind the Senator that the proposal was approved by the Senate at least twice.

Mr. BRIDGES. That is correct.

Mr. AIKEN. It was turned down in the House, which has since approved it, this year.

Mr. BRIDGES. That is correct; but it was turned down by the Congress.

Mr. AIKEN. I point out that it was twice approved by the Senate.

Mr. BRIDGES. The Senator from Vermont is correct; but it was turned down by the Congress.

Mr. AIKEN. That is a correct statement. It was turned down by the Congress.

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

Mr. BRIDGES. I yield.

Mr. McKELLAR. It was approved by the Senate twice, as the distinguished Senator from Vermont says, once by a vote of 45 to 37. I have the two votes before me.

Mr. BRIDGES. If the Congress of the United States appropriates funds for the construction of this steam plant it will be financing directly a commercial operation in time of peace. Stripped of all the varied descriptions, the steam-plant project boils down to Federal Government operation and control in the field of private enterprise. No amount of talk can camouflage that fact; and, Mr. President, no amount of talk can dispel the certainty that if the Congress allows the Federal Government to operate in this particular phase of pri-

vate industry the way will be wide open for Government activity in every other phase of our private-industry system. I fail to understand how Senators, thinking clearly on this issue, can justify their support of the steam-plant appropriation.

I am aware that there are sectional interests involved in this issue. Yet I believe that this is a matter in the consideration of which sectional interests should be laid aside. If the Federal Government is allowed to enter in full force the private-industry system which is the strength of America's economy, the day will come when no section of our country will escape injury, and when all sections will regret that they did not place their particular interests aside.

Mr. President, we are not talking about the development of hydroelectric projects which are of such wide scope that there is a valid reason for the Federal Government stepping in. We are talking about taking the taxpayers' money and building a steam plant to generate power in order to supplement the hydro developments in that section. We are entering a new field. From the standpoint of benefits which it would bring to the particular section, almost as valid an argument could be made for building a steam plant at Government expense in practically any other section of the country.

When we talk about \$2,500,000, it seems like a small amount; but, as in the case of most of such projects, the amount of the initial appropriation is small compared with the total cost. The total cost of the New Johnsonville steam plant will be approximately \$54,000,000. So we are just whetting the appetite in this first appropriation. We are getting ready to expend on the plant probably more than \$54,000,000. The cost is estimated at \$54,000,000, but it will probably run higher than that.

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

Mr. BRIDGES. Certainly.

Mr. CAIN. Will the Senator explain what appears to him to be the fundamental difference between the right of the Federal Government to engage in steam plant operations and the right of the Federal Government to undertake hydroelectric programs and developments?

Mr. BRIDGES. I told the distinguished Senator from Washington that I am not a great constitutional lawyer or anything of the kind; I am just a humble man from New Hampshire, who has none of the fame as a constitutional authority that some of the great legal lights of the Senate have. But to me there seems to be a difference between using Federal funds to develop a great natural resource of the country, such as hydro power, which is too vast an undertaking for private enterprise to develop, and which, if the Federal Government failed to act, would result in the water flowing to the sea and going to waste, and the building of a steam plant for the production of power. It seems to me there is a great difference between the two.

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

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Vermont?

Mr. BRIDGES. Certainly.

Mr. AIKEN. I should like to ask a question. Does not the RECORD show that the Senator from New Hampshire is also opposed to the development of public power from hydro plants?

Mr. BRIDGES. I think there are areas in the United States where the development of hydro power involves such a tremendous cost that perhaps the public good could best be served by having the Federal Government step into the picture. Although I have fought many of the features of TVA, I have also supported it, insofar as the Appropriations Committee is concerned, with adequate appropriations to continue it.

Mr. AIKEN. Would the Senator from New Hampshire say that the public good could best be served by public investment in the development of power anywhere in the Northeastern States, where the power rates are higher than anywhere else in the United States?

Mr. BRIDGES. Conceivably it could be, but I would like to see better evidence developed on the point than has been presented to date on the feasibility.

Mr. AIKEN. Would the Senator give an example—and I should like particularly to have him give an example somewhere in the Northeastern States—where public funds could be spent so that all the people would get the full benefit from them?

Mr. BRIDGES. I do not know that I could give any specific examples to the Senator from Vermont.

Mr. AIKEN. I do not ask for many; I ask for one.

Mr. BRIDGES. Let me say a word on the general proposition. If the Federal Government is going to step in and undertake the development, I would want the control to be established at least in a cooperative manner between the Federal Government and the States, and I would want the power developed to be distributed through existing agencies, and the public to benefit, in turn, as a result of such participation.

Mr. AIKEN. Then, the Senator would require, would he not, the power to be delivered to existing agencies at the bus bar?

Mr. BRIDGES. Yes. If there is existing a private utility system, then I think its facilities should not be duplicated by providing another selling and distributing system.

Mr. AIKEN. Is the Senator from New Hampshire aware that for the year 1947 the users of electricity in New York and New England paid \$428,000,000 more for the power they used than they would have paid at TVA rates, although the distributing companies paid \$151,000,000 in taxes, which left the people of New England and New York paying approximately \$275,000,000 more for power than they would have paid at TVA rates? Under such circumstances, does the Senator from New Hampshire feel that if the expenditure of public funds could reduce that rate to a figure comparable to that paid by the rest of the United States, the use of such funds would be justified?

Mr. BRIDGES. Let me say that the Senator from Vermont has told only half the story.

Mr. AIKEN. I will tell the other half, of course, at any time.

Mr. BRIDGES. Last year TVA had a gross revenue of \$48,000,000. In the same year, in lieu of taxes, TVA paid what it called tax equivalents of \$2,000,000, or 4 percent. The average rate in taxes paid by a private utility will run somewhere between 20 percent and 23 percent, or 500 or 600 percent more in taxes than TVA pays.

Mr. AIKEN. Will the Senator agree that the TVA paid, in lieu of taxes, a much larger sum than the private utilities in that area paid before the TVA existed?

Mr. BRIDGES. No; I am not making any such statement.

Mr. AIKEN. Then, I suggest that the Senator from New Hampshire ascertain the facts, and he will find that the statement is true.

Mr. BRIDGES. I think the Senator from Vermont could be misinformed. I do not know that his figures on the northeast are completely accurate.

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

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. BRIDGES. Certainly.

Mr. CAIN. Does the Senator know whether the Federal Government has thus far restricted its generation of power to multiple-purpose operations? I am trying to get at the first proposal, namely, the proposal to have the Federal Government generate power through a steam plant.

Mr. BRIDGES. The Senator from Tennessee [Mr. McKellar] is a little more familiar with that than am I.

In the original Muscle Shoals development there were one or more steam plants, were there not?

Mr. McKELLAR. There were several. Besides that, later on, by an agreement made by the TVA with the Alabama Power Co., which was a very large private power corporation in the State of Alabama, the TVA purchased transmission lines and a number of steam plants, which are now the property of TVA. That is the situation, I may say to the Senator from Washington.

Mr. BRIDGES. So the answer to the Senator from Washington is that in the original development at Muscle Shoals there were steam facilities; and also when the TVA purchased some of the utility properties in that section, included in them were some steam plants.

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

Mr. BRIDGES. Certainly.

Mr. HILL. In 1940 we built the great Watts Bar steam plant.

Mr. McKELLAR. Yes; that is true. Here is the testimony of Mr. Clapp, who is at present the head of TVA:

We have five major steam plants and several smaller ones—the small plants have a total capacity of about 26,000 kilowatts. Altogether, our steam plants, the one we built, the Wilson Dam steam plant that the Government built during the First World War,

and the ones we bought, now total 450,000 kilowatts—considerably in excess of the capacity of the presently requested units for the New Johnsonville steam plant.

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

Mr. BRIDGES. I yield.

Mr. LANGER. In my State we have 600,000,000,000 tons of coal, sufficient to light the whole world.

During all this time the private interests have not used the coal in the development of power, so that the farm families in the vicinity could get the benefit of REA. In a situation of that kind does not the Senator believe that a steam plant should be provided by the Government if it is interested in the welfare of its people?

Mr. BRIDGES. Of course, from the sectional point of view, that may be argued, but from the over-all point of view, I should hate to see such a general program inaugurated. I can see a justification for the development of great natural resources involving hydroelectric power from water which is now going to waste where the full evidence justifies such an undertaking. From the sectional point of view I can see how the Senator can argue his case. But I would not want to agree to it.

Mr. LANGER. Would the Senator agree that, with all the latent power that exists in certain places that power should be used, and that even the private interests should develop it for use in the enormous areas of the West where hundreds of thousands of farm families have neither light nor power in their homes?

Mr. BRIDGES. Very frankly, I should hate to see the Government of the United States enter such a broad field. In any event, in proposals of that kind a study of all the facts would have to precede the decision.

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

Mr. BRIDGES. I yield.

Mr. LANGER. Under REA, the Government loans the money and it is required to be paid back. The record at the present time shows that there is only one cooperative in default. As a matter of fact, \$17,000,000 was paid back before it was due. In view of that record, does not the Senator believe the Government ought to enter upon the development of such natural resources?

Mr. BRIDGES. Such a conclusion should not necessarily follow.

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

Mr. BRIDGES. I yield.

Mr. McKELLAR. I shall place in the Record a little later, figures showing the extent of TVA's net earnings. I shall not attempt to be accurate about it; I never was accurate about figures in my life. Figures I have, obtained by the department, show the TVA has actually earned about 8 percent per annum. Does the Senator not think that it is a fine record for an organization of this kind to show as good earnings as that, without having charged the users of electric current a large rate?

Mr. BRIDGES. I am interested, I may say to the Senator from Tennessee. He knows that while we think alike on many things, there is on this particular

matter an honest difference of opinion between us regarding the basic premise.

Mr. McKELLAR. I can understand that. The Senator has always been perfectly frank and open.

Mr. BRIDGES. In that connection, I recall the statement made by the Senator from Vermont a few moments ago, in which he gave figures of the amount of taxes paid and the difference in the showing in the Northeast. Of course, in the Northeast I want to see power furnished as cheaply as possible. But I do not want to see a great Federal empire built up in that section. I want the people of our section to have something to say about anything that is to be done.

Mr. AIKEN. Then, am I correct in saying that the Senator from New Hampshire would not, as I think he has said, oppose development of power with public funds, if the power were to be made available exclusively to the existing distribution companies at the bus bar?

Mr. BRIDGES. What I am saying is that if we are to have public power development that power should be distributed by existing facilities.

Mr. AIKEN. But does not the Senator agree that where there is only one existing line to the site of a development, it would be impossible for the REA or municipal plants to secure the power from the Federal Government or from the State at reasonable rates?

Mr. BRIDGES. It does not follow that there would be such an impossibility. I do not think the Senator and I are far apart on this particular question, and I may say that if there is a development in a given section, the regulatory bodies should see that there is a lowering of rates whenever possible.

Mr. AIKEN. I am in hope, by means of this questioning, to get the Senator to say he will favor development of the St. Lawrence seaway and power project. I should like to inform the Senator that I have received a communication from the president of one of the largest distributing companies in our area, advising me that if we would agree to deliver the power from that project exclusively to private distributing companies, they would not only withdraw their opposition to the development but would get behind it and help push it, even though it were to be constructed with public funds. I hope that may change, somewhat, the Senator's mind.

In assisting the Senator to arrive at a correct conclusion in this matter, I should like also to point out to him that if the power were turned over to a private company at the bus bar, there would probably be about a \$20,000,000 saving made available to the people of New York and New England. But if it were sold at a rate which would yield a fair return on the public investment, then, undoubtedly, the saving would amount to possibly \$100,000,000 or \$200,000,000, for the simple reason that it would result in a general lowering of rates throughout the area.

Mr. BRIDGES. I merely want the Senator to understand one thing about the St. Lawrence seaway.

Mr. AIKEN. It is a good thing.

Mr. BRIDGES. The Senator comes from a neighboring State in New Eng-

land. If the St. Lawrence seaway were to be constructed in the manner proposed, there would be no guaranty that either the Senator's State or my State or any of the other New England States would be protected. There are any number of sets of figures on what the St. Lawrence project would accomplish. The accuracy of all of them is challenged. If there could be written into the St. Lawrence seaway law a provision that the six New England States would get a substantial proportion of the power, I might feel very differently about it.

Mr. AIKEN. Let me ask the Senator, if the St. Lawrence seaway were so developed that the entire output of power were made available to the Niagara-Hudson Power Co., which has the only line in that area, I believe, and if New England were to be guaranteed a proportionate share of the power developed on the St. Lawrence, does the Senator think that would be an improvement?

Mr. BRIDGES. That is in the field of speculation. I do not think so.

Mr. AIKEN. Does the Senator believe that if the power were distributed solely by the Federal Government, New England would be assured of a greater share of the power?

Mr. BRIDGES. No. I think the only way to assure the six New England States along that line would be to write it into the law. I see the Senator from New York [Mr. Ives] looking at me. He is out for the New York interests, naturally. I am endeavoring to look out for the interests of at least a part of the New England States.

Mr. AIKEN. In constructing the St. Lawrence seaway, I do not agree that anyone would be looking after the interests of any particular State. But I realize the Senator from New York is interested in the people of his State obtaining power. The Senator from New Hampshire understands, does he not, that the Federal Power Commission has no right to construct the plant with Federal funds and turn it over to the exclusive use of any one particular community?

Mr. BRIDGES. That is correct. But the difference between the Senator from Vermont and myself probably is that he may have complete faith in what a Federal bureaucrat will do. I do not have such faith.

Mr. AIKEN. The Senator understands, does he not, that I have fully as much faith in the Federal bureaucrats as I have in some of the Power Trust officials. We must trust one or the other.

Mr. BRIDGES. No; I do not agree. We may safely trust State regulatory bodies and we may safely trust the Congress of the United States. The point is that if we have a firm provision of law any distrust can be removed.

Mr. AIKEN. I am unable to agree with the Senator on that, I am sorry to say.

Mr. BRIDGES. I have faith in them. But it is possible to write into the bill a provision relative to percentage of distribution of power. That is the only sure way I can see of completely protecting the rights of consumers.

Mr. HILL and Mr. LANGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield; and if so, to whom?

Mr. BRIDGES. I yield first to the Senator from Alabama.

Mr. HILL. The Senator was speaking of private power companies and rates. I merely want to call attention to the fact that, as we know, private power companies do not amortize capital investments in dams and steam plants. So far as I know, such capital investments continue forever. The bonds are not retired. They are not redeemed when the term is out. The bonds are refunded or new bonds issued. Under the law passed several years ago by Congress, TVA is required to amortize the entire cost of power projects.

Mr. AIKEN. Mr. President, will the Senator from New Hampshire yield for one more question?

Mr. BRIDGES. I yield.

Mr. AIKEN. Apropos of what the Senator from Alabama has just said, will the Senator from New Hampshire point out a single private utility that today is amortizing its investments?

Mr. BRIDGES. I am not familiar with what many of the private utility companies are doing. But I may say to the Senator from Alabama that we would not have to spend a great deal of money on TVA at this time if the money received by TVA had actually gone back into the Treasury of the United States.

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

Mr. BRIDGES. I yield.

Mr. HILL. The reason there has not been much money going back into the Treasury from the TVA has been that TVA has been using its revenues to build other dams to generate power used for the winning of the war, when we produced so much of the aluminum that went into airplanes and many other war products. Instead of turning the money back into the Treasury, Congress permitted the TVA to use the money for expansion, for the construction of other dams and other works, which has made the property of the Government of more value. The money is there in capital investment, I will say to my friend the Senator from New Hampshire.

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

Mr. BRIDGES. I shall yield when I reply to the Senator from Alabama.

The Senator from Alabama makes a very eloquent plea for his cause, but I want to say to him that, as one Senator and one citizen, I shall be very interested when some of the cold cash from TVA actually goes into the Treasury of the United States and remains there. Very little of it has arrived there up to this time.

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

Mr. BRIDGES. I yield.

Mr. HILL. Of course, the Senator does not deny the statement I made, that much of the cash which might have gone into the Treasury went into new construction, for the development of new power and for new generating facilities.

Mr. BRIDGES. Oh, not at all. But the more the Government goes into these

fields the weaker our economic structure will become.

I now yield to the Senator from North Dakota.

Mr. LANGER. Mr. President, in response to a question from the distinguished Senator from Vermont, the Senator from New Hampshire stated that he did not want a large bureaucracy.

Mr. BRIDGES. That is correct.

Mr. LANGER. He did not want the Government loaning money to a group of cooperatives to develop power. There would not be any bureaucracy involved; there would not be any State regulatory department; there would be only the persons who would borrow the money. What possible objection could the distinguished Senator have to that?

Mr. BRIDGES. I recognize the point the Senator is trying to make, and I admire him for his stand, from his point of view. But, no matter how he twists it, the Senator will not get me to stand on the floor of the Senate and say I favor the Federal Government's building commercial steam plants under complete Government control at taxpayers' expense and in competition with private enterprise.

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

Mr. BRIDGES. Certainly.

Mr. LANGER. That is the very last thing I would try to get the Senator to say. I want to ask him if he does not believe the Government should loan to cooperatives under the REA law sufficient money so that not only can REA build lines, but also build steam plants to develop power, in view of the fact that the cooperatives have paid back \$17,000,000 more than is due from them at this time.

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

Mr. BRIDGES. I yield.

Mr. HICKENLOOPER. Under the present law, REA can build plants, I will say in answer to the Senator's question.

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

Mr. BRIDGES. I yield.

Mr. LANGER. The Senator does not believe the Government should loan the money. The law provides for it, but the money cannot be obtained on certain occasions.

Mr. BRIDGES. Mr. President, I have supported REA appropriations. I perhaps have not been so liberal as is the Senator from North Dakota, but I supported items that I could see of sound advantage to the country through REA. I think it has accomplished a great deal.

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

Mr. BRIDGES. I yield.

Mr. AIKEN. I want to remind the Senator that the Eightieth Congress, when the Senator from New Hampshire was chairman of the Appropriations Committee, was the most liberal with REA than was any former Congress. I do not want the Senator from New Hampshire saying that he has not been so liberal as some other Senator, because the Eightieth Congress made available almost as much money as was made available in all the years REA had been

in existence up to that time. I rise to defend the Senator from New Hampshire.

Mr. BRIDGES. I thank the Senator from Vermont. I recognize that his statement is true. The Senator from North Dakota [Mr. LANGER] suggested something which was more liberal than I could support.

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

Mr. BRIDGES. I yield.

Mr. LANGER. The Senator's committee gave \$100,000,000 more for REA than was requested by the President of the United States. The committee not only gave \$100,000,000 more, but authorized the construction of steam plants for REA purposes in the Northwest.

Mr. BRIDGES. That is correct.

Mr. LANGER. In other words, the Senator did a magnificent job, and I think he has simply forgotten the fine job he did in connection with the steam plants for REA.

Mr. BRIDGES. Mr. President, I appreciate all the compliments which are being passed my way, but, nevertheless, coming back to the particular project involved, with its particular involvements, I have attempted to say that there is a difference between the Federal Government's developing hydroelectric plants on a large scale, when they are beyond the scope of a private utility, for the benefit of the people of the country, provided it is done on a sound basis, and the development of a steam plant such as is the New Johnsonville steam plant.

Let us get back to REA for a moment. I appreciate what the Senator from North Dakota and the Senator from Vermont have said about me. I have supported REA appropriations, and I think the last Congress did a good job.

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

Mr. BRIDGES. I yield.

Mr. LANGER. All I asked for was a billion dollars, and the committee granted \$100,000,000.

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

Mr. BRIDGES. I yield to the Senator from Tennessee.

Mr. MCKELLAR. I want to join the other Senators in what they have had to say regarding the action of the Senator from New Hampshire in reference to REA while he was chairman of the Appropriations Committee. I think the Senator was exceedingly considerate and that he did a good job.

Mr. BRIDGES. I thank the Senator from Tennessee. If we have all agreed on that, perhaps we can get together on the New Johnsonville steam plant.

Mr. MCKELLAR. I hope we can.

Mr. BRIDGES. The issue is very clear. It has been discussed pro and con in the Senate in previous years. I do not think there is any object in holding a lengthy debate on the subject. The item is a small one, \$2,500,000, but it ultimately means \$54,000,000, in all, for the development of the plant. I do not believe a case has been made for the New Johnsonville steam plant. I hope the Senate will amend the bill, and reject

that item. I can understand the concern of the Senators from the TVA section of the country and their desire to build up this additional supplementary power. But they are asking for a specific appropriation for a specific steam plant in competition in the commercial field, in peacetime, which is greatly different from that which we have done to date.

It has been done under the REA to a minor extent. There was a steam plant in the old Muscle Shoals development. It was bought at the time when Mr. Willkie headed the Commonwealth & Southern properties. At the approach of a great war we put money into a steam plant. But this is peacetime. Times are reasonably normal—at least, I thought so until I heard of increased unemployment all over the country, which has been growing by leaps and bounds, caused by the continuance in power of the present administration. So that times are perhaps not quite normal. But are considering, in reasonably normal times, the entry of the Federal Government into a new field.

The PRESIDING OFFICER (Mr. ANDERSON in the chair). The hour of 1 o'clock having arrived, the Senate, under the previous order, will stand in recess until 2 o'clock.

Thereupon, at 1 o'clock p. m., under the order previously entered, the Senate took a recess until 2 o'clock p. m.

At 2 o'clock p. m., the recess having expired, the Senate reassembled, and was called to order by the Presiding Officer (Mr. ANDERSON in the chair).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 851) to promote the settlement and development of the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes.

The message also announced that the House insisted upon its amendment to the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. THOMPSON, Mr. WICKERSHAM, Mr. WEICHEL, and Mr. TOLLEFSON were appointed managers on the part of the House at the conference.

FIRST DEFICIENCY APPROPRIATIONS, 1949

The Senate resumed the consideration of the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

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

Mr. BRIDGES. I yield.

Mr. WHERRY. I ask the distinguished Senator from New Hampshire if he will yield for a quorum call, with the understanding that he will not lose any rights he has to the floor.

Mr. BRIDGES. I yield for that purpose.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Humphrey	Myers
Anderson	Ives	Neely
Bricker	Johnson, Tex.	O'Connor
Bridges	Kefauver	O'Mahoney
Butler	Kem	Pepper
Cain	Kerr	Reed
Capchett	Kilgore	Robertson
Chapman	Knowland	Saltonstall
Chavez	Langer	Schoeppel
Connally	Lucas	Smith, Maine
Donnell	McCarthy	Sparkman
Downey	McClellan	Taft
Eaton	McFarland	Taylor
Ellender	McGrath	Thomas, Utah
Ferguson	McKellar	Thye
Flanders	Magnuson	Tydings
Frear	Malone	Vandenberg
Fulbright	Martin	Watkins
Green	Maybank	Wherry
Hendrickson	Miller	Williams
Hill	Millikin	Withers
Hoey	Mundt	Young
Holland	Murray	

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], and the Senator from Mississippi [Mr. EASTLAND] are absent because of illness in their families.

The Senator from Illinois [Mr. DOUGLAS], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. HUNT], the Senator from Colorado [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Mississippi [Mr. STENNIS], and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained.

The Senator from North Carolina [Mr. GRAHAM] is absent because of illness.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

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

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The Senator from Maine [Mr. BREWSTER], the Senator from Oregon [Mr. CORDON], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Sena-

tor from Massachusetts [Mr. LONGE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The PRESIDING OFFICER (Mr. O'CONNOR in the chair). A quorum is present.

Mr. LUCAS. Mr. President—

Mr. BRIDGES. I have the floor.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. LUCAS. Will the Senator yield?

The PRESIDING OFFICER. It will be understood that if the Senator from New Hampshire yields, he will have the privilege of the floor after the Senator from Illinois is recognized.

Mr. BRIDGES. I yield.

VISIT OF THE PRESIDENT OF THE UNITED STATES AND ADDRESS BY HIM

Mr. LUCAS. Mr. President, no greater honor can come to the United States Senate than to have an old friend and a former colleague here with us again. I refer, of course, to our great President of the United States, Hon. Harry S. Truman.

[Great applause, Senators rising.]

The PRESIDING OFFICER. It is, of course, a distinct privilege to welcome the President of the United States, to indicate the very close relationship existing between the legislative and the executive branches of the Government, and to ask the President whether he will honor us by a few words on this occasion.

The PRESIDENT. Mr. President, Mr. Majority Leader, Mr. Minority Leader, and Members of this distinguished legislative body, the legislative body to which I have been closest in my life: I appreciate most highly your kindness and cordiality to me today. I was asked to come to the Capitol for lunch with the Senate. I had lunch with the whole Senate, and it was a good lunch. I had a chance to meet and talk to nearly every Member of the Senate, a privilege which I very highly appreciate.

The reason for this invitation was the fact that in 1945 I was presiding over the Senate as Vice President of the United States. On April 12, 1945, the Senate adjourned at 5 o'clock, and I had an engagement to see the Speaker of the House on a matter which was pending in both Houses, in which the administration was interested.

When I got to the Speaker's office I did not have a chance to talk to him, but was instructed to return a call from the White House, which I did. I was informed by Mr. Stephen Early, who at that time was the President's secretary, that he would like to see me at the White House, at the main entrance, as soon as I could get there. I had not much of an idea of what I would be faced with when I arrived. I was informed by Mrs. Roosevelt that the President had passed away. I immediately asked her if there was anything I could do for the family, and she very kindly and courteously told me that there was nothing at that time, that it was not herself and her family who needed help, but that it was the former Vice President who needed help.

The Chief Justice was summoned, and at 8½ to 9 minutes after 7 o'clock on the evening of April 12, 1945, I was sworn in as President of the United States.

I want it very clearly understood that on my part there is no celebration on this day. It is a day of sadness for me, because we lost on this day 4 years ago Franklin D. Roosevelt, in my opinion one of the greatest Presidents this country has ever had, and it became necessary for me to assume a tremendous burden on that evening. I have tried my level best to carry that burden, in the interests of all the people of the country, and I hope that when the history of the period is written it will be said that the effort was not in vain.

I thank the Senate most sincerely for their courtesies to me, for the pleasant luncheon which I have had, and I hope that this will not be the last time I may have the privilege of meeting with you. Thank you very much.

[Great applause, Senators rising.]

FIRST DEFICIENCY APPROPRIATIONS, 1949

The Senate resumed the consideration of the bill (H. R. 2632) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

Mr. BRIDGES. Mr. President, I am very happy the Senate has had a pleasant interlude during the consideration of the pending bill, and that the President of the United States has honored us by his presence. I had hoped that after the President had visited with some of his old colleagues on the other side of the aisle he might have come over to this side of the aisle, as is the custom of the President when attending the Army-Navy football game. If he sits on the Navy's side of the field during the first half of the game he always goes over to the Army side of the field in the second half of the game, and vice versa. Certainly no greater controversy exists between Senators on this side of the aisle and Senators on the other side of the aisle than exists between the Army and the Navy. So the President would have been welcomed and might have felt fully at home had he made a trip over to the Republican side of the aisle, but I assume he was here with us in spirit at least.

Mr. President, almost everywhere in the world American resources are being poured forth to stop the trend of strong paternal government. We have seen the injury inflicted upon governments and peoples who have been induced to accept a little government operation of private industry, only to awaken to the fact that private industry was gone. We know that the theory of Federal Government competition with private enterprise is not sound. We have seen it fail in other areas of the world, and we know the evils to which it leads. We are familiar with the truth that when such Federal Government competition with private industry comes, it does not end until Government monopoly is established.

Mr. President, I hope Senators will bear in mind that there is far more in-

involved in the question now before us than an appropriation of \$2,500,000, or even the \$54,000,000 which this project will ultimately cost. Although the amount involved compared with other requests, is not high, we should always be thinking in terms of lower Government spending. The requests for appropriations which are being made today are simply staggering. The real question is whether in time of peace the United States and the United States Congress are going to strike a blow against the socialization of industry or go further in directing the socialization or nationalization of our American economic system. We must not try to dodge the issue. That is the real issue, no matter how much we may camouflage it or try to dress it up.

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

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. BRIDGES. I yield.

Mr. KEFAUVER. In connection with the opposition we now find to the construction of the steam plant I should like to ask the Senator from New Hampshire if he is aware of the fact that at one time some of those in opposition to the steam plant on the ground of socialism, or what not, because hydroelectric plants were being built, nevertheless urged that in order to carry on its program TVA should build steam plants. I have in mind that in the House of Representatives about 3 years ago former Representative Dirksen and quite a number of persons representing the private power lobby, as well as Members of the House who were opposed to the TVA, stated that it would be perfectly all right to have an expansion if it were done by building a steam plant, and that there would not be anything socialistic, or what not, if that were done.

Yet now when the TVA undertakes to build a steam plant to firm up and make sounder an investment the government already has, the private power lobby and some of those who are opposed to the TVA, have switched their positions and now say that it is all right to carry on with hydroelectric plants, but that the TVA should not build steam plants.

I simply wanted to ask the Senator if he was aware of that record before the Appropriations Committee of the House of Representatives, and of the amendment offered by former Representative Dirksen on the floor of the House of Representatives.

Mr. BRIDGES. No; I am not familiar with that record, I may say.

Mr. KEFAUVER. If the Senator will yield again, I will say for the RECORD that what I have just referred to will be found in the CONGRESSIONAL RECORD, volume 86, part 9 of the Seventy-sixth Congress, third session, page 9726 and the following. There the argument was strongly made that to proceed on the basis of constructing steam plants and not hydroelectric plants would be in line with our American traditions and not socialistic.

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

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Michigan?

Mr. BRIDGES. I yield.

Mr. FERGUSON. Along the same line, I wonder if the Senator from New Hampshire is familiar with what Dr. Harold J. Laski said at Howard University just a few days ago. Mr. Laski is a British Labor Party leader and professor of political science at the University of London. He has told us what the Tennessee Valley Authority already means to America. "This great experiment of the TVA," he told his audience at Howard University, is only one proof that public ownership and the regulation of private enterprise have advanced farther in this country "than most Americans are normally inclined to imagine." He added, "A new epoch in American history began in 1933. The old era of unfettered competition will not return unless the institutions of political democracy are overthrown by some catastrophic development."

Is the Senator familiar with that language? I ask that question in line with what the Senator from Tennessee [Mr. KEFAUVER] has just said.

Mr. BRIDGES. I am not; and I am delighted to have the Senator call it to my attention.

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

Mr. BRIDGES. I yield.

Mr. KEFAUVER. I wonder if the Senator is also familiar with the statement made a few days ago by a very conservative newspaper, the New York Times, which wholeheartedly approves the appropriation for this steam plant. The editorial concludes with this very significant statement:

This expenditure would simply be good business. We hope the Senate will be wise enough to approve this item, as the House has done.

Certainly the New York Times would not be following any precept of Mr. Laski's.

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

Mr. BRIDGES. I yield.

Mr. FERGUSON. I am sure the Senator from New Hampshire would be inclined to take the word of Dr. Laski on the question of socialization. He has probably had as much experience and direct contact with it as anyone else. He even guided it, to a greater extent than the New York Times would claim to have done.

Mr. BRIDGES. The Senator is referring to probably one of the greatest authorities in the world on socialization. I certainly would have to take his word ahead of that of the New York Times. He has been mixed up in practically every crackpot scheme that has come along. That is not to say that the TVA is a crackpot scheme. I was referring to Dr. Laski, in the reference which the Senator from Michigan made.

Mr. President, let us consider the testimony before the Appropriations Committee. There was testimony in favor of this installation. There was very comprehensive and cogent testimony against it. Such testimony came from all sorts

of people—from private citizens, from civic organizations, from divisions of State governments, and from representatives of the power companies. The opposition represented a cross-section of various people and interests. Probably some of the opposition was very sound, and perhaps some of it not so sound. However, by and large, there was a feeling of opposition against the idea of the Federal Government using the funds of taxpayers from all the States of the Union to build steam plants in a particular area which would be in competition with industries in other sections.

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

Mr. BRIDGES. I yield.

Mr. FLANDERS. The Senator from New Hampshire is a member of the Appropriations Committee. I understand from what he has just said that this item was thoroughly discussed in the Appropriations Committee during the hearings. What puzzles me—and I should like to ask the Senator from New Hampshire the reason for it—is that there is no reference to it in the report.

Mr. BRIDGES. I cannot answer that question because I did not write the report. I shall have to refer to the chairman of the committee, the able Senator from Tennessee [Mr. McKellar]. Perhaps the Senator from Tennessee, in his very able manner, was attempting to put this project through without arousing too much antagonism.

Mr. McKellar. Oh, no.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. BRIDGES. I yield. I am sure the able Senator from Tennessee can explain it.

Mr. McKellar. Mr. President, there was no committee amendment on this subject. The item came from the House and was agreed to by the committee overwhelmingly, as the Senator from New Hampshire, no doubt, recalls. The same item was approved last year.

I think the two principal witnesses heard were Mr. Smith, of Washington, representing the power companies at a trifling salary of \$65,000 a year, so he testified; and the other was a great constitutional lawyer from Cleveland, Ohio. When he was asked what salary he received, he stated that he did not receive a salary, but intended to charge a fee. He spoke largely about the constitutional question.

As I recall, the testimony was overwhelmingly that the Tennessee Valley Authority was seeking money to build a steam plant at New Johnsonville in order to enable it better to sell the power produced by the Government. As the operation is now carried on, it is selling the product of the Government, at a profit to the United States. The TVA is in fine condition. It already owns a number of steam plants. It bought a number of steam plants from the Alabama Power Co., and several have been built without objection heretofore on the part of either the Senate or the House.

I do not understand the remarkable objections which are now being raised to the New Johnsonville steam plant. I

do not know whether there is something in the name "New Johnsonville" or not. As I understand, this is the ninth steam plant to be built. Several have been bought from the Alabama Power Co. The purchase of those plants was upheld by the Supreme Court of the United States.

There is no doubt that the principal evidence offered at the hearing by the opponents was on the constitutional question, and not on the facts. Everyone seems to be agreed as to the facts.

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

Mr. BRIDGES. I yield.

Mr. FLANDERS. It seems to me that possibly the esteemed Senator from Tennessee has made a good technical case for not referring to this item in the report. Frankly, it is a matter which is known to be controversial. It is a matter with respect to which I do not see such overwhelmingly clear light on one side or the other that I could come to the floor of the Senate committed to one view or the other. It seems to me that in a case of this kind the report should have substantiated the request for the appropriation. I regret that it did not.

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

Mr. BRIDGES. I yield.

Mr. THYE. I should like to ask the Senator from New Hampshire a question. Is there an inadequate supply of electricity in the vicinity of Muscle Shoals for the present demands of industry?

Mr. BRIDGES. That is a debatable point. I think the proponents of the steam plant advance the argument that in order to get the full benefit of TVA's hydro development they must have the steam plant in order to create firm power.

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

Mr. BRIDGES. I yield.

Mr. THYE. As I understand, during certain seasons of the year there is an ample flow of water to operate the power-generating facilities within that area. In fact, at certain seasons of the year water goes to waste. At such times there is not sufficient generating capacity to utilize all the supply of water power. At other seasons of the year the water supply is low. As I understand, it is desired to firm up the power by a stand-by steam plant when the water supply is low at certain seasons of the year.

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

Mr. BRIDGES. I yield.

Mr. FERGUSON. I think I can answer that question by referring to the report of the House hearings on page 27, where Mr. Clapp, the manager, uses this language:

Now, I cannot say, as a matter of fact, that if this steam plant is not put into the TVA system these transmission lines and these distribution systems will not be any good; but they will not be able to perform the function for which they were built. That function is to keep carrying whatever increased electric current is required to provide the services which the municipalities and the cooperatives have agreed to give in their area, and which we, in turn, for the Government, have agreed to give, and arrange with them, the municipalities and cooperatives.

In other words, this steam plant is not to firm up the power, but is to be built in 2 or 3 years so as to provide for an increase in the electricity requirements on the part of the municipalities and cooperatives in that district. In short, it is for future business, rather than for firming up present business; is that not correct?

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

Mr. BRIDGES. I yield.

Mr. KEFAUVER. I ask the Senator whether the testimony does not show that in 1951-52 there will be an estimated shortage of 274,000 kilowatts? That is shown on page 14 of the House hearings and also at page 197 of the Senate hearings.

The testimony further is that the proposed plant, to be built and placed in operation over a period of 3 years, will deliver 3,000,000,000 kilowatt-hours of prime electricity, available through the TVA system.

I ask the Senator further if the testimony at the hearings does not conclusively show that there is now a shortage of prime electricity in the Tennessee Valley, and a threatened greater shortage for years to come, and also that the proposed plant cannot be built overnight, but that we must look to the time in 1951 when it can be placed in operation? Does not the testimony further disclose that there will be a shortage of 274,000 kilowatts at that time?

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

Mr. BRIDGES. I yield.

Mr. THYE. The question might be directed to the Senator from Tennessee if the Senator from New Hampshire will permit. The Senator from Tennessee says there will be a shortage of electricity in 1951-52. What type of industries are now waiting for the proposed development, or is it a question of what the junior chambers of commerce in those areas think they will be able to develop in the way of new industries, provided it can be shown that there will be sufficient electricity to warrant establishing new industries there?

Mr. KEFAUVER. I may say to the Senator that the greatest percentage increase has been in rural electrification. Over the period of the last 5 years the amount of electricity used on the farms has been multiplied by five. The normal peacetime growth of the Tennessee Valley area is fully discussed in the hearings. As a matter of fact, there is a shortage of electricity now.

Mr. THYE. Mr. President, will the Senator from New Hampshire yield in order that I may ask another question?

Mr. BRIDGES. Certainly, I yield.

Mr. THYE. My question is not only with reference to what the Senator says the present needs are of the REA, but also whether there now exist associations which are not able to obtain electrical current from the TVA because not sufficient electricity is being generated there.

Mr. KEFAUVER. I am informed that the TVA is having to scan the new contracts for electricity very closely in order to be sure that it does not take on an immediate peak load which it will be unable to meet.

Mr. THYE. Mr. President, will the Senator from New Hampshire yield for one more question?

Mr. BRIDGES. I yield.

Mr. THYE. When we were at Muscle Shoals in the fall of 1947, an additional hydroelectric unit was being installed there. Can the Senator tell me how many additional units they intend to install in the future? Of course, each one of the dams has a series of hydroelectric generating units. I wonder how many more it is intended to install.

Mr. KEFAUVER. This appropriation carries \$450,000 for two generators. I think one is to be installed at the Fort Loudon Dam, or perhaps both are to be installed at the Watauga Dam in east Tennessee.

Mr. THYE. After all the hydroelectric generating units the dams can accommodate have been installed, how many months of the year does the Senator anticipate the water supply will be adequate to operate those generators?

Mr. KEFAUVER. The testimony shows that during an average year they need the proposed stand-by plant for 3 months of the year in order to bring the firm power up by 3,000,000,000 kilowatts, which would enable the TVA to take care of its contractual commitments.

Mr. THYE. In other words, there will be an ample supply of water 9 months of the year to operate all the installed hydroelectric units at full capacity; is that correct?

Mr. KEFAUVER. The answer is given, I think, more clearly than I could give it on page 197 of the hearings, in this paragraph:

The New Johnsonville steam plant, by firming up additional portions of the power available from the hydro plants of the TVA system, will make possible an increase in firm power of about 3,000,000,000 kilowatt-hours a year. To do this, it will be necessary to operate the New Johnsonville plant about one-third of the time, generally at full load, in addition to the present use of the existing TVA steam plants, to supplement the seasonal secondary hydro generation.

I may say further that the deficiency existing in 1951 is expected to be 274,000 kilowatts, unless the proposed plant is built.

The operation of this plant normally will be for the purpose of making available 350,000 kilowatts, but under the construction program one unit will not come into operation until about the latter part of 1952. So they will be just barely above their demands for firm power, but they will be able to take care of their estimated need if this plant is constructed.

Mr. THYE. In the event the funds are not made available, so that this steam plant is not provided, then hydroelectric generating equipment sufficient to utilize the maximum estimated generating capacity of the water supply could not profitably be installed, because there would be a season of the year when there would be an inadequate supply of water, although at that time of course the demand for electricity would be just as great as it would be at the time of the maximum of the water supply. So what

the Senator is trying to do with the steam plant is to fit it into the hydroelectric units, so that when the water supply is ample the steam plant will stand idle; but when the water supply tapers off to a low level, the steam plant will be brought into operation, to supplement the electricity generated by means of the water supply. Is that the intention?

Mr. KEFAUVER. Exactly; the Senator has certainly expressed it very clearly.

As matters now stand, the Tennessee Valley Authority is losing 3,000,000,000 kilowatts for 3 months of the year.

Mr. THYE. The Senator says there is ample demand for the maximum load of both the water power and the steam power if and when the steam power is made available; is that correct?

Mr. KEFAUVER. That is true.

Mr. THYE. In other words, there is ample demand now, without searching for and encouraging the development of new industries, to furnish a load sufficient to use the maximum of the electricity capable of development if and when the steam plant is constructed; is that correct?

Mr. KEFAUVER. The record shows that fully, I think.

Mr. THYE. Does the Senator mean there is a need for the electrical current now?

Mr. KEFAUVER. Yes; and with the normal development of the area, the need will be what I have stated, namely, in 1951 the need will exceed by 274,000 kilowatts the available supply, unless the proposed steam plant is constructed.

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

Mr. BRIDGES. I yield.

Mr. FERGUSON. Mr. President, I think the question of the able Senator from Minnesota is answered from the record in language just the opposite to what the Senator from Tennessee has indicated. I again refer to page 27 of the House hearings:

The function is to keep carrying whatever increased electric current is required to provide the service which the municipalities and the cooperatives have agreed to give in their areas, and which we, in turn, for the Government, have agreed to give, and arranged with them, the municipalities, and cooperatives.

In other words, there is in mind the idea that we do know the business is going to increase, that the municipalities and cooperatives are going to get more business in the future, but it is the purpose of the steam plant to generate enough electricity as to be able to supply this prospective increased demand in connection with business activities. There are undoubtedly other rivers and other places where dams could be built, according to the Constitution and according to statute. Instead of building dams and using water power from such dams, there are those who at this particular time want to install a power plant at a cost of \$54,000,000, a plant which will be large enough to furnish firm power to a city of over a million people, and yet it is talked about as if it were only a firming-up project.

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

Mr. BRIDGES. I yield.

Mr. THYE. My only reason for making inquiries about the matter is simply that in the event there is a water supply that will generate electricity for 9 months of the year, with a tremendous electrical output, because the dams must be emptied of the impounded water in order to prepare for the next flood period. While the water is being emptied, it must be run through the dam gates, in order to lower the level of impounded water, to prepare to receive the next flood water. If that water must be run off and not used in the generation of electricity, in order to decrease the amount of impounded water, water power will be wasted because of the inability, so to speak, to use all the electricity, since the load cannot be assumed. At the low-water season the water would be insufficient to generate the electricity contracted for at a time when the water was at the maximum level in the spring of the year.

That is the thought that comes to me in attempting to arrive at what is the wisest thing to do, whether to provide for a steam plant or to refuse to provide for it. If the steam plant could firm up and make the entire unit more efficient and more profitable as a Government enterprise, then we would be justified in entering into it, but in the event we are merely adding electrical output to encourage an expansion of industries because it is possible to give them an assurance of a low electrical rate, then I would say we are making possible the development of the enterprise only by an encouragement of low electrical costs.

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

Mr. BRIDGES. I yield.

Mr. MCKELLAR. If I may do so in the time of the Senator from New Hampshire, I should like to say to the Senator from Minnesota that his first statement of the case is perfect; it could not be improved upon, in my judgment. As we all know, there is a period in the summer and fall of the year when the water power is very low; indeed, at times, almost nonexistent. That is the time we must have steam power, in order to provide a convenient flow of power to those who use it, including cooperatives, municipalities, people generally, and Government agencies. In that neighborhood, of course, the Atomic Energy Commission and the various other agencies are located.

Mr. FERGUSON. Do they use TVA power?

Mr. MCKELLAR. Certainly, they use TVA power. Everyone in that whole area does. They have entered into an agreement. The agreement was attacked by the private power companies, just as the steam plant is now being attacked by the power companies. The case went to the Supreme Court, and is known as the Ashwander case. In that case the Supreme Court upheld the constitutionality of TVA. It upheld the purchase of the plants. The Supreme Court, speaking by Mr. Justice Hughes, one of the most distinguished Justices the Supreme

Court ever had, rendered an opinion upholding the constitutionality of the Tennessee Valley Authority Act. It had a right, the Court said, to dispose of the power to the best interests of the Government, and for that reason it affirmed and confirmed the right of the TVA to sell power in that manner, which was the ordinary thing in business, and which would bring the greatest return to the United States Government. Under that ruling of the Court, the enterprise has been a great success.

I want to say again to the Senator from Minnesota that I do not believe his first statement about it could be improved upon by anyone. I know I could not state it as well as he has. It is a perfect statement of the case, that in order to utilize all the hydroelectric powers, we are obliged to have steam plants, in order to provide an even flow of electricity to those who buy power.

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

Mr. BRIDGES. I yield to the Senator from Alabama.

Mr. HILL. What the Senator from Tennessee says is absolutely correct. The first statement by the Senator from Minnesota is 100 percent right. The purpose of building the steam plant is to avoid the waste of water, so that the Government properties may be operated with the least possible waste and on the soundest and most economical and businesslike basis.

The Government seeks to build the steam plant just as the private power companies in the Southeast have built and are today building steam plants. The precipitation of rain varies in such degree that there is an uneven flow of the rivers. Without an even flow of the rivers, the only way by which a great wastage of water and water power can be avoided is by the utilization of steam. I may say to the Senator from Minnesota, the Alabama Power Co. has just finished building a large steam plant in Mobile, Ala., in order to firm up the power on the Coosa and Tallapoosa Rivers. The company is now building at Gadsden, Ala., another steam plant for the same purpose.

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

Mr. BRIDGES. I yield to the Senator from Michigan.

Mr. FERGUSON. Yesterday, the able Senator from Tennessee spoke about the Ashwander case, and again today he has referred to that case. It is not often that I disagree with the legal reasoning or opinion of the able Senator from Tennessee, but in this particular case I must disagree with him because the record in the case, the opinion of the court, and the record itself, are quite the opposite of what the able Senator from Tennessee has stated.

I am sure that is so because he has neglected to read the record of the particular case. I want to read from the record in the case what John Lord O'Brian said, what Justice Reed—who was then the Solicitor General—said, and what Justice Hughes said, as to what was involved in the case.

Mr. McKELLAR. Mr. President, John Lord O'Brian was not a member of the

Court and did not render an opinion. Mr. Reed was a member of the Court, but, as I recall, he filed a dissenting opinion—

Mr. FERGUSON. Oh, no.

Mr. McKELLAR. Mr. Reed was at that time not a member of the Court; he was the Solicitor General. It was Mr. Charles Evans Hughes, one of the most distinguished jurists who ever sat on the bench of that Court, who represented the majority and delivered the opinion. If my memory is bad regarding the matter, I can read from the book.

Mr. FERGUSON. I do not dispute the Senator's memory.

Mr. McKELLAR. Oh, yes; the Senator did dispute it. If the Senator will yield—

Mr. BRIDGES. I have yielded to the Senator from Michigan.

Mr. FERGUSON. I shall be glad to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I read as follows:

The transmission lines which the Authority undertakes to purchase from the power company lead from the Wilson Dam to a large area within about 50 miles of the dam. These lines provide the means of distributing the electric energy, generated at the dam, to a large population. They furnish a method of reaching a market. The alternative method is to sell the surplus energy at the dam, and the market there appears to be limited to one purchaser, the Alabama Power Co. and its affiliated interests. We know of no constitutional ground upon which the Federal Government can be denied the right to seek a wider market.

Mr. President, I am reading from the opinion of the Court, and that is what counts when it comes to determining what the Court said. I am not reading what may have been said in the case by Mr. O'Brian, who was a lawyer for the Government in the case, or by the other lawyers. I am reading from the opinion of the Court itself.

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

Mr. BRIDGES. I yield.

Mr. FERGUSON. Mr. President, I also want to read from the opinion of the Court. I have the same kind of a book here. We shall not disagree on what the Court said. But, Mr. President, the way to tell what is involved in a case is to read further to see what the attorneys are contending for in the case. John Lord O'Brian represented TVA. Mr. Reed, then Solicitor General and now a justice of the Supreme Court of the United States, was one of the counsel for the Government. Here is a colloquy between Justice McReynolds and John Lord O'Brian. The reason I refer to it is because Justice Hughes, in deciding the case—

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

Mr. BRIDGES. I yield.

Mr. McKELLAR. Did not Mr. Justice McReynolds dissent? Is it not true that he did not agree with the Court, but wrote a dissenting opinion in the case? What he and Mr. O'Brian may have expressed as being their views is of no consequence in connection with this question.

Mr. FERGUSON. I want to give to the Senate what the counsel for the TVA

stated when he was appearing in the case. Anyone who is familiar with proceedings in a court knows that counsel lay down what they expect the Court to decide, and their admissions are considered against interest. It is true that Mr. Justice McReynolds was a dissenter in the case, but Justice Hughes in the majority opinion recognized what was said by John Lord O'Brian and what was said by Solicitor General Reed at that time.

Mr. Justice McReynolds asked this question:

Is there a steam plant in connection with this project?

Mr. O'Brian. Yes, your honor. That was mentioned earlier. There is a large steam plant which was built at Muscle Shoals before the dam was built.

Mr. Justice McReynolds. For what purpose?

Mr. O'Brian. For the purpose of equipping the war munitions plant immediately, as quickly as possible, with power.

Digressing for a moment, there is no contention on the floor of the Senate that the United States Government cannot build a steam plant for the purpose of national defense, to manufacture munitions with which to win a war. That is not disputed. That is the reason why the steam plant was built at Muscle Shoals, as indicated in the record.

I now go back to the record:

Mr. Justice McReynolds. Is that used to generate electricity?

Mr. O'Brian. No, sir; it has never been used. It stands idle. Much is made in my opponents' briefs of the danger of the Government's selling power from the steam plant. That steam plant is not in this case. It has never been used. It has been maintained. It has been leased to the Alabama Power Co., which has used it as a stand-by facility with which to meet break-downs in its service. There is nothing in this record to show that the Authority ever intends to use it for the purpose of generating power for sale, and I disavow any such intention at this time.

Those are the words of the counsel who is arguing the case before the Supreme Court.

I again go back to the record:

Mr. Justice BUTLER. I know; but you assert the power, do you not?

He is questioning Mr. O'Brian.

Mr. O'Brian. No; I do not.

Mr. Justice BUTLER. Do you say that, to aid in disposing of the electricity incidentally produced from this navigation dam, the Congress has no power under the Constitution to build stand-by plants to supply their customers, to keep the current going?

Listen to what Mr. O'Brian said:

Mr. O'Brian. If you mean breakdown facilities, yes, it could. It would have to. Any regulated system would have that.

Mr. Justice BUTLER. And then to meet great demands upon the peak?

Listen to this answer on the part of Mr. O'Brian:

Mr. O'Brian. No; I do not think that can be done in this case.

Mr. Reed, who was then Solicitor General, said this:

From the bench and at the bar this controversy has come down to a question of this kind, if we assume that this act was primarily for navigation, then it would be valid. If we

determine that this act, while stating that it is for the navigation, national defense, and flood control, is actually for the purpose of developing power and selling it commercially, the act would be invalid.

Those are the words of the Solicitor General of the United States in that case.

I shall now read from the opinion of the Court. The first line I shall read is very significant:

We limit our decision to the case before us, as we have defined it. The argument is earnestly presented that the Government, by virtue of its ownership of the dam and power plant, could not establish a steel mill and make and sell steel products, or a factory to manufacture clothing or shoes for the public, and thus attempt to make its ownership of energy, generated at its dam, a means of carrying on competitive commercial enterprises, and thus drawing to the Federal Government the conduct and management of business having no relation to the purposes for which the Federal Government was established. The picture is eloquently drawn, but we deem it to be irrelevant to the issue here. The Government is not using the water power at the Wilson Dam to establish any industry or business.

It is not using the energy generated at the dam to manufacture commodities of any sort for the public. The Government is disposing of the energy itself which simply is the mechanical energy, incidental to falling water at the dam, converted into the electric energy which is susceptible of transmission. The question here is simply as to the acquisition of the transmission lines as a facility for the disposal of that energy. And the Government rightly conceded at the bar, in substance, that it was without constitutional authority to acquire or dispose of such energy except as it comes into being in the operation of works constructed in the exercise of some power delegated to the United States. As we have said, these transmission lines lead directly from the dam, which has been lawfully constructed, and the question of the constitutional right of the Government to acquire or operate local or urban distribution systems is not involved. We express no opinion as to the validity of such an effort, as to the status of any other dam or power development in the Tennessee Valley, whether connected with or apart from the Wilson Dam, or as to the validity of the Tennessee Valley Authority Act or of the claims made in the pronouncements and program of the Authority apart from the questions we have discussed in relation to the particular provisions of the contract of January 4, 1934, affecting the Alabama Power Company.

The decree of the Circuit Court of Appeals is affirmed.

In other words, the Court did not pass on the constitutionality of the act. That is clear from the language of Chief Justice Hughes, which I repeat:

And the Government rightly conceded at the bar, in substance, that it was without constitutional authority to acquire or dispose of such energy except as it comes into being in the operation of works constructed in the exercise of some power delegated to the United States.

That is, energy created by flood-control or navigation works comes clearly under the commerce clause, and the Government would have the power to use that energy or power.

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

Mr. BRIDGES. Mr. President, I have the floor, but I shall be glad to yield to the Senator from Minnesota in order

that he may ask a question of the Senator from Michigan.

Mr. THYE. I thank the senior Senator from New Hampshire. I should like to address a question to the junior Senator from Michigan. The whole purpose of the TVA project was, first, flood control, was it not?

Mr. FERGUSON. Flood control and navigation.

Mr. THYE. Flood control.

Mr. FERGUSON. And navigation.

Mr. THYE. Navigation is secondary. Flood control was the primary purpose. The purpose was to check the devastating floods which affected other areas in the United States. If the river were left to go its own course it would devastate other areas. So flood control was the project first established. Once the water had been impounded, there immediately was potential power, which could become effective the minute the water dropped over the dam.

Then in order to harness the water power, hydroelectric units were established. The water power was harnessed. In the course of a season there are high-water levels and there are low-water levels in the ponds in which the water is impounded, so in order to have a reservoir in which to impound water in seasons of flood or high-water levels it is necessary to draw down the water. When all that has been accomplished there has been developed a potential generating unit which is capable of generating so many hundred thousand or so many million kilowatts in a given season of the year.

With all this potential impounding capacity and potential generating capacity, when in the low-water season of the year, the impounded water has shrunk and there is not sufficient water, yet the TVA does not dare to impound water any longer because the ponds would then be unable to receive the water in the flood season of the year. So for about 3 months of the year the generating capacity of all this installation is low. Industries cannot be hooked up to consume more electrical current than is generated at the minimum of its generating capacity. Industries cannot be hooked up to the maximum generating capacity because then there would not be ample electricity during the low-generating season or generating period.

The steam plant is being discussed, as I see it, to take care of that one period in the year when there is not sufficient electrical power being generated at the dams or by reason of the so-called impounding of water. If I am wrong in my understanding of the project, I want to have it cleared up, because I do not want to vote for something that is unnecessary; but I do want to vote favorably upon projects that are necessary. If the firming by steam makes the whole Federal project more profitable, more efficient, and will furnish for 12 months of the year a steady flow of current upon which industries can depend, and upon which war plants can depend, if we should ever again be compelled to re-establish war plants of great magnitude, I would not hesitate at all to vote

for the measure. But that is what I must have made clear in my mind.

Mr. FERGUSON. Mr. President, I shall try to clear up that point for the record. First, I will say that neither the able Senator from Minnesota nor anyone else is able to change the Constitution. This may become a question of the Government trying to make a profit. The Government might upon the same theory the Senator has referred to says, "Now that we have electric power there is no reason why we should not manufacture automobiles. There is no reason why we should not manufacture locomotives. If we use our own energy in the manufacture of automobiles, or in the manufacture of locomotives, we will be able to sell such automobiles or locomotives at a better price than if we could only sell the energy produced at a dam."

If that could be done, then America could be socialized. If that could be done, the Government of the United States could go into every business, from the operation of a grocery store to the manufacturing of locomotives, without changing the Constitution of the United States of America one iota. Then all that would be necessary would be somewhere in America to harness the power at a dam, and then it could be said, "Because we have that little bit of power we must firm it up, we must use it to the best advantage so we can make a profit." Under that theory it would not be necessary to alter or amend the Constitution of the United States in order to enable the Government to change the whole economic and the whole political system. I shall now try to answer the question about firming up.

Mr. THYE. Mr. President, will the Senator yield for one more question?

Mr. BRIDGES. I yield to the Senator from Minnesota to ask a question of the Senator from Michigan.

Mr. THYE. We, that is the Government, must not lose sight of the fact, however, that the Government impounded the water for the purposes of stopping the ravages and devastations resulting from floods. That was the first purpose of TVA installation of dams. Then, of course, from there on the Government harnessed the potential power of the water in the Tennessee Valley. The Government did all that. The Government stepped into that particular activity for the purpose of conservation, by way of stopping floods. So the Government was not making an attempt to establish business, or to go into business. The Government went into the situation for the purpose of adopting a safety measure to prevent floods, and, of course, the impounding of water is necessary to stop floods. That makes possible the generation of power from the drop or fall of the water over the dam.

Mr. FERGUSON. We are talking about constitutional power, constitutional authority. There is no doubt that under the commerce clause the United States Government can erect dams for flood control and navigation, and when it erects a dam, the mechanical power from the falling of the water can be generated into electrical power, and the

United States Government can, under the commerce clause of the United States Constitution, sell the power so generated. There can be no doubt about that.

But that is not what is being done now. It is said, "Since we create this power from the dam, we can then go a step further." Remember, from 1933 down to date they have been generating power in the particular area by the falling of the water. There is no shortage at the present time. There is no evidence showing that they are unable to keep their plants going. No one seems to think that any of the industries in the Tennessee Valley should erect their own power plants and use coal. No one seems to think anything about that.

I say, Mr. President, that this is the first step, and that is what we are talking about. Why do I say this is the first step? Along the line, not here in the Senate, but in the administrative offices, there will be those who will say, "You in Congress took this step back in 1949, and now we can take the next step toward socialization."

Mr. President, in the Interior Department budget for reclamation for this year, in the Central Valley project, those in charge are asking that they may take this same step under reclamation, to build a \$36,000,000 steam plant at Antioch, Calif.

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

Mr. BRIDGES. I have the floor.

Mr. MAGNUSON. I wished to ask the able Senator from Michigan if he thought the situation he just described might fall in the same category as a situation in Washington. As the Senator knows, we have the Grand Coulee project in the State of Washington.

Mr. FERGUSON. Yes.

Mr. MAGNUSON. In part that project is for the development of power, which is sold from the lines of the Bonneville project; but it is also to aid in reclamation. The Government is installing huge water pumps, which are operated by the excess electricity in a great project known as the Columbia Basin project. But Columbia Basin is operated by subdivisions of Government known as irrigation districts.

Suppose we should ask for a stand-by steam plant to operate those pumps, at a time when the water might not be available, or the electricity might not be available, not to sell the electricity, but to pump the water which would be controlled by the irrigation district for the benefit of the people of the area. Would the Senator consider that to be prohibited under his interpretation of the Constitution?

Mr. FERGUSON. If it comprehended the use of the power by the Federal Government under one of its constitutional powers, as reclamation is, because most of that land was Government land, and they used the power to pump water on it so that the land could be settled, that would be constitutional, and I think proper.

Mr. MAGNUSON. In other words, the Senator thinks the situation is a little different from the one in California, does he?

Mr. FERGUSON. Yes. I am talking about the first step in socialization which I see today, and which later can be extended to cover an attempt to socialize the industries in America, because it will be contended that the Government can function more efficiently than can private industry.

Mr. SPARKMAN. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Alabama.

Mr. SPARKMAN. Before we get too far away from the quotation the able Senator from Michigan gave from John Lord O'Brian, a member of the legal staff, and leading counsel in the case in the Supreme Court, I should like to quote something from the legal staff of the private-utilities side. Listen to this from Mr. Raymond P. Jackson—I think that is his name—of Cleveland, Ohio, whose name was signed to the petition, or complaint, of the private utilities.

Mr. McKELLAR. And he was a witness.

Mr. SPARKMAN. He was a witness in this case this year, as he was last year, and as he will be next year, and on and on. He is attorney for the private utilities, and comes to the committee each time in the company of Mr. Purcell L. Smith.

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

Mr. SPARKMAN. No; let me continue. I wish to quote this witness.

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

Mr. BRIDGES. I have the floor. I have yielded to the junior Senator from Alabama.

Mr. HILL. Will my colleague yield to me to identify Mr. Jackson a little further?

Mr. BRIDGES. I yield.

Mr. SPARKMAN. It is all right if I do not lose my place.

Mr. HILL. Mr. Jackson was the attorney in the case of Tennessee Electric Co. against TVA, in the Ashwander case, in the case of the Alabama Power Co. against Ickes, and on the question testing the constitutionality of the Norris Dam, which went to the Sixth Circuit Court of Appeals. He has been the attorney for the power companies in all the cases, and he has lost them all.

Mr. FERGUSON. Mr. President, on this point will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. FERGUSON. I should like further to identify Mr. Jackson. Mr. Jackson was a partner of Newton D. Baker, Democratic Secretary of War under President Woodrow Wilson, and he is considered one of the outstanding legal and constitutional authorities in the United States of America. I assume that for the brief he has filed in the Senate he will receive a large fee. But I wish also to say that Mr. Clapp, appeared as an expert on Government time and testified. So we had special pleaders from both sides before the Committee on Appropriations. I assume that the Government witnesses were paid tax money, and I am assuming that the other men were paid larger fees from private interests

who do want to see America take the first big step in socialization.

Mr. SPARKMAN. Now that Mr. Jackson has been thoroughly identified, I should like to say that, according to his own statement, he was appearing in behalf of the electric power companies of the United States. Since the matter of pay has been brought into the debate, I believe Mr. Clapp receives \$10,000 a year of taxpayers' money, and Mr. Purcell L. Smith receives \$65,000, plus expenses, paid out of the pockets of the electric power consumers in the United States. Of course, Mr. Jackson would probably receive a similar fee. I do not know what his pay is. I wish to accept a part of what the Senator from Michigan has said, namely, that Mr. Jackson is an outstanding constitutional authority, and I wish to quote him for that reason. Listen to this:

Under the Tennessee Valley Authority Act, as amended, the number and capacity of steam—

Remember the word "steam"—

Under the Tennessee Valley Authority Act, as amended, the number and capacity of steam and hydroelectric plants for the generation of electricity which the defendants may construct and operate in the Tennessee Basin are wholly undefined. Said act, as amended, purposes to vest complete and uncontrolled discretion in the defendants in relation to such matters.

Mr. FERGUSON. On what page is that?

Mr. SPARKMAN. That is from last year's hearings, page 222.

Mr. BRIDGES. Mr. President, to proceed with my remarks, the senior Senator from Minnesota [Mr. THYE] raised some questions relative to the necessity of the steam plant, and whether it had to do with firming up power. The Senator from South Dakota [Mr. GURNEY] looked into this matter, and on page 215 of the hearings, where the Senator from South Dakota was addressing Mr. Clapp, we find this:

Senator GURNEY. Then, on your steam plants, there is a record of what portion of the percentage of the time they have operated, and we can have those listed also.

Mr. CLAPP. We can best do that, if I may say so, on the basis of their past history.

Senator GURNEY. That is right.

There follows a record of the existing steam plants and the percentage of time they have been used in the past 3 years. Hales Bar was used 42 percent of the time; Nashville, 7 percent of the time; Parksville, 4 percent of the time; Watts Bar 62 percent of the time; Wilson, 30 percent of the time; and the smaller plants, 20 percent of the time.

As the distinguished Senator from Minnesota can see, the existing steam plants in each and every case have been used only a small percentage of the time.

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

Mr. BRIDGES. I yield.

Mr. KNOWLAND. In the normal operation of a steam plant which is used for stand-by services, would it not be used for perhaps not more than 20 or 30 percent of the time? As I understand, in nontechnical language, the idea of the stand-by steam plant is to

firm up the power, so that there will be no hills and valleys caused by water shortages and other factors. So it would not be expected that a steam plant would be used to 100 percent of capacity, as I understand the situation.

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

Mr. BRIDGES. I yield.

Mr. THYE. Does the Senator from New Hampshire have information as to what amount of water must actually be let over the dams or through the gates in order to draw down the impounded water so as to form a reservoir to meet flood conditions? The amount of water deliberately let through the gates in order to get rid of it could well be harnessed and made to generate power if there were an outlet or consumer for the electric power which might be generated.

Mr. BRIDGES. I have not that information at hand, but I refer to page 214 of the hearings, referring to the hydro plants. On that page there is a table showing the names of the hydro plants. The first column of figures shows the installed capacity December 1948; the second column of figures the expected average generation capacity; and the third column of figures the stream flow non-usable with present capacity. That is probably what the Senator is getting at.

Mr. THYE. I presume that would be the answer. I did not attend the hearings, and therefore I have not the information which is available to members of the committee who had the benefit of the testimony.

Mr. BRIDGES. The table shows that the figures vary from 5 percent, which I think is the lowest figure for stream flow nonusable with present capacity, up to 45 percent, with the average probably in the twenties.

Mr. KEFAUVER. Twenty-five percent.

Mr. BRIDGES. Twenty-five percent.

Mr. THYE. That is the reason why I asked the question, recognizing the fact that on the average, at all the installed dams, that amount of water is actually permitted to go by without serving any purpose. If the dams were operating at full capacity, naturally there would be periods in the year when there would not be an adequate flow of water to generate sufficient electricity to carry the safe maximum load which the installation could supply. That is the question which arises in my mind in connection with a steam plant. Is it wise to install it to firm up the entire unit of flood control, for which it was originally constructed?

Mr. BRIDGES. Mr. President, I wish to consider two or three other angles inasmuch as certain Senators have emphasized by the opposition from the private utilities. Opposition came also from many others. I should like to quote a few words from Hon. Charles R. Erdman, Commissioner, Department of Conservation and Economic Development of the State of New Jersey, one of whose representatives, Mr. HENDRICKSON, is now in the Chamber. Mr. Erdman said:

New Jersey enterprise today is striving energetically to maintain conditions which in wartime gave the State fifth place in the Union as a producer of war matériel, and in

peacetime has been responsible for the continued existence of approximately 36,000 companies employing more than 1,700,000 workers.

With other segments of New Jersey life sharing the load this vast machinery of enterprise has made it possible for our State's taxpayers to contribute to the Federal Government more than \$1,270,000,000 in Federal taxes annually. This represents at least \$3 paid in Federal taxes for every \$1 New Jersey affords for local and State tax purposes.

Representing taxpayers, the objection is made to the use of tax funds to provide one particular section of the country with an unfair economic advantage which is entirely aside from navigation and flood control.

Appropriations to the Tennessee Valley Authority for the purpose of increasing its power-generating capacity must be paid out of public revenue, contributed by the people of all 48 States, in return for which the money will be used to provide, through subsidized power rates, a new inducement to industries to move into the TVA area. This imposes a burden on New Jersey and other States in the free and orderly development of our respective areas.

That is typical of the views of representatives of the States. Let us take a statement from Kansas. The following is from the statement of Mr. C. C. Kilker, secretary-manager, Kansas State Chamber of Commerce:

Mr. KILKER. Mr. Chairman and gentlemen, my name is C. C. Kilker, and I represent the Kansas State Chamber of Commerce, of which I am secretary-manager. The Kansas State Chamber of Commerce, which has its headquarters in Topeka, Kans., is a voluntary organization composed of approximately 2,000 business and professional men of Kansas.

It is the understanding of the Kansas State Chamber of Commerce that this steam power plant would be another Federal enterprise which would be practically free of taxes but which would engage in direct competition with privately owned and privately operated business. These privately owned and operated companies pay out in taxes approximately 20 cents of every dollar they take in. On the other hand, a TVA steam power plant would pay no Federal taxes and practically no State or local taxes. This situation is made even more ironic by the fact that it would be built entirely from funds supplied by American taxpayers, including those privately owned companies with which it would compete.

Through the hearings we find opposition from the utilities, but also from many other people, representing their respective States; from industrial concerns, from chambers of commerce, and from members of State governments. In order that the RECORD may be entirely straight, let me quote a statement from another group. We hear a great deal said about labor. We find the CIO joining in opposition to the New Johnsonville steam plant. I read a letter from the CIO Utility Workers Union of America, Local No. 175, Dayton, Ohio:

DEAR MEMBER OF CONGRESS: We have read with concern the contemplated action being taken by the Congress of the United States, concerning an appropriation to start a steam electric generating plant at New Johnsonville, and we, as a union, feel this is going a little too far toward socialism.

We are very much against this type of action, and the enclosed copy of a news release given out by our international officer, William J. Pachler, gives our feelings in the

matter and puts us on record as being against the project.

Respectfully yours,
LOCAL 175, U. W. U. OF A.,
EDMOND WARD, President.

The article which he encloses reads, in part, as follows:

CIO UNIT WANTS PROGRESSIVE CAPITALISM

UTILITY UNION AGAINST FEDERAL OPERATION

(By Alan Pritchard, Daily News staff writer)

A CIO union that sees Government ownership as a dangerous threat to basic American principles is the Utility Workers Union of America.

Their international secretary-treasurer, William J. Pachler, said here Saturday that the utility workers are strongly opposed to Government competition in business—especially in the light and power business.

I shall pick out a few other statements made by the writer of the article:

"When we say we're against Government competition in the power business, we aren't beating the bushes for the power companies," Pachler emphasized. "There are many things wrong with the way some private power companies treat their employees. We're out to correct those things."

"We are beating the bush for a type of living in which private ownership is fundamentally correct. We're not against progressive social measures under our present capitalistic set-up, but we are against socialism where the Government competes with private enterprise."

"The building of power dams and reclamation of unusable land by Government authority projects is also not opposed by the union," Pachler said. It is only in the distribution of electrical power that an issue arises.

Pachler believes that the Government should turn over power distribution to private companies. "Government regulation of the companies might be necessary," he said, "but not absolute Government control."

The attitude of the union is not altogether unselfish, Pachler admits.

"From a bargaining point we would be much better off dealing with private industry than with a Government agency," he said—

And so on. My reason for reading that, Mr. President, is to show that the opposition to the steam plant has come from various groups of our country's population and from various sections of the United States.

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

Mr. BRIDGES. Certainly.

Mr. MALONE. I understand that the distinguished Senator from New Hampshire is opposed to financing socialism in the United States. I might ask whether it would be any worse to finance socialism in the United States, rather than in England?

Mr. BRIDGES. Of course, I am opposed to financing socialism anywhere; but if it must be financed, I would rather have it financed in England than here.

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

Mr. BRIDGES. Certainly.

Mr. MALONE. First let me say that I have listened very carefully to the debate so far, and I wish to ask a couple of questions in regard to the use of steam power in firming up what I suppose is considered secondary power. I have had my assistants and the engineer of the Committee on Public Works

searching for several hours for information from which to determine what amount of firm power is furnished by each one of the dams mentioned, for instance, on page 842, in part 1 of the hearings before the Committee on Public Works, United States Senate, 1948. The same list, or approximately the same list, appears in the hearings held by the Appropriations Committee on the first deficiency appropriation bill for 1949, at page 214. There is a difference of two dams, as between the two lists; one list sets forth 23 dams, and the other 25. Nevertheless, I see no place in any of the hearings before the Appropriations Committee where there is a determination of how much firm power each one of the dams furnishes, considering the available storage utilized in connection with such dam, and how much of the power is secondary power, and the percentage of the time that the secondary power is available in each case.

To make the point a little clearer, let me say that secondary power is, of course, power that is not available 100 percent of the time. Firm power is available 100 percent of the time. Storage back of the dams of course enters into the picture, for a large storage sometimes firms power which ordinarily would be secondary power. Of course, all those factors are taken into consideration in determining the amount of firm power and the amount of secondary power.

I find nothing that determines this matter for us, except we do find that there is available hydro power, from the 25 hydroelectric dams, as follows, as nearly as we can make the determination: 10,100,000,000 kilowatt-hours of firm power, and 2,300,000,000 kilowatt-hours of secondary power.

There is no information as to the percentage of the time the secondary power is available—that is to say, whether a part of it might be available perhaps 1 month or 9 months out of the year.

For instance, in a report entitled "Engineers Data, Tennessee Valley Project," turning at random to the figures for one of the dams, the Hales Bar Dam, which is one in the list of 23, and also included in the list of 25, I notice that in 1944, the last year for which we have complete water records, in January there was a discharge of 45,000 cubic feet per second—in other words, a flow of water in that amount in January. Apparently the maximum flow was reached in February and March; on March 4 it was 145,000 second-feet. It reached the lowest point in July, August, and September. The lowest I note offhand is 6,888 second-feet, which is only about one twenty-fourth of the maximum flow. So there is a great variation in flow.

No doubt the secondary power comes about during the summer and fall, in the low-water period. But I find nothing in the report, on the basis of a quick inspection of it, to tell us the percentage of time that such secondary power is available.

I am trying to determine the data upon which the Appropriations Committee determined the feasibility of the steam plant. Engineers know that if secondary power is of too little value—for instance, if it is available only 5 or

10 percent of the time—then rarely is it advisable to build steam plants to firm the power. On the other hand, if the secondary power is available 60 or 70 or 90 percent of the time, then there is a question of economics as to what amount of such power it is worth while to attempt to firm. Many factors are to be considered and in each case certain factors would be given different weights. These factors include fuel costs, availability of power elsewhere for the purpose, the sale price and usability of such firm power in comparison to the existing secondary or intermittent power.

All the information which we can get from a quick examination—and I have hoped that someone here would have the necessary information—shows that there are 2,300,000,000 kilowatt-hours of secondary power. The steam-plant power available from facilities already constructed amounts to 1,200,000,000 kilowatt-hours—on an annual basis; and the projected power plant would furnish 3,300,000,000 kilowatt-hours, making a total of 4,500,000,000 kilowatt-hours of steam power to firm apparently 2,300,000,000 kilowatt-hours of secondary power. Those figures may not be correct, but that is the best information we can obtain from the reports.

That would show that, on an average, the secondary or hydropower is available approximately 30 percent of the time, and the proposed steam-power plant would be built to furnish power about 70 percent of the time, thereby making it firm power.

The question then that I wish to ask the distinguished Senator from New Hampshire, leaving that phase of the matter for a moment, what is the amount of such firm and secondary power at each of the 23 or 25 dams and what percentage of the time is the secondary power available in each case? We made an investigation last year, I was chairman of the Subcommittee on Electric Power, Flood Control, and Rivers and Harbors of the Public Works Committee, holding hearings on a bill that the distinguished Senator from Tennessee had introduced to amend the TVA Act. Through those hearings we were determining how the TVA project compared with other projects authorized by the United States Government, as a general policy. We determined that the income from the power projects could be expended by the TVA Board in any way it saw fit without further authority, so long as it reported such expenditures to the Congress. We determined that there were no set payments except over a 10-year period. The House of Representatives had, very lately, established a certain payment which had to be made over a 10-year period. The method used in determining the amount was rather a shotgun method; there was no particular system to it, because until then no payments had been required.

The Power Commission made a report upon the invitation of our subcommittee of the Public Works Committee, examining the allocation of the entire cost of the TVA development of \$750,000,000 to \$800,000,000 relative to flood control, navigation, and power. Navigation was

judged to be approximately 30 percent of the total expenditure; flood control, 30 percent; and power, 40 percent.

No data are available apparently, upon which we can base feasibility of the proposed power plant.

That would show the use of the 40 percent or \$438,000,000 for power purposes. The other 30 percent, of course, for navigation and 30 percent for flood control were written off in accordance with the long-established congressional policy. There were no interest payments on the 40 percent allocated to power. For example, on the Hoover (Boulder) Dam project we pay 3 percent interest and amortize the cost over a period of 50 years. They meet those payments on the barrel-head, and pay the 3 percent interest. No steam power plant has been constructed or requested. I do not say it never will be requested. But thus far no steam power plant has been needed. There is a large amount of secondary power, but it is all sold to municipalities and private companies in the Southwest, and they have their stand-by steam-power facilities and are still constructing necessary steam power plants to make up and to firm up such power.

This suggests two questions: First, if the Senator from New Hampshire can furnish the information on the secondary power as to what percentage of the time it is available from each of these 25 dams, so we would have some idea of whether it was a proper balance and whether as such it is a feasible operation; second, is there any other source of such steam power which could be used for firming of the secondary power? Are there any cooperative organizations or companies within the area that would be willing to furnish or that could furnish such steam power?

I understand that all such companies are all connected now and all coordinated and working. I have not determined how I am going to vote on the Senator's amendment, because I am in favor of Government projects, as I was in favor of Hoover (Boulder) Dam, Shasta Dam, and San Joaquin Dam, Calif., Bonneville Dam, Oreg., and so forth, whenever through such construction which private companies cannot do a wide area and field of private investments is thereby made available. In such cases I have always favored Government assistance, and I intend to favor this project if it is justified by the facts. I am not opposed to the steam plant as such; it must, however be justified by the facts. Those are the two questions which I wanted to ask the Senator from New Hampshire.

Mr. BRIDGES. Yes, but let me say—

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

Mr. BRIDGES. I yield.

Mr. KEFAUVER. I wonder whether the Senator does not think that the statement in the table on page 214 of the hearings, taken in conjunction with the statement by Mr. Clapp, at page 197 of the hearings, would fairly well answer the question. As I get the picture on page 214, the "percentages of expected average generation capacity" mean substantially the firm power that is gen-

erated at those plants, and that the "percentages" given in the last column of "stream flow nonusable with present capacity" is the water that is going to waste, because they cannot firm it up. Then, on page 197, Mr. Clapp says that in order to make prime power to the extent of 3,000,000,000 kilowatt-hours a year this New Johnsonville steam plant would have to be operated one-third of the time.

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

Mr. BRIDGES. I yield.

Mr. MALONE. We have carefully examined the table on page 214 which simply shows for each dam the amount of stream flow, nonusable with present capacity. It does not say what time, whether it is August, September, October, or November, or whether it is 2 months, 3 months, or 5 months, that the stream flow amounts to 10 percent. So it is impossible to determine how many kilowatt-hours of secondary power there would be. We may take, for example, the power at Chickamauga Dam, the fourth one on the list, was 81,000 installed kilowatt capacity. Expected average generation capacity is 95 percent, while the nonusable stream flow is 25 percent. It does not say what the unused capacity requires to go through the plant. It does not say how many kilowatt-hours of secondary power it will generate, or what period of time the kilowatt-hours are available. That is to say, whether it is 10 percent of the time, 30 percent of the time, or 50 percent of the time that it will be necessary to use the steam power in order to firm power. The table gives very little information. The information that I requested of Mr. Clapp is here and he did not give me the information needed for the purpose.

Mr. BRIDGES. I may say to the Senator from Nevada so far as I am concerned the Senator is a very distinguished engineer in his own right. He probes into these matters from a technical viewpoint, and I think they should be so treated. Generally, I have not the specific information at my command on the floor to give the answer. I can furnish it, but it will take me some time to go to the staff of the committee and turn to the TVA records in order to obtain it. I do not have it available.

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

Mr. BRIDGES. Certainly.

Mr. MALONE. We have already gone to the record, everything we could find in the Public Works Committee hearings. I suppose we have gone back 3 or 4 years. We contacted several other sources, but it is impossible for me to get it at this time and I thought perhaps someone who had been dealing with the matter might have the information on the floor.

Mr. BRIDGES. I am sorry, but I do not have it. We can procure it latter, but I do not have it at the moment.

Mr. FERGUSON. Mr. President, the last question asked by the able Senator from Nevada I think can be answered by referring to certain statements in the record. I should like to give the information as to the first question, relative to the authority to firm up and

whether it was the first intention of the Tennessee Valley Authority that they would take all the mechanical power and convert it into electrical power, and then firm it up, as the Senator has indicated. I think that question was answered by Mr. David E. Lillenthal in 1938, when he was testifying in a hearing before the Joint Committee To Investigate the Tennessee Valley Authority, the Seventy-fifth Congress, third session. Here is what he stated at that time:

Yet it is a part of our job to dispose of all of this power not 20 or 30 years from now, but as soon as possible and, so far as possible, every year during the life of the plants. That means that some method must be found of disposing of power for relatively short periods pending the growth of load by our municipalities and cooperative customers.

The only solution is the sale to industrial and utility customers that we have been able to find.

In other words, there was a mandate upon the part of Congress, saying they should furnish municipalities and cooperatives first. Mr. Lillenthal was trying to find out how they could take this power, not thinking about steam plants to firm it up, but how they could use firm power and the surplus power which would be sold. He said this:

That means that some method must be found of disposing of the power for relatively short periods, pending the growth of loads by our municipal and cooperative customers.

What happened in 1948? The cooperative customers are demanding more power in the future, and instead of using the streams which they have a constitutional and legal right to use, they will not build dams at the present time, but will use steam, and then next year, and the year after that, they will be putting in more hydroelectric dams. They will then want to firm the power derived from them. In other words, there is no end. They have decided they will have a line reaching from the Tennessee Valley up through the Mississippi Valley, into Chicago, through Detroit, and into New England, so that the Power Authority can say it is interstate commerce, and they will have the right to firm up power in Chicago, Detroit, and all along this line.

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

Mr. FERGUSON. I yield.

Mr. HILL. I do not understand the authority for the Senator's statement. Was he quoting from someone?

Mr. FERGUSON. No; I was not quoting.

Mr. HILL. Then, is it merely the Senator's theory of the matter?

Mr. FERGUSON. Yes.

Mr. HILL. There is absolutely nothing in the record of any spokesman, proponent, or advocate of TVA which would justify the Senator's statement. Of course he has a right to his own opinion, but there is nothing in the record that would justify his statement.

Mr. FERGUSON. I shall read from Mr. Lillenthal's statement:

We have been successful in so staggering our contracts that I believe we have in large part solved the problem of reserving power for the growth of our municipal and cooper-

ative customers without presently wasting the power so reserved. I hope that is clear.

In other words, in 1938 they had solved the problem. Then he proceeds:

The committee will see that our industrial contracts fit into a pattern. At the end of 5 years the Arkansas Power & Light Co. contract may be terminated. At the end of 10 years another very large block of power that is now sold the Aluminum Co. may be recaptured for sale to public agencies. In another 8 years another large industrial contract will expire. That is the Monsanto Chemical Co.

And I think, and I think most people feel it was remarkably good fortune that they succeeded so well in handling this very difficult situation of getting revenues as we go along and yet having blocks of power that we can cut off in the years to come to take care of the priority customers' increased needs in the future.

In the testimony given before the same committee, on behalf of the TVA, in December 1938, Mr. J. A. Krug, who is now the Secretary of the Interior, but who at that time was with the TVA, said:

On the contrary, the power capacity to be provided by the Authority in connection with its navigation and flood-control program is proving to be an essential addition to existing generating facilities. It is now apparent that it will be necessary for the private companies or public agencies in the area to install over 885,000 kilowatts of additional generating capacity during the next 8 years, as the 1,400,000 kilowatts of capacity which will become available under the Authority's present program will be far from sufficient to meet established additional power requirements.

He had in mind that all they were authorized to do and what they wanted to do was to furnish power coming from the dams, and the private industries would have to firm up their own power. That was then the plan but now they have conceived a different idea.

I read further from Mr. Krug's testimony:

Since 1933 the situation has improved rapidly. We now expect by 1941 that practically all of the surplus capacity will disappear, and that in each year thereafter shortages will result if the only capacity installed is that already existing and that being added by the Authority.

I don't mean to give any impression or arouse any fears that there will be a shortage, because the public agencies and the private power companies are in a position and have plenty of time to install the facilities that are necessary, but if none was installed by the private power companies or local public agencies, and we simply add the capacity now proposed in the TVA 10-dam system, by 1942 there will be a shortage of 182,000 kilowatts, and by 1946, which is the approximate date for the completion of the Gilbertsville Dam, the shortage will be 285,000 kilowatts.

In other words, the private-utility companies and municipalities did not build any of their own dams, and now TVA wants to furnish all the power.

Mr. President, there is another item which has been mentioned. It has been contended that the United States Government has waived the Constitution. In other words, Congress has been legislating on the assumption that these activities are always constitutional, and that the TVA had full authority. I am

glad the Senator mentioned the fact that the Public Lands Committee had been considering—

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

Mr. FERGUSON. I yield.

Mr. MALONE. It was the Public Works Committee. We were trying to determine how the TVA differed in its operations from the regularly established policy of the United States Congress in connection with requiring no definite time for repayment, and no interest payment, together with the fact that the Authority could expand the income from power projects without authority from Congress, merely reporting to the Congress what had been done with the money.

We have not determined recommendations in connection with the subject. That was in November 1948. We secured necessary information, and the Senator from Nevada means to add it up on the floor sometime and make it a matter of record. But the question is asked now to determine the feasibility of a steam plant firming up power from all these 25 dams, and how much firm power is available in each one, how much is secondary power, and what percentage of the time could it be determined how much of the secondary power would be justified in firming up the power.

Mr. FERGUSON. I understand what the Senator has asked, but I cannot give him the answers from the record.

Mr. MALONE. I do not see the information in any of the hearings. I am not opposed to steam plants as such. I have not determined how I shall vote on the pending amendment, because I am trying to determine whether the plant is justified or not. If it is justified, and there is no other way to secure the necessary power, the Senator from Nevada intends to vote for the provision of the bill. But I should like to have a little further explanation.

Mr. FERGUSON. It has been stated that the Government has built other plants, and therefore they should build this one. But to prove—and I think this is good evidence—that the law at the present time does not authorize the building of this plant, I call attention to the fact that Senate Joint Resolution 1 was introduced in the Senate on January 5, 1949, by the able senior Senator from Tennessee [Mr. McKellar]. The junior Senator from Tennessee [Mr. Kefauver], on January 5, 1949, introduced Senate Joint Resolution 177 to grant direct authority for the construction of the proposed dam. So that I think it is fair to say that up until the present time there is no direct authority for the erection of the dam.

Mr. McKellar. Mr. President—

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. FERGUSON. I am glad to yield.

Mr. McKellar. I call the Senator's attention to section 9 (a) of the TVA Act:

The Board is hereby directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purposes of promot-

ing navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam for the use of the corporation and for the use of the United States or any agency thereof.

This is the language to which I wish to call the Senator's attention:

And the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this act provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.

Mr. FERGUSON. That does not change the opinion of the Senator from Michigan at all.

Mr. McKellar. Of course, if the Senator is in that frame of mind, I cannot agree with him at all.

Mr. FERGUSON. Let me ask a question of the Senator from Tennessee. Why did he introduce Senate Joint Resolution 1? If the Authority already had the power, why did the Senator ask the Congress to give them specific authority to build these dams?

Mr. McKellar. I do not recall about the specific measure to which the Senator refers. That was a joint resolution which I think was never acted on.

I call the Senator's attention to further authority, in the last sentence but one of section 14 of the TVA Act, as follows, referring to the Board:

Shall have power to construct such dams, and reservoirs, in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams . . . and shall have power to acquire or construct powerhouses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines. The directors of the Authority are hereby directed to report to Congress—

And so forth. I call the attention of the Senator to this further language in the TVA Act, in section 14:

In like manner, the cost and book value of any dams, steam plants, or other similar improvements hereafter constructed and turned over to said Board for the purpose of control and management shall be ascertained and allocated.

Mr. FERGUSON. Mr. President, it would take a great deal of time to review the act itself to prove that authority is not given in the act to build a steam plant, but I shall refer to the record, where the subject may be found ably presented to the committee, on page 237 of the hearings, beginning at the bottom of the page:

TVA Act as amended does not purport to authorize the TVA to construct steam generating plants.

That continues, citing sections of the act and the argument. I shall not attempt now to review all that has been said on this subject, but I will ask that this argument be placed in the Record. I repeat that if the act authorized the construction of the plant it seems strange that a new measure would be introduced to grant this specific authority.

It was argued on the floor of the Senate yesterday, and to some extent today, that the Watts Bar steam plant furnished authority for the right to build steam plants such as the Authority is here requesting. I wish to refer to the record. I have made up a collection of citations and authorities from the various reports. The record clearly shows that the Watts Bar steam plant was for national defense.

I wish to point out that in the Senate and House hearings the question was presented, "Has the Government the right to build a steam plant to generate electricity for commercial sale?" I desire to make it clear that the Senator from Michigan does not contend that the Government cannot constitutionally and legally construct a plant for national defense, but there is nothing in the record to show that the New Johnsonville steam plant is for national defense.

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

Mr. FERGUSON. I yield.

Mr. DONNELL. In the Senator's opinion what does the record show as to what the New Johnsonville plant is constructed for?

Mr. FERGUSON. I shall read the language from page 27 of the House report:

That function—

Of this New Johnsonville plant—

That function is to keep carrying whatever increased electric current is required to provide the service which the municipalities and the cooperatives have agreed to give in their areas, and which we, in turn, for the Government, have agreed to give, and arranged with them, the municipalities and cooperatives.

In other words, the New Johnsonville plant is to take care of future needs of municipalities and cooperatives and industry that might from time to time in the future come into the Tennessee Valley.

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

Mr. FERGUSON. I yield.

Mr. DONNELL. Is it the contention and view of the Senator from Michigan that the New Johnsonville hydroelectric plant was unconstitutionally erected?

Mr. FERGUSON. The New Johnsonville plant is not yet erected.

Mr. DONNELL. It has not yet been erected?

Mr. FERGUSON. No. This is the first appropriation for such purpose.

Mr. DONNELL. No money has been spent for that purpose?

Mr. FERGUSON. No money has been spent on the plant as I understand. So I am arguing now that it will be unconstitutional to build this plant.

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

Mr. FERGUSON. I am glad to yield.

Mr. DONNELL. Even the hydroelectric plant, the Senator contends, is unconstitutional?

Mr. FERGUSON. Oh, no; the hydroelectric is perfectly constitutional and legal because it is using the mechanical power of the drop of the water from a dam which is constructed under the spe-

effic authority of the commerce clause for navigation and flood control.

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

Mr. FERGUSON. Yes, I am glad to yield.

Mr. DONNELL. I want to be perfectly clear respecting these facts. I listened with considerable interest to a portion of the interrogation by the Senator from Minnesota [Mr. THYE], but I am not sure that I have the facts as yet clearly in mind. Is there now existing a hydroelectric plant at New Johnsonville?

Mr. FERGUSON. No, there is not.

Mr. DONNELL. That has not been constructed as yet?

Mr. FERGUSON. No, and never will be. There is no water power at New Johnsonville, as I understand. Perhaps one of the Senators from Tennessee would corroborate that point.

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

Mr. FERGUSON. Yes.

Mr. DONNELL. What is there to which the proposed steam plant is to be supplemental? Is it not a hydroelectric plant?

Mr. FERGUSON. There are hydroelectric plants in other places in Tennessee, throughout the Tennessee Valley Authority, but not in New Johnsonville.

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

Mr. FERGUSON. I yield.

Mr. KEFAUVER. I think it should be stated that the New Johnsonville steam plant is between the Pickwick Dam, which is near the Mississippi boundary, and Kentucky Dam, which is near Paducah, Ky. It is on Kentucky Lake, and it is to be supplementary to all the hydroelectric plants.

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

Mr. FERGUSON. Yes.

Mr. DONNELL. The hydroelectric plants to which the Senator from Tennessee refers are now in existence? Is that correct?

Mr. FERGUSON. That is correct.

Mr. DONNELL. So there are presently existing hydroelectric plants, as to the validity of which, from a constitutional standpoint, the Senator from Michigan is not making any complaint or contest? Is that correct?

Mr. FERGUSON. That is correct.

Mr. DONNELL. But the Senator from Michigan is of the opinion that the proposed steam plant which is to be ancillary to and supplemental to existing hydroelectric plants at some other locations will be unconstitutionally erected if it shall be erected?

Mr. FERGUSON. That is exactly the contention of the Senator from Michigan.

Mr. DONNELL. May I ask the Senator a further question?

Mr. FERGUSON. I am glad to yield.

Mr. DONNELL. A little later I want to ask, or to state, whichever it may seem best, the view I have arrived at as the result of hearing the debate this afternoon on the constitutional question. I do not want to ask it in the form of a fictitious question, so I presume the best way I can do it is to wait until I

can secure the floor. But I wonder if the Senator will be kind enough, when the matter is presented by myself, to give it attention and give the Senate his views in regard to the points which have occurred to me during the debate.

Mr. FERGUSON. I expect to stay on the floor throughout this debate, and I shall welcome the argument or the comment on the part of the able Senator from Missouri, because I know he is familiar with the questions involving the constitutionality of the act or of any future appropriations in connection with it.

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

Mr. FERGUSON. I am glad to yield.

Mr. KEFAUVER. The distinguished Senator from Michigan said that he felt that the Watts Bar steam plant could have been justified on the basis of national defense.

Mr. FERGUSON. Yes.

Mr. KEFAUVER. I call the Senator's attention to the fact that Public Law 17 of the Seventy-third Congress creating the Tennessee Valley Authority provides in its preamble that one of the purposes of the TVA is to provide for the national defense.

I also should like to call the attention of the distinguished Senator to the fact that in the consideration had before the House Committee on Appropriations before the steam plant at Watt's Bar was built, the private power lobby or interest, or a part of it at least, urged that it would be more in keeping with our principles of government to build steam plants than it would be to build hydroelectric plants, but no member of the Appropriations Committee of the House of Representatives and no Representative on the floor of the House, even though several of them are distinguished lawyers, ever raised any question of constitutionality in arguing against the Dirksen amendment, which was offered for the purpose of building a steam plant instead of the Cherokee Dam in upper east Tennessee. No Member of the House contended that the building of a steam plant, such as the Watts Bar plant, or additional steam plants such as were urged by Representative Dirksen, would in any way be unconstitutional. Altogether some 35 or 40 distinguished Members, lawyers, of the House of Representatives, participated in that debate. That is very persuasive to me.

I should also like to ask the distinguished Senator if he is not aware that when the Watt's Bar steam plant was being considered by the House of Representatives, and also when the New Johnsonville appropriation was brought up in the last Congress, a point of order was made against those appropriations on both occasions because they were not authorized by legislation, and if the point of order was not overruled by the Speaker of the House of Representatives?

Mr. FERGUSON. I am not familiar with what took place in the House.

Mr. KEFAUVER. That is the fact, I will say to the Senator from Michigan.

Mr. FERGUSON. I am not familiar with what took place with respect to the point of order, I mean, but I am familiar

with the arguments on the constitutional question.

Mr. President, the preamble to the act from which the Senator has just read, contains these words:

To provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes.

Yes, the Muscle Shoals plant was built for the national defense, and in the opinion of the Senator from Michigan was constitutional for that purpose. Now it may be said that this may be done under a war power. I have found nothing in the record upon which to base such a claim. On that point I would cite two cases. One is *Hamilton v. Kentucky Distilleries* (251 U. S. 146), and the other is *Wood v. Miller* (333 U. S. 138). I am satisfied that those two cases which recognize the war power—one on the question of the Prohibition Act and the other on the question of housing—do not apply in this particular case. I shall read a part of the opinion from *Wood* against *Miller*.

In *Wood* against *Miller*, the Court, in sustaining the rent-control law as an exercise of the implied war power of the Congress, said in part:

We recognize the force of the argument that the effects of war under modern conditions may be felt in the economy for years and years, and that if the war power can be used in days of peace to treat all the wounds which war inflicts on our society, it may not only swallow up all other powers of Congress but largely obliterate the ninth and tenth amendments as well. There are no such implications in today's decision. We deal here with the consequences of a housing deficit greatly intensified during the period of hostilities by the war effort. Any power, of course, can be abused. But we cannot assume that Congress is not alert to its constitutional responsibilities. And the question whether the war power has been properly employed in cases such as this is open to judicial inquiry (*Hamilton v. Kentucky Distilleries Co., Ruppert v. Caffey*).

So it may be said plainly that the Federal construction of proposed steam generating plants may not be sustained under these authorities as an exercise of the extraordinary implied war powers. The purpose of the plant is simply to meet the normal peacetime increase anticipated during the period 1949-52 in power requirements of "the 140 local public agencies which distribute TVA power." There is no purpose to meet even an alleged temporary shortage directly, immediately, and peculiarly caused by the war. Instead, the purpose is to meet precisely the same anticipated normal peacetime increase in power consumption which always has been, and is now being, met by privately and municipally owned public utilities in every locality in the United States. If, in the guise of exercising its extraordinary war powers, the Federal Government in time of peace may engage in the construction of steam plants merely to generate electricity for commercial distribution to the public, then it may engage in practically every business and manufacture in the United States in time of peace as an exercise of its implied war powers and thus

convert our Government into a totalitarian state.

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

Mr. FERGUSON. I yield.

Mr. LUCAS. I should like to ask the able Senator a question or two with reference to one phase of national defense which has been discussed briefly in the colloquy between various Senators. I think the Senator will agree with me that the Tennessee Valley Authority was created as a means of national defense.

Mr. FERGUSON. Muscle Shoals was. I will answer in that way.

Mr. LUCAS. Would the Senator say that the whole TVA power system in the Tennessee Valley could be used or has been used in the past for national defense purposes?

Mr. FERGUSON. A part of it is now being used for national defense, but a very small part. There is no contention in the record that the part which is being used cannot be fully and adequately supplied by the present hydroelectric power.

Mr. LUCAS. That raises a very serious question. I am not familiar with that testimony; but would the Senator agree with me that the construction of this steam plant would make available a larger volume of constant power for the valley?

Mr. FERGUSON. Yes. I should say that the purpose of erecting the steam plant is to manufacture and sell constant power commercially in the valley.

Mr. LUCAS. If the power were constant, would not that make more effective the entire Tennessee Valley Authority, including Muscle Shoals and all the auxiliaries to Muscle Shoals?

Mr. FERGUSON. I will put it this way: It would provide industries, municipalities, farmers, and others with more electricity.

Mr. LUCAS. It would provide industry with more power. It is possible to assume, as the Senator stated a moment ago, that as a result of the erection of this plant some new industries might come into the Tennessee Valley, including some industry which might produce, in a great emergency, articles of war which would tend to strengthen and aid the national defense.

Mr. FERGUSON. I shall have to answer that by saying that I do not believe the war powers or the national defense programs go to the extent indicated by the question. I believe that if a particular article were being manufactured for our national defense, the Federal Government could exercise its authority under the Constitution for national defense purposes, and manufacture the article, or erect a steam plant for the purpose of national defense. But there must be a relationship between the national defense and the particular thing which is being done, as was held in the case of Woods against Miller and the National Distillers case, which I have cited.

We cannot say that the erection of any steam plant in America is for the national defense. Otherwise, the Government could start in business tomorrow and take over all business, with the

statement that, "We may have a war 10 years from now or 50 years from now, and now is the time to prepare for those wars."

Mr. LUCAS. I agree with the last statement the Senator has made with respect to the Government building a new steam plant in a remote section of the country. But that is not quite the case here, as I understand. If we admit in the first instance that the TVA project has been constructed for purposes of national defense as well as for supplying electricity to the people in the locality, as well as industries which are operating there, it seems to me that we must admit that the construction of any other plant in that community to firm the power and make it more constant necessarily becomes an addition to and a strengthening of the national defense.

Mr. FERGUSON. Let me answer the Senator in this way: Muscle Shoals was built as a nitrate or explosive-manufacturing plant for the national defense in the First World War. I am sure the record will show the TVA was conceived in 1933, not for national defense, but solely under the commerce clause of the Constitution, which provides for the right to regulate streams with respect to flood control and navigation. It was not constructed as a part of the national defense.

If the United States Government wished to erect a steam plant as part and parcel of the atomic energy plant, I would not contend that it could not do so, because that would be directly for national defense, and it could be done. However, the Tennessee Valley project was started in 1933, not as a national defense project, but as a flood-control and navigation project. Muscle Shoals is different, and the Watts Bar steam plant is different.

I have taken the records from the various Senate and House documents, and later I shall place in the RECORD a statement showing conclusively that the Watts Bar steam plant was built solely for national defense. I shall quote the senior Senator from Tennessee [Mr. McKellar] to the effect that it was so constructed.

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

Mr. FERGUSON. I am glad to yield to the Senator from Tennessee.

Mr. KEFAUVER. Of course, all these steam plants and hydroelectric generating facilities are partly for national defense, because a great many defense plants are operating in that area. I invite the attention of the Senator to the fact that in June 1940, when the Watts Bar steam plant was authorized and appropriated for by Congress, no emergency had been declared by the Congress. As a matter of fact, even at the present time, when we are debating the New Johnsonville steam plant, we are technically still in a state of national emergency.

Mr. FERGUSON. But the record does not show that it is for national defense. It is to supply utilities.

Mr. KEFAUVER. It is shown in the record that in order to enable the TVA to furnish power for the atomic energy

plant at Oak Ridge, for the Aluminum Co. plant at Alcoa, and for the various defense or quasi-defense activities of the Government, it is necessary to firm up this power. It is shown in the record that the Alcoa plant cannot operate at full capacity at the present time because of shortage of power. I am sure that Colonel Huddleston, the manager of that plant, has conveyed that information to the distinguished Senator, or at least to a number of Senators.

Mr. FERGUSON. The record is clear that there is sufficient firm power in the hydroelectric dams constructed under the Tennessee Valley Authority to furnish all the national defense plants in that neighborhood, and all Government agencies. I have read into the RECORD several times a statement to the effect that that is not the purpose. The purpose is to furnish municipalities and industries generally with power in the future.

We shall probably encounter the general welfare argument on the floor of the Senate—there was some indication of it earlier in the day in connection with the REA lending money. I want to comment on that argument. The general welfare argument takes us back to the debate between Hamilton and Madison at the time of the framing of the Constitution as to whether the so-called general welfare clause allows appropriations of money for the general welfare.

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

Mr. FERGUSON. I am glad to yield.

Mr. DONNELL. The Senator from Michigan will agree with me, will he not, that in fact there is no such thing as a general welfare clause in the Constitution, but the clause referred to reads as follows:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States.

Mr. FERGUSON. That is correct.

Mr. DONNELL. It is a taxation clause for certain purposes; is it not?

Mr. FERGUSON. That is correct. The general welfare clause so-called, is only in connection with the levying of taxes and the appropriating of the money for the general welfare. But the general welfare has nothing to do with the specific powers of the United States Government.

Mr. President, it has been held in a number of cases, and seems to be the law, that the United States Government can appropriate money solely under the general welfare clause, which the Senator from Missouri has just read, the one with regard to taxation. That is what is done in connection with the REA. Under the REA, the United States Government does not erect a plant; it does not undertake to do so. It merely gives the money to a cooperative organization, with which that organization is to erect the plant; and that cooperative organization is considered a private organization, not a Government agency.

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

Mr. FERGUSON. I yield.

Mr. LANGER. Did not the Senator from Michigan make a mistake in using the word "give"? The Government does not give the money; it makes a loan.

Mr. FERGUSON. Yes; that is correct. I did not mean that it donates, but that it provides, through loans.

Mr. President, I should be glad to review the authorities relative to that power, but I do not think it is necessary to do so here, because there is no contention here that to erect a steam plant at New Johnsonville, Tenn., would be for the general welfare. General welfare means just what it says—for the general welfare of the United States, not for the particular welfare of a specific locality.

The proposal now before us is not one for the loaning of money, but it is for the erection of a plant and the operation of a plant and the selling of the electricity from that plant to commercial users. Mr. President, we could not get nearer to the first step toward socialization than in connection with the proposal now made to us. I say this in all earnestness. Of course, I understand that today anyone who contends that we are taking the first steps toward socialization is considered out of line, and so forth; but I say in all sincerity that the same thing was true in the past. Well do I remember that a man by the name of Adolf Hitler started his program of nazism and a man by the name of Mussolini started his program of fascism under the first steps, as they called them, of socialism under the Democratic Socialist Party. They considered that they were taking the first socialist steps in Italy and in Germany. It is well known the world around that when we take such steps, we do not realize what the next steps will lead us into. No one could have argued successfully to Britain a few years ago that she would find herself socializing all her industries. No, Mr. President; Great Britain was then a free enterprise nation. So these things come upon us.

I should like to say just a few more words on this subject of the proposed TVA steam plant at New Johnsonville, Tenn. I personally feel that it is without constitutional authority; I am of the opinion that it is without statutory authority.

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

Mr. FERGUSON. I am glad to yield.

Mr. WHERRY. Why does not the Senator from Michigan make a point of order against this proposal, if he feels that it is without constitutional authority? That point interests me.

Mr. FERGUSON. The reason I cannot do so is that the provision was placed in the bill in the House of Representatives.

Mr. WHERRY. Was the point of order raised in the House of Representatives?

Mr. FERGUSON. No; it was not.

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

Mr. FERGUSON. I am glad to yield.

Mr. WHERRY. Was not this question raised in the Senate a year or two ago, when the appropriation came before the Senate; and at that time did not the then President pro tempore rule

that it was included under the authorization of the act, and that a point of order was not good against it?

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

Mr. FERGUSON. I am glad to yield.

Mr. HILL. The Senator from Nebraska is absolutely correct. The then President pro tempore, the distinguished senior Senator from Michigan [Mr. VANDENBERG], was in the Chair at the time when the distinguished Senator from Missouri [Mr. KEM] made a point of order against this very appropriation for the New Johnsonville steam plant, on the ground that the appropriation for the steam plant was not authorized in the act. Some of us then on the floor of the Senate presented the matter to the President pro tempore, and I am sure he examined the authorities and weighed the matter very carefully. In fact, I have before me a very extensive brief on the subject, but I shall not burden the Senate with it at this late hour.

But after considering the matter carefully, the Senator from Michigan, then the President pro tempore, made the following statement:

It seems to the Chair that the entire purposes of the legislation which must be construed, and particularly the purpose as described and identified in the committee reports accompanying the original (TVA) legislation, contemplates an integrated system, and it seems to the Chair that an integrated system includes not only dams and hydroelectric works, but also steam plants, as identified in the specific language of the amended act.

That was the ruling of the Chair, and then the Chair overruled the point of order.

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

Mr. FERGUSON. I yield.

Mr. WHERRY. Was an appeal taken from the decision of the Chair?

Mr. FERGUSON. No; no appeal was taken.

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

Mr. WHERRY. I yield.

Mr. HILL. Let me say that the then President pro tempore, the distinguished Senator from Michigan, laid his decision open to appeal; he wanted every Senator to know that he would take no offense if an appeal were taken. But none was taken.

Let me also say that the distinguished senior Senator from Michigan who rendered that decision voted against the appropriation; he was not in favor of the appropriation for the steam plant. But he construed the law as the law was and is, namely, an authorization for this appropriation.

Mr. FERGUSON. I realize what the distinguished senior Senator from Michigan, the then President pro tempore, ruled last year. He stated at the time that it was a close point, and he suggested that his ruling be appealed without prejudice to either argument. But that, Mr. President, does not make it the law.

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

Mr. FERGUSON. I am glad to yield.

Mr. WHERRY. The junior Senator from Nebraska, I think, is in complete accord with the amendment or resolution the junior Senator from Michigan expects to offer relative to testing the constitutionality of the act. It has been my opinion, I may state to the junior Senator from Michigan, that the authorization is within the provisions of the act. For that reason it seems to me it is a question of appropriation, not of authorization. So I ask the Senator, why does he not attempt to amend the authorization so as to make it plain that it does not authorize the steam plant?

Mr. FERGUSON. I cited an authority this afternoon that proves the steam plant is not authorized by the act, namely, that both Senators from Tennessee in January of this year offered resolutions in the Senate to authorize the New Johnsonville plant.

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

Mr. FERGUSON. I am glad to yield.

Mr. WHERRY. But that does not answer my question. Even though the senior and junior Senators from Tennessee submitted resolutions, that still does not answer the question I asked, which is, Does not the junior Senator from Michigan feel that the proper way to reach the point is not by way of restricting or eliminating the appropriation, but by an amendment of the act itself, making it plain once and for all that steam plants are or are not included? I ask that question in all seriousness, because the Senator knows as well as I do how I feel about socializing industry in this country.

Mr. FERGUSON. I shall answer the question in this way: If we reject the appropriation, there is a resolution now before the proper legislative committee upon which the Congress can determine specifically whether a steam plant can be built, but that does not affect the argument of the Senator from Michigan that a measure providing for the erection of the steam plant is unconstitutional.

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

Mr. FERGUSON. I am glad to yield.

Mr. WHERRY. I can see that point, and I am inclined to go along with the junior Senator from Michigan on testing the constitutionality of the provision. I think that is proper. I believe possibly we should have an opportunity to do that at any time with respect to any act in which such provisions are included. But that is not the point I make.

Mr. FERGUSON. That is not the point here, either.

Mr. WHERRY. No. The point is that this has been authorized. The basic act in 1933 authorized it. Whatever one's opinion may be with regard to socializing or not socializing American industry, I ask the Senator once again, is not the proper way to determine the question to write into the basic act itself a provision that the act shall not in any way be construed to authorize the purchase of land and materials for the construction and the construction itself of a steam plant, instead of attacking appropriations as they come to the Senate? That is the point I wanted to make.

Mr. FERGUSON. I may answer by saying there are two methods of reaching

the result. One is the method suggested by the Senator of repealing the so-called authorization in the act. The other method is to withhold appropriation of the money. The provision of the pending bill is very cleverly worded. The able Senator from Vermont today wanted to know why this item was not mentioned in the report. Let me read the appropriation that covers this item. On page 12, line 7, "Tennessee Valley Authority"—

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

Mr. FERGUSON. I am glad to yield.

Mr. McKELLAR. The Senator has served on the Appropriations Committee of the Senate.

Mr. FERGUSON. Yes.

Mr. McKELLAR. The House committee in passing on this bill submitted a report on the Tennessee Valley Authority, authorizing a certain amount for the construction of the steam plant, with a full description of it. As the Senator knows, it has been the custom of the Appropriations Committee of the Senate, when the House makes a report to which the Senate agrees, and the House report has already been printed, not to have it printed again. The Senate committee does not do that.

Mr. FERGUSON. The Senator from Michigan is not criticizing the report. I merely want to read from the bill to show how the matter appears there.

Mr. McKELLAR. The Senator was saying the Senate committee had not submitted a report on it.

Mr. FERGUSON. No.

Mr. McKELLAR. The Senate committee had not reported on it because the House had reported, and the report was before the Senate committee, and it is now before the Senate. It is here now.

Mr. FERGUSON. I shall answer the Senator a little later, but I want to read—

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

Mr. FERGUSON. I yield.

Mr. WHERRY. Does not the junior Senator from Michigan feel, however, that the proper place to take care of such matters is in the basic legislative act itself, rather than to circumvent or destroy the purposes of the act through the secondary method of withholding appropriations? I ask the question for this reason: I believe the place to stop appropriations is in the authorization bills. That is the reason I did not support ECA. I said that I would, if it were cut 15 percent. I believe the authorization is the place to stop appropriations, otherwise appropriations may be sabotaged. I ask the junior Senator from Michigan whether the first place, namely, the authorization itself, is not the place to accomplish what he is desirous of accomplishing? Of course, if the Senator offers an amendment calling for a test of the constitutionality of the act, I may say now that I shall support the amendment, because I feel we have a right to test the constitutionality of any act. But I submit to the Senator, is not the place to remedy the difficulty in the authorization, rather than completely to with-

hold appropriations after the Congress has once determined upon a policy?

Mr. FERGUSON. The Senator from Michigan is of opinion that the Appropriations Committee has a function to perform, and that even though an appropriation is authorized for a given purpose, it constitutes no legal or moral obligation upon the Appropriations Committee to appropriate one dollar. If that is not the rule, we might as well abolish the Appropriations Committee. Let me explain for a moment what was brought out by the able Senator from Tennessee. Do we realize the position of the Appropriations Committee, when the House appropriates a certain amount in response to a budget request? For example, suppose the House authorizes the full amount of a budget request. I have never known the Senate Committee on Appropriations to go into such an item at all. It is only when the bureau wants more money than is allowed by the House that we go into it, and then we only go into the amount asked for, in addition to what was allowed by the House. In other words, the Appropriations Committee of the Senate is merely an appellate court, in effect. That is what it amounts to. It considers only items on which the House has cut the budget request, or when an agency wants even more than the budget allowance, and it comes before the Senate committee to justify the demand. At times I feel that is why the people call the Senate the upper House, because we are always "upping" appropriations. Why do we do it? Because the agencies go before the House committee, have a complete hearing, and when the House cuts appropriations, they come to the Senate and put full pressure on the Appropriations Committee to get something more than has been allowed by the House.

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

Mr. FERGUSON. I am glad to yield.

Mr. WHERRY. I appreciate the observation just made, and I suppose that, seated alongside the Senator, I have done my level best to curtail appropriations to as great an extent as any other Senator.

Mr. FERGUSON. The Senator has done that.

Mr. WHERRY. But I ask the Senator this question: Is it not true that in the event an authorization is not made in the first place, then the Appropriations Committee has no jurisdiction? If there is an authorization, is it not the real function of the Appropriations Committee to justify the amount proposed to be appropriated, rather than for the committee or an individual member of the committee to attack the authorization?

Mr. FERGUSON. Let me answer that by reading from the bill itself. I defy anyone to find in the bill itself what is embraced in this item. There is no reference to a steam plant. On page 12, line 8, we find:

For an additional amount for "Tennessee Valley Authority," \$2,950,000, to remain available until expended; and the limitation under this head in title I of the Government Corporations Appropriation Act, 1949, on the amount available for capital expenditures, is increased from "\$21,682,000" to "\$24,639,000."

A reading of the House bill discloses that \$2,500,000 of the \$2,950,000 is to be used to start to build the New Johnsonville steam plant. In other words, the general language "for capital expenditures" is used.

So I say the answer to the Senator's question is not that the item should be taken out of the original act; it should be defeated in the committee itself.

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

Mr. FERGUSON. I shall be glad to yield.

Mr. WHERRY. Does not the Senator agree that the duty of the Appropriations Committee is to determine the amount of the appropriation, and not to determine the constitutionality of the authorization? I think that should be tested in the basic legislation. It should be taken to the Supreme Court for decision. I agree with the Senator that whether it is \$21,000,000 or \$19,000,000, \$2,450,000 or \$1,450,000, it is the province of the Appropriations Committee to determine it. But after Congress has authorized it and made it a part of the basic law, then it is not proper to decide not to grant one dime of the appropriation. After the basic legislation is passed, its constitutionality can be tested by the Supreme Court.

I was everlastingly criticized a year ago for voting against ECA because I did not agree with the approach. This year I have been criticized because I voted against it. But, once it is the policy of Congress, once Congress has authorized it, then my job, as a member of the Appropriations Committee, is not to vote against any appropriation; my job is to see to it that every project is justified, and to vote the necessary appropriation.

Mr. FERGUSON. I think the Senator's job also is to screen the projects.

Mr. WHERRY. Should I vote for all appropriations for ECA after the committee has authorized them?

Mr. FERGUSON. I think the Senator should consider the question whether it is constitutional. The Senator from Michigan will put into the RECORD, at the end of his remarks, an argument on the basic law, showing that the authorization is not in the basic law and that, therefore, the Appropriations Committee must pass upon the question.

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

Mr. FERGUSON. I yield.

Mr. WHERRY. I should like to ask the Senator to answer this question: As a member of the Appropriations Committee, should I deny every penny of appropriation for the ECA after Congress has authorized the appropriation, or is it not the duty of the junior Senator from Nebraska to see to it that the projects are justified and to vote for whatever appropriations he feels are justified?

Mr. FERGUSON. If the Senator wants my opinion, I would say that, on the constitutional question, the Senator should decide whether, when appropriations are made, the project for which they are made is constitutional. If the Senator believes it to be constitutional,

then he should decide upon the amount he believes should be appropriated.

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

Mr. FERGUSON. I shall be glad to yield.

Mr. WHERRY. The basic act establishing TVA was passed in 1933. The question confronting the junior Senator from Nebraska at this time is that until the basic legislation is changed, inasmuch as a point of order was not made in the House, and that a year ago, when the President pro tempore made his findings, and no appeal was taken, the Senate has to proceed on the theory that the authorization is in the basic act. If it is, then I say it is applicable to ECA. I agree with the Senator from Michigan that the question of constitutionality can be tested, and I think an opportunity to do so should be afforded. But it seems to me that the province of the Appropriations Committee is to determine what can be justified, and not sabotage appropriations to the extent that they are denied after the Congress has proceeded to authorize the project to continue for another year. It is the same way with regard to the steam plant which is involved in this bill. A point of order was not made in the House, and the basic authorization is provided for, and it is on that basis that we must face the issue.

Mr. FERGUSON. The reason why it was raised in the Senate last year was that it involved new legislation in an appropriation bill. That point of order can be raised. But if the item is in the bill when it comes from the House, then no point of order can be raised. This matter was in the bill as it came to us from the House.

During the debate on the motion to amend the rules in the present session of Congress, we debated a ruling of the Chair. A few Senators on this side of the aisle voted not to sustain the ruling of the Chair. I know of no Senator who is forever bound because there is no appeal taken from the decision of the Chair, so that he can never raise the point that the decision of the Chair was incorrect. I disagree, and I now disagree, with the ruling of the Chair on the question of the right of the Senate under the rule, to take up a bill. It was debated for many days. I disagree with my able colleague from Nebraska who states that this item was authorized in the act itself. I have a right to raise the question on the floor now as well as at any other time. I am not raising it at this time. I intend to raise it later by motion.

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

Mr. FERGUSON. I shall be glad to yield.

Mr. McKELLAR. Mr. President, the Senator took exception a few moments ago to the method by which the \$2,950,000 was placed in the bill, only \$2,500,000 being used for the dam. The Senator has been a member of the Appropriations Committee for a long time. Is the Senator familiar with the fact that there is an item for the Davis Dam project of \$4,500,000—

Mr. FERGUSON. Will the Senator tell me from what he is reading?

Mr. McKELLAR. I am reading from House bill 2632, page 24. It refers to the Davis Dam, the Colorado-Big Thompson project, and the Columbia Basin project. They are mentioned in identical language. It is not an unusual procedure. There is no intention to cover up or to prevent Senators from knowing what it is all about.

Mr. FERGUSON. The Senator is entirely wrong regarding my statement. I read the language, and the language as it comes from the House is identical with the language in the bill now. There is no covering up in the Senate. The House put it into the bill in that language.

Mr. McKELLAR. And we are following it. It is the usual course of the Committee on Appropriations of the Senate. We are not doing anything which is unusual in this matter at all.

Mr. FERGUSON. Of course not. The language is just as it came from the House. There is no complaint about that.

Mr. MILLER. Having come into the Senate a little late, I ask if it is the Senator's view that the bill should be defeated on the ground that it is unconstitutional.

Mr. FERGUSON. Yes; as to the particular appropriation we are discussing.

Mr. MILLER. Is the Senator aware of the provisions contained in the Constitution to the effect that the Government is divided into three cardinal branches, the legislative, executive, and judicial?

Mr. FERGUSON. I am familiar with that.

Mr. MILLER. Is not the Senator asking that we pass upon this question, being a legislative body, in a judicial capacity?

Mr. FERGUSON. No; this is the same question that has arisen before. As I remember, the President of the United States once sent word to a Member of Congress that Congress should pass legislation even though the Members believed it to be unconstitutional, and allow the courts to determine the question of constitutionality. That is not my idea of what a legislator should do. He is supposed not to vote for any measure which he believes to be unconstitutional. We cannot shift the burden of our responsibility to the courts.

Mr. MILLER. In asking that the appropriation be defeated on the ground that it is unconstitutional, is not the Senator asking this legislative body to resolve itself into a court, and pass on the question from that viewpoint?

Mr. FERGUSON. I am asking Senators to perform their functions as legislators, which is not to pass any measure which Senators have reason to believe unconstitutional.

Mr. MILLER. Suppose they do not believe that; if the Senator is asking them to pass on the question as a legal proposition—which the Senator is asking, as I understand his remarks—would that not be making of this body a judicial rather than a legislative body?

Mr. FERGUSON. No; it is merely making it a careful legislative body. I may say to the Senator that, as the law is today, if the junior Senator from

Michigan is not able to attach to the bill an amendment to provide for a suit to test the constitutionality of the appropriation, no one will ever be able to test the question of constitutionality. Does the Senator realize that under the case of Frothingham against Mellon and the case of Massachusetts against Mellon, it has been decided that when Congress merely makes an appropriation of money there is no way of testing the constitutionality of the appropriation? If the amendment of the senior Senator from New Hampshire is defeated, I shall later ask that there be attached to the bill a provision giving the right to bring a suit in court, to test the constitutionality of this appropriation. We are finding ourselves now in such a position that, though acts be unconstitutional, if they are appropriations, no one can ever raise the question of constitutionality against the appropriation. That is why we must exercise our constitutional right to see that we pass only constitutional laws and appropriate money only for constitutional purposes.

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

Mr. FERGUSON. I yield.

Mr. DONNELL. Were the decisions of the Supreme Court in the cases to which the Senator alluded based on the idea that no person may show sufficient financial interest in the appropriation to constitute such an interest as the courts would recognize?

Mr. FERGUSON. That is correct.

Mr. DONNELL. Is there any precedent of which the Senator knows for the enactment of such a statute as his amendment would make law, authorizing any taxpayer to institute a suit to test the constitutionality of an appropriation bill?

Mr. FERGUSON. I would say that there is no case absolutely on all fours, as we describe it, but I should like to refer the Senator from Missouri to the case of *Associated Industries v. Ickes* (134 F. (2d ed.) 694).

Mr. DONNELL. I thank the Senator.

Mr. FERGUSON. I think that is an authority for what the junior Senator from Michigan will attempt to do in his proposal for a constitutional test.

Mr. President, as I said before I think the present appropriation for the New Johnsonville plant is without constitutional authority. I think it is without statutory authority. The junior Senator from Michigan sees in it a dangerous intrusion upon the fields which through its history this Nation has reserved for individual enterprise.

I am not unaware that the character of our Government has changed and will continue to change in response to altered national and international circumstances.

I hope that I will not be thought of as one of those who believe all change is necessarily evil. I believe that change is inevitable, and that change is good where it represents progress within established and proven channels.

But I am deeply concerned by what I see in many directions—the gradual dilution of our economic system under the pressure of expediency and in the guise of dubious constitutional authority.

I do not presently foresee any prospect of death by violence for our free economic, social, and political institutions. Such events are rare in the history of men. But I do see the threat of a creeping paralysis which sets in upon those institutions to strangle them and eventually to bring certain death. That suffocation comes readily at the hands of an expanding state. I fear that process of slow but sure death, and I intend to fight it wherever it is cloaked in an authority which does not exist.

The TVA steam plant in my mind represents such a threat. If we do not stand up and draw a line on the extension of governmental activity such as this steam plant represents, we will some day awaken and find that the entire body of our free-enterprise system has disappeared.

It will not have been gobbled up overnight in one swoop. It will have been devoured by the locusts—one bite at a time.

The Senator from Michigan earlier quoted Harold J. Laski to the able Senator from New Hampshire, and asked him if he had heard of the quotation. I repeat what I said.

None other than Dr. Harold J. Laski, the British Labor Party leader and professor of political science at the University of London, has told us what the Tennessee Valley Authority already means to America. This great experiment of the TVA, he recently told an audience at Howard University, is only one proof that public ownership and the regulation of private enterprise has advanced further in this country than most Americans are normally inclined to imagine.

He added:

A new epoch in American history began in 1933. The old era of unfettered competition will not return unless the institutions of political democracy are overthrown by some catastrophic development.

Mr. President, that was the opinion of a man who has gone through socialism in England. He has been very near to socialism on the Continent. He knows whereof he speaks. We stand in the Senate and say we are doing things in behalf of free enterprise; we give lip service to free enterprise; but as we take one legislative step after another our action is used by the agencies in the executive branch of the Government to claim that we are taking them deliberately for the socialization of American industry. After we take such steps it is very difficult to retrace them.

Mr. President, in America we are accustomed to using precedent. Today on the floor of the Senate we heard the argument made that by reason of the fact that the United States built the Watts Bar plant we have forever waived our right to stop the United States Government from going into private industry. We have heard it said on the floor today that because the United States Government purchased some hydroelectric plants in the Tennessee Valley and there were connected with them certain steam plants, we have given to the United States Government full and complete authority to build steam plants anywhere in the United States.

Mr. President, I hope that when we take legislative steps we know clearly where such steps are leading us. We should determine whether we desire actually to destroy the free enterprise system in America, by taking steps toward socialization such as the provision for building the particular steam plant in question.

Mr. President, if we want to take such a step we should take it consciously. We should take it because as Americans we believe that the socialization of American industry is better for America than the free enterprise system. We should never take such steps in ignorance. It is for that reason I stand upon the floor of this great body today and urge the Senate of the United States to look, to watch, and to beware of the results that may arise if we take the step it is now proposed we should take. I do so in order that we may not go so far down the way of socialism that we will be unable to return. The proposed step is a very serious one. I hope the Senate will deliberate upon it and know where that step will take us.

Mr. President, Senators can say that those who are against taking such a step as is now proposed are representing the power interests. One would think from such statements that it is an evil thing to come before a committee of the United States Senate and represent the free enterprise system of America, and be paid for doing so. One would think it is all-holy for a Government official to come before the United States Senate and advocate socialization. Some seem to feel that one who represents private industry is doing a reprehensible thing, and that the matter of fee determines whether or not the individual is honest in the statement he makes.

As a judge, I have been accustomed to special pleaders. As a Member of this body, I think we need special pleaders before the committees of the United States Senate and the House of Representatives. But after we hear special pleaders we then should deliberate and determine what are the facts. We should determine whether the legislation we are about to pass is constitutional. If there is doubt in our minds respecting its constitutionality, we should not pass a measure.

Mr. President, as I have stated before, the question before us is a serious one. It represents but one step, but the matter which concerns the junior Senator from Michigan is where that step can lead us. That is something which should concern every Senator.

Mr. President, I ask unanimous consent to have printed in the Record at this point extracts from past House and Senate proceedings with regard to the Watts Bar steam plant.

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

It has been contended that the Government has built the Watts Bar steam plant—but this plant was for defense purposes. It is not contended that the Government cannot build a steam plant for defense purposes. The question here is, has the Government the right to build a steam plant to generate electricity for commercial sale. The record clearly shows the Watts Bar steam plant was for defense purposes.

The Bureau of the Budget asked for funds to begin building the Watts Bar steam plant to provide for national defense purposes so as to meet the rapidly increasing demands for power from plants engaged in the manufacture of materials and supplies needed for national defense purposes.

[S. Doc. No. 241, 76th Cong., 3d sess.]

SUPPLEMENTAL ESTIMATE OF APPROPRIATION—
TENNESSEE VALLEY AUTHORITY

To begin construction of steam electric-generating facilities with a rated capacity of approximately 120,000 kilowatts in the area served by the Authority.

This amount is required to enable the Tennessee Valley Authority to provide, for national defense purposes, additional electric-generating capacity in the area served by the Authority so as to meet the rapidly increasing demands for power from plants engaged in the manufacture of materials and supplies needed for national defense purposes.

House hearings on House Joint Resolution No. 583, Seventy-sixth Congress, third session, indicates that the Watts Bar steam plant was requested completely on the basis of the national defense emergency.

Page 3: "There is complete agreement among those responsible for national defense industrial development that the Tennessee Valley area is one of the important centers for the production of such essential national-defense materials as aluminum and other metals, explosives, phosphorous, and other chemicals, and more recently aircraft. Expansion in these directions is under way. A deficiency of power supply is the bottleneck. All existing power installations, both those of the Tennessee Valley Authority and private companies in adjoining territory, are now being taxed to the limit to meet normal demands, and presently scheduled installations will only care for normal growth in demands without regard to the superimposition of the new demands of national defense. This emergency program is therefore necessary for national-defense purposes."

Page 8: "The increase, in our opinion, is justified on the aluminum alone, but almost every day now there is some new national-defense demand for power directed in the region of the Tennessee Valley."

Page 11: "Mr. DUNN. And here am I talking in favor of Government water power. The reason for this is, first, that it is a matter of national defense."

Page 13:

"RELATION OF INCREASED POWER PRODUCTION
TO ADDITIONAL DEFENSE-FUND RECOMMENDATIONS

"Mr. WOODRUM. Mr. Dunn, is there any relation between this necessity for increased power and the additional defense recommendations that are presently coming before the Congress? We are advised through the public press that we will probably get a very large additional request for defense items."

"Mr. DUNN. I think, Mr. Chairman, that Mr. Stettinius can answer that."

"Mr. STETTINIUS. Yes; it all is a part of a coordinated whole, in that the plane production, and specifically aluminum, and the powder production that are contemplated to be financed through this approximately \$5,000,000,000 request that you will shortly receive, are all part of the program, and are in proper relation to it. The chemical plants, the ammonium and other plants, and the aluminum plants must be served by this power increase."

Page 15: They present this and the President asks us, "Is this a thing that is needed for the national defense?" We go into it sufficiently to find that it is, and we say so most emphatically.

Page 18:

"Mr. LUDLOW. As a member of the committee, I am heartily in favor of this proposition,

but if it were not in a time of emergency you would not be in favor of the Government engaging in the power business?

"Mr. STETTINIUS. No, sir.

"Mr. DUNN. Neither would I.

"Mr. STETTINIUS. Mr. Dunn is an expert in the field of power. I am not an expert in the field of power, but I subscribe to everything that Mr. Dunn has said in his testimony."

Page 18:

"SCHEDULE FOR PURCHASE OF EQUIPMENT"

"Mr. DUNN. Before I conclude, I would like to mention that in this letter of July 1, from which I have taken the high spots, there is one point bearing on the time required to get this work started, on which I have not dwelt. With these huge expenditures that Congress has been providing for, the industries of the country will be filled with orders. Therefore, it is of the greatest importance, particularly with respect to steam machinery, that the orders for the increased TVA equipment be placed promptly while there is a place for them in the factories. In order to place those orders promptly, negotiated contracts are much more desirable than competitive bidding, because of the long time necessary in providing for competitive bidding."

Page 31:

"Colonel PARKER. Furthermore, I do not think it is going to be possible in this emergency to get the delivery of very much steam-generating equipment. I think that it is going to be a serious difficulty. Do not you agree with that, Mr. Dunn?"

"Mr. DUNN. I am sure it will; unless the orders are placed promptly, they will lose their place in rank in the factories.

"Colonel PARKER. Last month we had a quotation from the Westinghouse Co. on a steam-turbo generator, and they gave delivery as 14 months. It has now gone up to 16 months, with the lapse of 2 or 3 weeks, and next month I hesitate to think what it will be. We are right at the point where, if we delay any longer, it is going to be almost impossible to get the steam equipment that we can do this thing with."

The House report states that this appropriation should be viewed and judged solely by its present bearing upon the national defense program.

[H. Rept. 2749, 76th Cong., 3d Sess.]

ADDITIONAL APPROPRIATION, FISCAL YEAR 1941, TENNESSEE VALLEY AUTHORITY TO PROVIDE POWER FACILITIES TO EXPEDITE THE NATIONAL DEFENSE

Mr. TAYLOR, from the Committee on Appropriations, submitted the following report to accompany House Joint Resolution 583:

"The joint resolution carries an appropriation of \$25,000,000 in accordance with the Executive recommendation in Senate Document No. 241 of the present session to enable the Tennessee Valley Authority to provide additional electrical generating capacity to meet the present and projected requirements for power from plants engaged and to be engaged in the manufacture of materials and supplies for national defense purposes."

Page 2: "There should not be any confusion in the public mind with respect to this proposal for the Tennessee Valley Authority. Irrespective of the present or past views of anyone with respect to the governmental policy involved in the Tennessee Valley Authority Act or the operations thereunder, this appropriation should be viewed and adjudged solely by its present bearing upon the national-defense program."

The House debate on the measure states no other justification than the national defense emergency as a basis for building the Watts Bar steam plant.

CONGRESSIONAL RECORD, House, July 30, 1940, page 9698:

"Mr. Speaker, when members of the Appropriations Committee came before the Committee on Rules on their application for this rule, I raised the query as to whether the bill was business or politics, and I was assured by gentlemen appearing in behalf of securing a rule that it was business and not politics. The reason I made the inquiry was that I know, as every one of you knows, that different agencies of the Government may be expected to take advantage of this demand for national defense to secure legislation that will give them a stronger position in the Government and a larger share of the appropriations that are to be made in behalf of national defense. This very bill that is made in order by the rule happens to be an instance of that kind.

"Mr. Cox. I hope that we may relegate to the rear our general objections to proposals of this kind and may unite in support of this measure, because in uniting we are expressing a concerted desire and determination of giving support to the administration in the effort to strengthen the national defense. There is no politics in this proposal and none should be put in it."

CONGRESSIONAL RECORD, House, July 30, 1940, page 9700:

"Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 10 minutes.

"Mr. Chairman, the matter presented in this joint resolution is critically necessary for the national-defense program."

CONGRESSIONAL RECORD, House, July 30, 1940, page 9705:

"These projects were the logical, the imperative outgrowth of the Nation's dire need for war materials in the present emergency."

[Hearings before the Subcommittee of the Committee on Appropriations, U. S. Senate, 76th Cong., 3d sess., on S. J. Res. 285, a joint resolution making an additional appropriation for the Tennessee Valley Authority for the fiscal year 1941 to provide facilities to expedite the national defense]

Here in the Senate hearings you will note page 2 that funds for the Watts Bar steam plant had been denied at one time because Senate committee did not believe that it could be justified at that time—probably '39 or '40—on the basis of the national defense. Also note page 3, Senator McKELLAR's statement, that he contemplated no further additions to the TVA system with the exception of the building of the Watts Bar steam plant because of the national defense emergency. Herein the witnesses bring out at several different places the fact that this recommendation for building Watts Bar steam plant is made completely on the basis of the national defense.

They are waiting commencement now of another 60,000,000 pounds per annum capacity in Tennessee, which is clearly dependent upon this power expansion that you gentlemen are considering this afternoon.

"REASONS FOR COMMITTEE'S PREVIOUS ADVERSE ACTION"

"Senator ADAMS. Mr. Stettinius, I think I can tell you briefly the reasons which led the committee before not to follow the recommendation which you made. We had your letter before us.

"The first reason has no relationship to the national defense, but we have a very distinguished member of this committee who had been the most ardent advocate of the TVA sometime back, when the last appropriation was asked for, who said that he would refuse any request for another dam on the Tennessee River. This distinguished gentleman was somewhat embarrassed, so I am speaking on his behalf.

"Senator McKELLAR. I want to speak for myself on that. At that time, we were undertaking to get a program completed from Knoxville to the Ohio River so as to make that river navigable all the way. At that time, in order to get that dam through—we didn't expect at that time any war—very naturally, I made the statement that this completed our program, and said that I would never make another suggestion, because we have a lot of power down there that sometime has to be developed. There was nothing like this in contemplation. We did not have this emergency before us.

"But then this emergency came up, and you gentlemen made the recommendation; and I think that this committee ought to hear what you have to say and report this bill favorably in the interest of our national defense.

"And I hope you gentlemen will make such a strong case to this committee for defense that this committee will have to report it out.

"URGENT NEED FOR ADDITIONAL POWER"

"Mr. DUNN. I would like to go back, if I may, to the thing that is most on my heart.

"We are in a dangerous situation in regard to the national defense. We need this power. The TVA is the best place in the country to get it now.

"NEED TO CATCH FLOODWATERS IN SPRING OF 1942"

"If we don't get this appropriation promptly approved, if there should be a week's delay, we may lose a whole year in getting 180,000 kilowatts of the power.

"Mr. DUNN. No; we may have already delayed too long.

"I do say that if we in the Defense Commission who are charged with this responsibility don't do our duty now and start this thing as promptly as we could, and if you in Congress don't do your duty now and start this thing as soon as you can, and the odds should then go against us in the spring of 1942 before the dam is closed, and if as a result of this the aluminum for those airplanes is not ready the public will hold us responsible, as it will also hold you.

"A week now may mean a loss of a whole year in getting that power available. We may already be too late. But if we are, and you approve this matter, we have both done our best.

"Mr. DUNN. My answer to that is that unless we order the steam right away we may be too late for the steam also. The steam manufacturers of turbines, generators, and boilers are already nearly full of orders, and unless we place the orders for the steam equipment promptly we are not going to be able to get deliveries in time. It is even possible that the steam plant would take longer to build than the dam.

"Senator McKELLAR. We just voted for two gentlemen as members of the Cabinet. It was done in the interest of national defense. You are making this recommendation in the interest of national defense?"

"Mr. DUNN. Absolutely.

"Senator ADAMS. And you are not making the recommendation on any other basis?"

"Mr. DUNN. None whatever.

"Senator McKELLAR. To sum up, you think that it is absolutely necessary in the national defense to pass a resolution like that so that this work can be done as soon as possible?"

"Mr. DUNN. Senator, I could not sleep nights unless I had discharged my responsibility and had told this committee that it is my thorough conviction that they should approve this measure. If this is delayed even by a week, or even if it is not delayed at all, I should hate 2 years from now to see that spring flood fail to fill the reservoir. The public would say, 'Those fellows were slow about this thing.' It was presented on

June 14, and they didn't act on it until July 10.

"Now we may not miss it, and I don't think we will if we start right away. But the time that the floods come is an act of God and cannot be determined exactly in advance. Therefore we should do everything in our power to discharge our responsibility; not to miss it."

In the Senate debate Senator McKellar states categorically that the Watts Bar steam plant was needed for national defense.

CONGRESSIONAL RECORD, Senate, July 30, 1940, page 9687:

"Mr. TYDINGS. In other words, unless the action proposed in the joint resolution shall be taken, there will be no other place where they can get adequate power to operate this plant as it is desired that it be operated?"

"Mr. McKellar. For the best interest of national defense.

"Mr. TYDINGS. Is that correct?"

"Mr. McKellar. That is a correct statement.

"Mr. TYDINGS. There is no other way by which they can get the power except by building these two dams in order to furnish it?"

"Mr. McKellar. One dam and one steam plant. That is what the engineers testified."

Mr. FERGUSON. Mr. President, I also ask to have printed in the RECORD the argument that the TVA Act as amended does not purport to authorize TVA to construct steam-generating plants. The matter referred to appears in the Senate Committee on Appropriations hearings on the first deficiency appropriation bill for 1949, beginning on page 237 and ending on page 249.

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

L. THE TVA ACT, AS AMENDED, DOES NOT PURPORT TO AUTHORIZE THE TVA TO CONSTRUCT STEAM-GENERATING PLANTS

Whether the TVA Act purports to authorize TVA to construct steam plants is not important upon the question of constitutional authority; for if the Congress does not have constitutional authority to grant such power to TVA, an ostensible grant of that power in the present TVA Act could not supply a constitutional basis for the requested appropriation. However, this question of statutory construction has importance in another aspect. This is an appropriations committee. If the TVA Act does not authorize the Tennessee Valley Authority to construct steam plants in the Tennessee watershed, it would seem that an appropriations committee would not have authority to deal with an appropriation of money for that purpose whatever may be the constitutional authority of the Congress under its legislative powers.

Some of the proponents of the TVA New Johnsonville steam plant seemingly recognize the absence of authority under the TVA Act to provide for its construction simply by an appropriation, inasmuch as two bills were introduced in the first session of the Eighty-first Congress; namely, Senate Joint Resolution 1 by Mr. McKellar on January 5 and S. 177 by Mr. KEFAUVER on January 5—to grant direct authority for the proposed construction. Be that as it may, the TVA Act, when fairly construed, does not support the TVA claim of ostensible statutory authority to construct steam plants in the Tennessee watershed.

The TVA claim of ostensible statutory authority for construction of steam plants, so far as material, must be examined in the light of certain well-settled rules of statutory construction. Words, phrases, clauses, or sections of a statute may not be construed

in vacuo but only in relation to the context in which, and the subject matter with respect to which, they are used; the declared purposes of the enacting legislature; and the powers which the enacting legislature possesses or purports to exercise (*Brown v. DuChesne*, 19 How. 183, 194; *Pollard v. Bailey*, 20 Wall. 520, 525; *Costanzo v. Tillinghast*, 287 U. S. 341, 345; *Helvering v. Trust Co.*, 292 U. S. 455, 464; *Atlantic Cleaners & Dyers v. United States*, 286 U. S. 427, 433-4). In particular Federal agencies possess only such powers as are clearly delegated to them either expressly or by necessary implication; and a grant of authority to them, particularly of a sweeping character, "is not to be presumed or implied from any doubtful and uncertain language" (*I. C. C. v. Ry. Co.*, 167 U. S. 479, 505; *United States v. Chicago, etc., R. Co.*, 282 U. S. 311, 324). Another pertinent canon of construction is that a statute should be construed "so as to avoid not only the conclusion that it is unconstitutional but also grave doubts upon that score" (*I. C. C. v. Oregon-Washington R. & N. Co.*, 288 U. S. 14, 40).

The declared purposes of the TVA Act are found in section 1 (16 U. S. C. 831). Apart from the maintenance and operation of the national defense facilities at Muscle Shoals not here involved, the sole declared purpose is to provide navigation and flood-control improvements; and the sole constitutional power invoked is the commerce power. But navigation and flood-control improvements cannot incidentally or otherwise produce any type of energy or power except water power; and the exercise of the commerce power cannot involve or result in the creation of energy or power of any kind except insofar as water power may be incidentally created by navigation improvements. The entire act must be construed in the light of this declared purpose and of the nature of the constitutional power invoked; and both negative any intent to authorize construction of powerhouses other than for the conversion of water power into electric energy.¹

All the provisions of the act dealing with the generation and sale of electricity are plainly incidental and subordinate to this purpose and related to the generation and disposal of electricity produced solely from

¹ TVA advances the curious argument that the foregoing construction of section 1 is fallacious because opponents concede that TVA may generate and sell hydroelectric power; and "section 1 does not refer specifically to the generation of hydroelectric power any more than to steam power." Senate subcommittee hearings, 296. The argument is more disingenuous than ingenious. The purpose of constructing the dams and reservoirs authorized by the act was not to create hydroelectric power. Nevertheless, the inescapable consequence of concentrating the fall of the streams and impounding their waters behind dams constructed for navigation improvement in the exercise of the commerce power would be to create raw water power; and since this raw water power would become the property of the United States, it was constitutional and appropriate for the Congress to provide in the act for its conversion into electrical energy and the sale of that energy in the disposition of the Federal property which would be thus incidentally but inescapably acquired. On the other hand, the construction of these navigation improvements in the exercise of the commerce power could not, incidentally or otherwise, result in the acquisition of any steam power by the United States. Indeed, if the Congress had declared that an independent purpose of the TVA Act was to create even hydroelectric power, the TVA Act would have been plainly unconstitutional upon that ground alone. (See secs. II-A, B, infra.)

surplus water power incidentally created by navigation improvements. By section 5 (1) the TVA is authorized "to produce, distribute, and sell electric power" only as "herein particularly specified." By section 9a the TVA is limited to providing and operating "facilities for the generation of electric energy at any such [navigation and flood control] dam * * * in order to avoid the waste of water power" and to transmit and market power so generated, to wit, surplus power generated to prevent waste of water power. By section 23, the utmost production of electrical energy under the act is limited to such production as would be "consistent with flood control and navigation."

All of the sections of the act dealing with the sale and distribution of electrical energy are limited to the disposal of "surplus power" and preference is provided for public customers because the energy to be disposed of by TVA is only "surplus power" and therefore limited in quantity. Sections 10, 11, 12, 12a, 14, 24. Manifestly, either Congress purported to authorize TVA to construct steam plants without limit anywhere in the Tennessee watershed or it did not authorize TVA to construct steam plants at all. But, if Congress had intended to authorize construction of steam plants anywhere in the Tennessee watershed, no question of surplus power or need for priorities would have existed; for obviously there is no limit upon the quantity of power which could be generated by steam in the Tennessee watershed.

Other clauses of the act demonstrate by necessary implication that the Congress contemplated and intended that TVA could construct only hydroelectric plants. Thus section 4 (k) (c), and authorizing the TVA Board to transfer real estate of the Authority to any other governmental department or agency, specifically provides that no land should be transferred upon which "there is located any permanent dam, hydroelectric power plant, or munitions plant heretofore or hereafter built by or for the United States or for the Authority," with the exception of Nitrate Plant No. 1 and Waco quarry. Had Congress contemplated or intended that TVA might construct steam plants as part of the TVA power system, it is incredible that a like restriction would not have been placed upon the transfer of such plants.

Under section 12 (a) TVA is authorized to extend credit to preferred customers "in order to facilitate the distribution of surplus power" only when such customers should be "situated within transmission distance from any dam where such power is generated." This language is consistent only with the obvious congressional purpose to provide only for the generation and sale of hydroelectric energy incidentally produced by navigation structures.

Although Congress was turning over to the TVA the steam plants which had been constructed at Muscle Shoals under the National Defense Act of 1916 (sec. 7), Congress deemed it necessary expressly to grant TVA authority to complete the steam plant at nitrate plant No. 2 (sec. 16). Manifestly, if Congress had intended, or understood, that it was granting to TVA authority to construct steam plants anywhere in the Tennessee Valley, it is inconceivable that Congress would have deemed it necessary or appropriate to include this express and special grant in the act.

Section 19 gives TVA access to the United States Patent Office files to enable it to employ the most efficacious and economical process for the production of fixed nitrogen, or fertilizer, "or any method of improving and cheapening the production of hydroelectric power." Significantly there is no reference to methods for improving and cheapening the production of steam power.

All of these foregoing provisions are wholly inconsistent with any other construction of the act than that the authority of TVA is

limited to constructing and operating hydroelectric plants to convert into electric energy water power incidentally created by navigation structures in accordance with the declared purpose of the Congress in section 1 of the act.

Thus in *TEP Co. v. TVA* (21 F. S. 947, 959), the Court, after reviewing the foregoing sections of the act, including section 4 (j) upon which TVA presently relies, said:

"Under the statute, therefore, the generation of electric energy is specifically required to be incidental to the exercise of constitutional powers under the interstate-commerce clause, * * *."

It is significant to note the construction of TVA's statutory authority to generate and dispose of electricity, which was stated on behalf of TVA in the hearings before the Joint Committee on the Investigation of the Tennessee Valley Authority (75th Cong., 3d sess., December 1938). In that hearing Mr. J. A. Krug testified (hearings, 5199):

"Turning to the first of these, I should like to remind the committee that the general limitations under which the TVA power program was inaugurated were outlined by Congress. The Authority has a definite congressional mandate to follow in developing the power program. The act itself outlined the policies to be followed in utilizing the electric power created by the Authority's flood-control and navigation structures.

"The Board was authorized to install hydrogenerating equipment at the dams and directed to sell the surplus power so produced for the benefit of the public, and to assist in liquidating the cost of the development.

"I might call attention to the following provisions of the TVA Act" (quoting in part from secs. 9a and 10).

Subsequently, in comparing the problems of TVA in production, marketing, and rates with those of private power companies, Mr. Krug testified (hearings 5243):

"Now, the position of the TVA, I think, is entirely different. Under the terms of our act our power supply is controlled by our navigation and flood-control program. We must, therefore, try to develop a market which will fit into that program of construction for flood control and navigation, in that our power-generating facilities are limited to what can be included in those structures."

Unable to cite any express statutory authority for the construction of steam plants, the TVA opinions referred to above seek to imply such authority from a few isolated words and phrases in certain sections of the act considered in vacuo without regard for the context in which, or the subject with respect to which, they are used. Even if it were permissible, as it is not, to construe these sections without regard to the controlling considerations hereinbefore cited, they fall far short of a grant of such authority.

Thus section 4 (f) merely authorizes TVA to purchase or lease and hold real estate and personal property. Section 4 (i) merely authorizes TVA to acquire real estate, by purchase or condemnation, for the construction of various structures. Plainly these sections do not authorize the construction of anything and the powers thereby granted can be exercised only for purposes expressly authorized in other sections of the act.

TVA relies principally upon section 4 (j), which reads:

"Shall have power to construct such dams, and reservoirs, in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a 9-foot channel in the said river and maintain a water supply for the same from Knoxville to its mouth, and will best serve to promote navigation on the Tennes-

see River and its tributaries and control destructive floodwaters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct powerhouses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines. The directors of the Authority are hereby directed to report to Congress their recommendations not later than April 1, 1936, for the unified development of the Tennessee River system."

Plainly section 4 (j) merely authorizes TVA to construct projects necessary to improve navigation and to control floods and to construct other incidental structures including powerhouses. Powerhouses were necessary to convert into electrical energy the raw water power incidentally created by the navigation improvements; and plainly the words are used in that sense in section 4 (j).

TVA in its supplemental statement seeks to avoid this result by arguing that section 4 (j) as originally enacted did not include the present first clause (said to be wholly the result of the 1935 amendments) but only the present second clause and that consequently, the second clause cannot be construed as incidental to the first clause. This argument is plainly unsound for several reasons:

First. We are here dealing with the statutory authority of TVA under the act as it now exists.

Second. The inescapable conclusion that this section refers only to hydro-generating plants is compelled by many other provisions of the act as hereinbefore shown.

Third. Original section 4 (j) did not include either the first or second so-called clause of present section 4 (j). Instead, present section 4 (j) is, with respect to both so-called clauses, an amplification of original section 4 (j) which, even considered alone, would require the same construction. Section 4 (j) as enacted in 1933 read:

"(j) Shall have power to construct dams, reservoirs, powerhouses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines" (48 Stat. 61).

Plainly, the dams, reservoirs and navigation projects were navigation and flood-control improvements which would necessarily create raw-water power. Powerhouses were equally necessary to convert this raw-water power into electrical energy and it is clear that this was the sense and meaning of the word "powerhouses" in section 4 (j) as originally enacted.

Section 14 merely provides for allocation of costs; and manifestly no power to construct projects not otherwise authorized under the act may be implied from that section. The reference to allocation of costs of steam plants is explained by those which had been constructed in part or in whole at Muscle Shoals during World War I and were being turned over to TVA (secs. 7, 16) and the possibility that the Congress might subsequently authorize other steam plants for some constructional purpose such as national defense, which, in the words of the last sentence of the first paragraph of section 14, might also be "turned over to said Board for the purposes of control and management." TVA futilely seeks to escape the foregoing conclusion by asserting that the foregoing language referred to the allocation of costs of Cove Creek (Norris) Dam. However, since the first sentence of section 14 expressly refers to allocating the costs of Cove Creek Dam, the last sentence of the first paragraph of this section manifestly could not have been intended to refer to that dam.

While section 15 originally authorized TVA to issue bonds in an amount not exceeding \$50,000,000 for the construction of any future dam, steam plant, or other facilities it is quite clear that Congress intended this power to be exercised only for the construction of certain dams and completion and preservation of the Muscle Shoals defense plants, including their steam-generating facilities (H. Rept. No. 43, 73d Cong., 1st sess. pp. 8-9). See also TVA Act, sections 7, 16. In any event, any effort to imply authority for construction of steam plants from this section is foreclosed by the amendment of July 26, 1939, under which the Congress forbade TVA to issue any bonds under this section after that date. Section 15 (b).

Nor does section 31, to which a belated reference is first made in the TVA supplemental statement, lend any support to the TVA position. That section provides that the act shall be liberally construed "to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties entrusted to the Authority, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare" (Senate subcommittee hearings, p. 296). Section 31 did not become part of the act until the 1935 amendments.

As used in section 31 "national defense" plainly relates to the national defense facilities at Muscle Shoals not here involved. And the words "improve navigation, control destructive floods, and promote interstate commerce" plainly and consistently relate to the second purpose declared in section 1 of the act to provide navigation and flood-control improvements under the interstate commerce power. The language with respect to disposal of Government property plainly and consistently refers to the water power which would be incidentally but inescapably created by the foregoing navigation improvements. It would be unthinkable that a mere statutory rule of construction, plainly applicable to the disposition of Government property thus incidentally and inevitably but constitutionally acquired, could be construed as an implied assertion of a much broader constitutional authority never before claimed by the Congress. While Congress presumably exercises all of the delegated powers for the "general welfare," it cannot be supposed that TVA intends to assert that Congress was claiming an independent power to legislate for the general welfare or that any such power exists in our Government of limited and delegated powers.

Thus, when considered alone, the sections cited by TVA, both individually and collectively, fall far short of granting authority to TVA to construct steam plants anywhere in the Tennessee watershed; but any such construction, were it otherwise permissible, is foreclosed by the congressional declaration of purpose, the constitutional power invoked by the Congress, and the other provisions of the act hereinbefore cited.

Indeed, although TVA is now claiming statutory authority to construct steam plants anywhere in the Tennessee watershed, TVA, in its verified answer in *TEP Co. v. TVA* (21 F. Supp. 947) expressly denied that it had authority even to construct hydro plants except where the dams would improve navigation or flood control, and alleged:

"* * * There are numerous sites upon the Tennessee River system which are valuable for the development of power, but dams constructed at such sites would not contribute substantially to the improvement of navigation or the control of destructive floods, although their construction would be more feasible for the development of power than any of the dams constructed, under construction, or recommended for construction by the Authority; but the Authority has not

constructed or recommended for construction and has no intention and no authority under the Tennessee Valley Act to construct such dams."

"The defendant, Tennessee Valley Authority, has disposed of and will dispose of only such electric energy as is generated from water power inevitably created by the operation of the said dams for navigation and flood control and which is not needed for governmental purposes and which would otherwise be wasted."

On the previous hearings much was sought to be made of a quotation from paragraph XIII of the complaint in *TEP Co. v. TVA* (21 F. Supp. 947) in which it was alleged, among other things, that TVA claimed authority to generate electricity by steam as well as by hydro. Apart from the obvious fact that lawyers employed to test the scope and constitutionality of a statute naturally raise every possible question for decision and that no issue of steam plants was thereafter raised, argued, or adjudicated in the litigation, it is interesting to note that TVA in paragraph 13 of its answer categorically denied the allegations quoted in the TVA supplemental statement. In its answer, TVA said:

"The defendants are informed that the allegations of section XIII of said bill of complaint are conclusions of law and argumentative statements which they are not required to answer, but if construed to be allegations of fact deny every allegation thereof."

Mr. BRIDGES. Mr. President, may we have a vote on my amendment? When the time comes for a vote on the amendment I shall ask for the yeas and nays.

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

Mr. BRIDGES. I yield.

Mr. DONNELL. Does the Senator from New Hampshire desire a vote on his amendment this evening? I wish to say to him that I desire to be heard for possibly 30 minutes, and so stated to the Senator from Michigan a while ago. I know of one other Senator who desires to be heard more briefly than that. I was about to suggest the absence of a quorum, but if it is the intention of the majority leader to recess soon I shall not do so.

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

Mr. BRIDGES. I yield.

Mr. LUCAS. It is my understanding that the able Senator from Missouri desires to discuss the constitutionality of the question which is involved in the amendment offered by the Senator from Michigan [Mr. FERGUSON].

Mr. DONNELL. That is correct.

Mr. LUCAS. The question before the Senate has nothing to do with that at all, as I understand.

Mr. DONNELL. No.

Mr. LUCAS. The amendment of the Senator from New Hampshire deals with an entirely different matter. If the Senate could vote on that amendment we could probably take a recess.

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

Mr. BRIDGES. I yield.

Mr. DONNELL. It was not my intention to confine my remarks or probably even to address them to the proposal of the Senator from Michigan with respect to authorizing a taxpayer to file suit. It

was my intention to address myself to certain of the points which have been made, as to whether or not the appropriation would be constitutional. Therefore, I think it would have a direct bearing on the amendment submitted by the Senator from New Hampshire.

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

Mr. BRIDGES. I yield.

Mr. HILL. I wanted to say a few words. There are certain matters which I think should be placed in the Record. I believe I would not require more than 10 minutes.

Mr. BRIDGES. Mr. President, in view of the remarks made by the Senator [Mr. DONNELL] and the majority leader, I do not know whether a vote can be had on my amendment tonight. There are several Senators who wish to speak on the amendment. I do not know how long the majority leader intends to hold the Senate in session tonight.

Mr. LUCAS. I may say to the able Senator from New Hampshire that it is my hope that we can take a recess around 6 o'clock. That is what I announced earlier in the afternoon. I should like to have the Senate vote on the amendment of the Senator from New Hampshire before a recess is taken. Then we can perhaps take up tomorrow the amendment offered by the distinguished Senator from Michigan. Of course, if a vote cannot be had on the amendment offered by the Senator from New Hampshire both amendments will have to go over for action tomorrow. It seems to me, however, the Senate can vote on the amendment offered by the Senator from New Hampshire.

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

Mr. BRIDGES. I yield.

Mr. DONNELL. Would the Senator from New Hampshire object to a quorum call? I may say that I know of one Senator who desires to have as many Senators as possible present when he speaks. I am not speaking for myself personally. I am speaking for another Senator. He spoke to me and said he wished to have a quorum call before he spoke. I make the suggestion in good faith, as I would not wish to relinquish the right to suggest the absence of a quorum if the Senator in question desires to proceed this afternoon.

Mr. HILL. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. HILL. Perhaps the Senator would yield to me to speak for about 10 or 15 minutes now. I believe I know the Senator to whom the Senator from Missouri has reference. I believe he will be back on the floor in a few minutes. I certainly have no disposition to deny to the Senator to whom the Senator from Missouri refers the opportunity to speak this afternoon if he so desires. He advised me he wanted about 5 minutes, and that he would return to the Senate Chamber shortly.

Mr. DONNELL. The Senator from Alabama is speaking about the other Senator to whom I referred?

Mr. HILL. Yes; the other Senator to whom the Senator from Missouri referred.

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

Mr. BRIDGES. I yield.

Mr. DONNELL. Would it meet with the convenience and approval of the Senator from New Hampshire if the matter were to be handled in this way, namely, that the Senator from Alabama may speak, while we are awaiting the return of the other Senator to whom reference has been made, and that the other Senator may then speak, and then if it be not too late, that I may speak, but if it be too late I will defer making my statement until tomorrow? I have not the slightest desire to delay a vote, but I do wish to be heard on the constitutionality of the proposed appropriation.

Mr. LUCAS. Mr. President, may I inquire from the able Senator from Missouri how long he expects to speak?

Mr. DONNELL. Approximately 20 or 30 minutes.

Mr. LUCAS. We might be able to reach a vote on the amendment at 6 o'clock.

Mr. BRIDGES. Mr. President, in that case I yield the floor, if there are other speeches to be made on the amendment.

Mr. HILL. Mr. President, with all due respect to my able friend the able Senator from Michigan [Mr. FERGUSON], and all that he said in his concluding remarks, I think the Record will show that time and time again reference has been made to TVA and its relation to our private enterprise system. Time and again it has been argued that TVA would be inimical to our private enterprise system. That was the burden of the argument when the bill was originally introduced to create it. There has been hardly a session of Congress when we have not had a fight over some phase of TVA or some appropriation for TVA, in which that argument has been made. We might not have had the answer to that argument when it was first made. I think we have the answer now, in the record of TVA.

I recall that when Mr. W. L. Batt, vice chairman of the War Production Board, came to Washington to take office he declared that he could not see TVA with a telescope. But after he had been in office for a short time he realized that but for the power and production which that power made possible in the Tennessee Valley, we could not have our great war program, which brought the war to a successful conclusion in a reasonable time.

Certainly nothing has ever come into the Tennessee Valley which has done so much for the promotion, development, and stimulation of private enterprise as has the Tennessee Valley Authority. The Tennessee Valley Authority has not brought industries or plants of private industry into the Tennessee Valley from other sections, but it has been a tremendous source of stimulation and development of industry indigenous to the Valley, through the development, processing, and manufacturing of raw products and resources in the Valley. So the Tennessee Valley Authority has been a mighty contributor, first to the saving of the American free-enterprise system in World War II, and second, to the en-

couragement, stimulation, and development of that system.

Mr. President, I do not wish to delay the Senate more than a few minutes. There is nothing new about steam plants so far as the Tennessee Valley Authority is concerned. The Authority has bought steam plants; it has built steam plants; it has operated steam plants; it has maintained steam plants; in fact, the Tennessee Valley Authority now owns, maintains, and operates approximately 10 steam plants in the Tennessee Valley.

The Tennessee Valley Authority acquired some of those steam plants when it purchased the properties of the Tennessee Power Co. The Tennessee Power Co. had built some of the steam plants as integral parts of its power system.

We know that certainly as far as the southeastern section of the United States is concerned, we have a varying degree of rainfall. The precipitation varies in different seasons. Usually we have a great deal of rain in the spring and early summer, and very little in the late summer and fall. Consequently there is an uneven flow of water in our rivers. At some periods we have a great deal more water power at our dams than at other periods of the year. Therefore wise, businesslike, and economical operation dictated to the Tennessee Power Co. and to the other power companies in the southeastern section, and now dictates to the Tennessee Valley Authority, that steam plants be bought or built to firm up the power. As we know, most consumers of power can use power only if it be what we call firm power, that is, dependable power, power which is available the year round, every day of every week of every month of the year.

During times of high water in certain seasons of the year, the power which comes from such high water can be sold only as dump or secondary power unless there is a steam plant to compensate for the power which is not available in the dry seasons of the year. So what TVA is doing is simply asking that the investment which the Government has in the Tennessee Valley Authority, in the dams and hydroelectric properties, may be used in the most economical, wise, and businesslike manner by having the power firmed up so as to be salable the year round, bringing a much better return to the Treasury and to the taxpayers of the United States. That is all that is involved. The proposed steam plant is an integral and necessary part of the TVA power system if the TVA power system is to be operated on an economical and businesslike basis.

By building this steam plant we shall firm up and add to our system approximately 3,000,000,000 kilowatt-hours of power a year. As Mr. Clapp testified before the Senate committee, reading from the hearings at page 197:

The New Johnsonville steam plant, by firming up additional portions of the power available from the hydro plants of the TVA system, will make possible an increase in firm power of about 3,000,000,000 kilowatt-hours a year. To do this, it will be necessary to operate the New Johnsonville plant about one-third of the time, generally at full load, in addition to the present use of the existing

TVA steam plants, to supplement the seasonal secondary hydro generation.

The Tennessee Power Co. owned most of these properties before the Government purchased them in 1939. Of course, the Tennessee Valley Authority could not purchase the Tennessee Power Co. properties without authority from Congress. Congress passed the necessary legislation for the purchase of the properties.

At that time approximately one-third of the generating capacity of the region was in steam plants. Due to the rapid construction of hydro plants, only partially offset by new steam capacity, the proportion has dropped until at the present time it is about one-sixth. At the end of 1951 the steam capacity in the Tennessee Valley will be only 13 percent of the total if we do not build the New Johnsonville plant. With the New Johnsonville plant constructed, it will be only 20 percent by 1952.

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

Mr. HILL. I yield.

Mr. LUCAS. I wish to ask several questions of the able Senator, who probably is as familiar with the Tennessee Valley Authority as is any other Member of the Senate.

First, I should like to ask this question: Is it not a fact that most of the arguments made against the power plant here proposed overlook the fact that the TVA is the sole supplier of electric power in a large area in the United States?

Mr. HILL. Mr. President, the Senator from Illinois is entirely correct about that. Let me amplify on that point for a moment. It was recognized by the Tennessee Power Co., the Alabama Power Co., and the other private power companies operating in that section of the country that when the Tennessee Valley Authority bought the Tennessee Power Co.'s property—of course, the Government bought it by mutual arrangement and mutual agreement; there was no condemnation or anything of that kind, but the Government bought those properties by negotiation—the Government of the United States, through the TVA, would be the only and sole generator of electric power in that area. There is no other generator of electric power in that area. All the plants, the factories and corporations, the municipalities and the Government agencies in that area—and when I speak of Government agencies, I speak of national-defense plants, such as the Oak Ridge atomic-energy plant and the great chemical plant at Huntsville, Ala., and the ordnance plant in that valley—all those great plants are solely and entirely dependent upon TVA for their power. There is no other source of power there.

Mr. LUCAS. Mr. President, will the Senator yield on that point?

Mr. HILL. Yes.

Mr. LUCAS. Is it not a fact that the Tennessee Valley Authority became the sole supplier at the insistence of the private utilities, who wanted to get out of the Tennessee Valley?

Mr. HILL. The Senator from Illinois is entirely correct, Mr. President. The private power companies wanted to get

out of that area. Let me say that, as the Senator knows, at the time when the Government bought the Tennessee Electric Power Co.'s properties, Mr. Wendell Willkie was the head of the Commonwealth and Southern Co., which owned the Tennessee Electric Power Co. Mr. Wendell Willkie represented the Tennessee Electric Power Co. in all the negotiations and in the sale of the Tennessee Electric Power Co.'s properties to the Government. Although we may not always have agreed with him on political matters, certainly no one ever questioned his great ability as a utility magnate; and this is what he said when testifying before the House committee in regard to the legislation to authorize the purchase of the Tennessee Electric Power Co.'s properties:

I know not a man that is a man of any thought, whether he believed in the public operation of power or in the private operation of power, but who does not also believe that it should be noncompetitive. Something has been said here about monopolies. Now, I know not the distinction between public and private monopoly; but I do know, as any student of the utility business knows, that it is a natural monopoly, and should be such, whether in public or in private hands; and the man who represents the public agency and sits here and pleads for it to be a public monopoly, is absolutely right.

In other words, Mr. President, it was demonstrated there, that, as we know, it is not possible or feasible to have TVA transmission lines and then have parallel to them private power company transmission lines. Either the Government had to get entirely out of that area, so far as the development of power was concerned, or the private power companies had to get out of the area. They negotiated. The Government bought the private power companies. The Government not only has the monopoly, but it also has sole responsibility for the generation of power there. It is the only source of power to which the municipalities, the REA, the private factories, or the Government activities there can look.

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

Mr. HILL. I yield.

Mr. LUCAS. Does the Senator from Alabama agree with me that the steam power plant now under discussion is essential to the efficient operation of the hydroelectric facilities of the Tennessee Valley Authority?

Mr. HILL. The Senator from Illinois is 100 percent correct, Mr. President. Not to build the steam power plant would be simply to put our approval upon waste. Any businesslike operation there, any economical operation, any efficient operation, absolutely requires the construction of the steam plant. I said earlier today that the building of that plant is no exception to normal or customary operations. The Alabama Power Co., which is directly south of the TVA, in my State of Alabama—and incidentally, it supplies most of the power for my State, as we know—just finished the other day a steam power plant at Mobile, Ala., and it has under construction a steam power plant at Gadsden, Ala.

It is doing absolutely the same thing that is anticipated in connection with the proposal now before us.

Mr. LUCAS. Mr. President, the Senator from Alabama has anticipated what I intended to ask as my next question, namely, whether any private power company would be building a steam plant of this kind to assure the constant flow of its power.

Mr. HILL. Mr. President, every private power company I know of is doing that very thing, of course. The Senator from Illinois knows that if power is available only half the time or even two-thirds of the time, it cannot be sold at the same price at which power which is available all year around can be sold. Power which is available only a part of the time must be sold as what is called "dump" power. But by building a steam plant, assurance is given that the power will be available all year around, because when the hydroelectric power is no longer available—for instance, let us say, at the end of the ninth month of the year—then the steam plant is fired up, and the necessary power is obtained in that way.

Mr. LUCAS. In other words, by building the steam plant at New Johnsonville, Tenn., we shall be doing the same thing that good business would do in a similar case. Is not that correct?

Mr. HILL. Yes; not only shall we be doing what good business would do, but we shall be doing what good business is doing throughout the country.

In speaking of that point, I say to the Senator from Illinois that if there is one section of the United States where good business and also the national defense dictate that the production of power be stepped up, it is in the southeastern section of the United States. When we began our national-defense program in 1940, there was a 25-percent surplus of electric energy in the United States. The National Security Resources Board had made some 10 months ago, as the Senator from Tennessee no doubt recalls, a study which shows that now there is no surplus of electric energy in this country. It was that fact which compelled the National Security Resources Board, under the chairmanship of Mr. Arthur Hill, to recommend the construction of this very New Johnsonville steam plant.

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

Mr. HILL. Certainly.

Mr. LUCAS. In connection with this debate, much has been said with respect to national defense; but apparently very little was said about it in the hearings, as we see upon examining the printed testimony. That is something I cannot understand.

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

Mr. HILL. I yield.

Mr. FERGUSON. I think I can clear up that point. I find nothing in the record of the hearings, this year, about national defense.

Mr. LUCAS. That is what I was saying.

Mr. MAYBANK. Mr. President, will the Senator from Alabama yield to me, in that connection?

Mr. HILL. Yes; I yield to my friend the Senator from South Carolina.

Mr. MAYBANK. I can say that in the Appropriations Committee hearings held during the war, many references to national defense can be found, because it was necessary to transfer electric power from the Duke Power Co., in South Carolina, across the mountains, in order to keep the TVA going. The records will show that fact.

Mr. LUCAS. That was during the war.

Mr. MAYBANK. Yes.

Mr. FERGUSON. We are speaking of the recent hearings held in connection with the present deficiency appropriation bill.

Mr. HILL. Mr. President, in speaking of the national defense—and I shall come to that point—let me say there was some discussion in the House committee about the atomic energy plant at Oak Ridge, and that discussion is referred to at page 21 of the House committee hearings, but unfortunately it was not included in the record; that discussion was off the record.

But if the Senator will bear with me, perhaps I may advert at this time, inasmuch as we are discussing the national defense, to even more recent testimony than that. I have before me a copy of the hearings on the independent offices appropriation bill for the fiscal year 1950. That bill carries the regular appropriations for the Tennessee Valley Authority. These hearings were released only yesterday, when they came to us from the printer. This is the latest word, because that was the last appearance by anyone on any TVA item, before any committee of the Congress of the United States.

I turn to page 750, and there I find a discussion of the New Johnsonville steam plant. Mr. Clapp, who, as we know, is Chairman of the Board of TVA, made this statement:

Mr. CLAPP. I should make one other comment. The justification for this steam plant, as we have explained in several hearings, rests upon conservatively estimated power requirements under normal peacetime conditions. We now know that in addition to the requirements of our normal customer load, as we have estimated it, more is going to be expected of us with respect to the Oak Ridge atomic energy plant. They are planning an expansion, and they are counting on us to be able to meet their additional power requirements.

Then Representative GORE of Tennessee, a member of the subcommittee, spoke as follows:

For your information, the committee has had before it the Atomic Energy Commission, and the general manager of the AEC was questioned about this. We were told by him, on the record and off the record, about the magnitude—

"About the magnitude." I want the Senator from Illinois to hear this, and the Senator from New Hampshire, too—about the magnitude of the new program at Oak Ridge, plant K-29 and other conditions, and the need and demand for additional power which would result therefrom. We were told further by Mr. Wilson that the AEC—

That is the Atomic Energy Commission—

had at first requested the Budget Bureau for approval of a request of this committee for an appropriation for a steam generating

plant, but that it was now not making that request but depending upon the New Johnsonville steam plant as an addition to TVA which would enable TVA to serve the power needs. I give you that for your information in order that it might not be necessary to duplicate in your testimony.

Mr. LUCAS rose.

Mr. HILL. I shall yield to the Senator in a moment. I have here a copy of a letter. It is authentic. It was sent to me by Mr. Clapp, of the TVA. It is a letter from the Atomic Energy Commission to the Tennessee Valley Authority. It is on the letterhead of the United States Atomic Energy Commission, Oak Ridge, Tenn., and is dated January 7, 1949. It reads:

UNITED STATES ATOMIC
ENERGY COMMISSION,
Oak Ridge, Tenn., January 7, 1949.
TENNESSEE VALLEY AUTHORITY,
Chattanooga, Tenn.
(Attention: Mr. G. O. Wessenauser,
manager of power.)

GENTLEMEN: Reference is made to the meetings and discussions between representatives of the Tennessee Valley Authority and the Atomic Energy Commission which were held on numerous occasions since July 1948, for the purpose of developing the most practicable and economical method of supplying the additional power required for the expansion of production operations at Oak Ridge.

As a result of the discussions and related engineering studies, it has been concluded that it is in the best interests of the Government for the additional power to be supplied by TVA. It is requested, therefore, that the amount of power to be supplied by TVA to the AEC, at Oak Ridge, be increased by 70,000 kilowatts by not later than June 30, 1951.

I want to pause here to say that does not mean all the power they expect to get from this plant. They must have that much by June 30, 1951. The letter continues:

An effort will be made to complete the construction of the additional production facilities at Oak Ridge, as soon as practicable, and it is probable that these facilities will be completed ready for use early in the spring of 1951. The additional power needed for these facilities will be desired as soon as they are ready for use. It is understood that because of the favorable water storage situation normally prevalent in the TVA reservoirs in the spring season, advancement of the date for initiating delivery of the increased power supply several months during that season probably would not greatly complicate the supply problems. As we proceed with the construction of the additional facilities, you will be kept informed of the schedule of our power requirements for operation of the plant addition.

It is also understood the firm continuing supply of the additional power by TVA to the Atomic Energy Commission, at Oak Ridge, is contingent upon an addition to the steam generating capacity of the TVA system and that even with early action to increase the steam generating capacity, it will be necessary to make special arrangements for supplying the additional power required prior to March 1, 1952, on an emergency basis.

We desire to meet with you at an early date to complete the special contractual arrangements for the supply of the additional power during the emergency period prior to March 1, 1952.

This addition to our production operations is of great importance. We appreciate your assistance and desire to cooperate with you

in any way possible to complete arrangements for supplying the necessary additional power.

Very truly yours,

R. W. Cook, Deputy.
(For J. C. FRANKLIN,
Manager, Oak Ridge Operations).

Mr. LUCAS and Mr. FERGUSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and, if so, to whom?

Mr. HILL. I yield first to the Senator from Illinois. I shall yield to the Senator from Michigan in a moment.

Mr. LUCAS. These are not normal peacetimes in which we live, in the opinion of the Senator from Illinois.

Mr. HILL. I shall come to that in a moment.

Mr. LUCAS. I think we are probably traveling through the most precarious so-called peacetimes in the history of the Republic, and I do not want to be caught with my plants down in another grave emergency that might arise. We hope it will never arise, but with the North Atlantic Pact coming along, together with a few other things we are talking about constantly in the Senate, such a thing could happen.

I cannot for one moment believe that the erection of a steam plant is not incidental to power development by the Tennessee Valley Authority. It is being created for the sole purpose of firming the power to the point where we shall know exactly at all times the power that we are able to produce in any great emergency that might arise. If the building of the New Johnsonville plant is not a part of the national defense, I may say as a result of what I have heard here this afternoon and from what I know about the Tennessee Valley Authority, then I am constrained to believe that I do not know very much about what is necessary for the national defense. It may be we shall never have to use it in the national defense, but certainly now is the time to prepare for any emergency that may arise, by authorizing the construction of the New Johnsonville steam plant, so that it may be available in the event we have to use its power in the future for the production of articles which may be necessary in providing for the defense of the Nation.

Mr. HILL. The Senator is exactly right, and I may say to him that that was precisely the reason which impelled the National Security Resources Board to recommend construction of the plant some 10 months ago. So far as I know, there was not at that time any question about additional power for the atomic energy plant. There are other great plants there, upon which we are dependent in time of war, and which made tremendous contributions to the winning of the last war. There is a great deal of aluminum produced in the valley. It is the source of chemicals of all kinds, including phosphorus and nitrogen.

There are alloys produced in the valley which are used in the manufacture of steel for many purposes.

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

Mr. HILL. I yield.

XCV—277

Mr. FERGUSON. I should like to know whether the letter which the Senator just read into the Record was written prior to the Appropriations Committee's hearings?

Mr. HILL. It was not. I asked for the letter. I was not a member of the subcommittee which held the hearings. When I began to study the hearings I found that the House committee had asked questions about the matter, but the information was not in the record and was not available to me. I did not find anything in the Senate hearings on the matter, so I went to work on my own initiative to inquire about it.

Mr. FERGUSON. The Senator agrees that there is nothing in the hearings about it; is that correct?

Mr. HILL. The House committee referred to the fact that it had inquired into the matter, but the information was given off the record and was not disclosed.

Mr. McKELLAR. Mr. President, will the Senator yield, so that I may clear it up?

Mr. HILL. Yes. If it can be cleared up, I shall be very glad.

Mr. McKELLAR. Every Senator knows that this exact question was fought out a year ago. The testimony adduced before the committee was to this effect:

First. The Tennessee Valley Authority is the one and only power and light plant in the State of Tennessee.

Second. There is no question of competing private plants in the State. Whether that is right or wrong, that is the situation which exists in the State. The Tennessee Valley Authority is the one and only source of power. There are no private power companies.

Third. The New Johnsonville power plant is absolutely necessary to firm up the water power so that no city, no town, no farm, and no factory in the State which needs power and light will be without them.

Fourth. It is absolutely necessary that this dam be built to give manufacturers and other users a steady and uninterrupted flow of power and light.

Fifth. There has been a tremendous growth of manufacturing business in our State since we have had this water power, and the needs are tremendously increasing in city, town, and State. It is absolutely necessary that we know in advance that there will be no shortage of power and light.

Sixth. This plant is absolutely necessary for defense purposes.

I call the Senator's particular attention to this.

This plant is absolutely necessary for defense purposes. The Oak Ridge Atomic Energy Plant, the plants of the Aluminum Co. of America, the plants of the Reynolds Metal Co., which will be called upon to produce aluminum for the 70-group air force which Congress has just voted, will need the additional steam power. Aluminum production requires enormous quantities of power.

The municipalities and the cooperatives which distribute TVA power in the Tennessee Valley have experienced a 60-percent increase in demand since the

war, and expect another 65-percent increase on top of that. Not only the TVA, but the whole Nation, is short of power.

The growth, prosperity, and development of our State, the capacity of our many plants, and the development of our many farms, and especially the war plants now existing in the State, will all be put in jeopardy if we fail to have a proper supply and a continuous supply of power from TVA.

That evidence was presented before the committee.

Mr. FERGUSON. Not this year.

Mr. McKELLAR. The Senator is involved in a technicality. The Constitution was not written this year. I believe it was written several years ago. I think the Declaration of Independence was written sometime ago, strange as that may appear to my good friend from Michigan. These things happened some years ago. But this particular question was not only before the committee, but the evidence was before the committee. The committee held hearings and passed upon the facts. The Senator was a member of the committee.

Mr. HILL. Mr. President, the committee not only passed upon them, but it threshed the whole matter out.

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

Mr. HILL. I yield to my friend from Michigan.

Mr. FERGUSON. Is the Senator familiar with the fact that there are 2,203,102 kilowatt-hours of hydroelectric power produced, and that would be sufficient to furnish firm power, as shown by this year's record, to all war plants and all Government agencies in the Tennessee Valley?

Mr. HILL. Mr. President, I do not know that the Senator's figures are correct. I do not mean to challenge them; I simply do not know. But, assuming the figures are correct, the Senator is saying that what we should do is to cut out every light from every farmhouse in the Tennessee Valley, cut out every light on every street in every city in the Tennessee Valley, close every plant—

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

Mr. HILL. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator from Michigan said that the testimony was not in this year's hearings. Of course it was. If he will look on page 180 of the hearings he will find a letter from Mr. Gordon R. Clapp, of the Tennessee Valley Authority, the last paragraph of which I shall ask the Senator from Alabama to read. It shows that the evidence was actually before the committee this year. It was before the committee last year and before the committee this year.

Mr. HILL. In the concluding paragraph of the letter to which the Senator from Tennessee has referred, which was written by Gordon R. Clapp, Chairman of the Board of the Tennessee Valley Authority, to the Senator from Tennessee, I find this language:

The urgent need for the New Johnsonville steam plant, and for additional hydroelectric generating capacity in the TVA area was fully described last year in both House and Senate

hearings on the regular TVA appropriation for the current year. The facts presented a year ago were brought up to date in the recent hearings before the Deficiencies Subcommittee of the House Appropriations Committee. Because of the extremely tight schedules, we respectfully urge early consideration of the supplemental request by the Senate Appropriations Committee, and stand ready to supply any additional information which may be required.

In his letter Mr. Clapp referred to the presentation before the House Subcommittee on Appropriations. Before that subcommittee Mr. Clapp submitted this letter, under date of January 25, 1949, in which he had this to say:

This region is a major producer of chemicals, aluminum, and ferro-alloys which are required in large quantities for consistent maximum national productivity, and which require enormous amounts of power. A power shortage would force interruptions in the production of these vital materials and handicap the Nation's ability to prepare for national emergencies. A power shortage at any time is a serious condition for any region to face. It would be especially damaging in this area, in view of the kind of industry located here. Surveys by the National Security Resources Board show that, aside from the Northwest, this area is in more serious need of expansion of power supply than any other part of the country.

As I have said, the National Security Resources Board, under the chairmanship of Mr. Arthur Hill, 10 months ago recommended the construction of the New Johnsonville steam plant. I point out, first, that the only generators having power in the Tennessee Valley area, which takes in parts of seven States, are the generators of the Tennessee Valley Authority, the generators of the United States Government. There is no other source of power there. No matter how important it might be, no matter how necessitous might be the situation from the power standpoint, it is not possible to get any power except from one source, and that is the Tennessee Valley Authority. If the Tennessee Valley Authority does not provide the power, there will be no power there.

Surely no Senator will disagree with the proposition that in the operation of the Tennessee Valley Authority, the operation of the Government's business, we should operate in a businesslike manner, should operate as a private utility would operate, in the most economical and in the wisest manner. That is exactly what we are asking to have done through the construction of the steam plant, to put an end to waste, to operate the Government's properties in a wise, economic, businesslike manner.

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

Mr. HILL. I yield.

Mr. AIKEN. I should like to point out that the shortage of power in the Tennessee Valley area is not peculiar to that area. I do not know of any area in the United States where additional power is not needed. The shortage is not among any particular class of people. Industry is using much more than ever before. Our homes are using much more than ever before. Our farms have

increased their consumption by nearly 300 percent. Whereas in years gone by farmers used a thousand kilowatts a year, they now average 3,000 kilowatts a year. All over the United States the people are desperately trying, by various means, to increase their supply of electric energy. In some areas the private utilities are increasing the amount of available power as much as they possibly can.

Mr. HILL. They are doing so in the Southeast, I may say to the Senator.

Mr. AIKEN. In other areas the State authorities are attempting to increase the supply. In still other areas municipal or cooperative organizations are undertaking to increase the supply of power so as to meet the demand, which is increasing almost 10 percent every year.

In my section of the country, in New England, the private utilities are depended upon to furnish an assured supply of power. In the TVA area the TVA is depended upon to furnish a constant supply of power not only for the cooperative and municipal distribution systems, but for some of the private systems as well.

Would it not be just as reasonable to say that we will not permit the private utility interests of New England to increase the power which that area needs so desperately as it would be to say we will not permit the TVA to increase the power for which their area depends upon them?

I should like to make one other point.

Mr. HILL. Before the Senator gets to the other point, let me answer him.

Mr. AIKEN. Very well.

Mr. HILL. The Senator's analogy of course is 100 percent correct. It is not any more reasonable to deny the TVA the authority to increase and step up its power than to deny a private power company the right to increase and step up its power. As I stated earlier, in 1940, when we were confronted with the emergency of that year, there was a surplus of 25 percent in electric power in this country. Today, as the Senator knows, there is no surplus.

Mr. AIKEN. No. The fact is that today the utility companies are using practically all their reserves in order to furnish their customers with enough day-to-day energy, leaving us in a rather dangerous situation. It would be just as fair to tell the Nebraska Power Authority that they cannot increase their energy and output to meet the demands of that State as it is to tell the TVA that they cannot increase their output to meet the demands of the TVA area.

The second point I wish to make is in answer to a question propounded on the floor early this afternoon as to why the TVA did not construct more of the small dams which might furnish more power. I understand that the New Johnsonville generating plant is expected to produce power at slightly over 3 mills a kilowatt hour, and I believe in that we find the answer. Steam, coal, gas generating plants are becoming more

efficient, and now that the cost of producing the power is down to almost 3 mills, it is getting more and more difficult for water-power sites of the same volume to compete, which would have been able successfully to compete with the steam plants only a few short years ago.

Mr. HILL. The Senator is exactly correct.

Mr. ROBERTSON. Mr. President, will the Senator yield for just one question?

Mr. HILL. I yield to my colleague from Virginia.

Mr. ROBERTSON. In line with the observation made by the Senator from Vermont, but with a little different analogy, those living in the Tennessee Valley area, served by TVA, are now getting their power for about one-third of the average rate charged by private utilities, and the steam plant, I have been told, would furnish sufficient additional power to supply a city of a million people. I can understand why they would want it. I wish to ask the Senator from Alabama whether he knows of any area in the United States where the inhabitants would not like to get their power for one-third of what they are now paying.

Mr. HILL. I do not agree with the Senator at all.

Mr. ROBERTSON. About what?

Mr. HILL. That the people served by TVA are getting power at one-third of what those in other places are paying.

Mr. ROBERTSON. That is in our hearing. The Senator should read the hearings.

Mr. HILL. I will say it is much higher in some places.

Mr. ROBERTSON. I said the average.

Mr. HILL. There is no "water" in the TVA dams. The people of that area are not paying on watered stock.

I will say also that under a law passed by Congress several years ago, TVA has to fix its rates so as to amortize the cost over a period of 40 years. In other words, at the end of 40 years every power project must be paid for with money turned back into the Treasury of the United States, something the private power companies never have done. No one ever heard of a private power company ever paying off any bonds.

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

Mr. HILL. I yield to the Senator from Vermont.

Mr. AIKEN. Let me point out that a Federal development, such as TVA, is able to pay back the investment over a period of 40 years on a 4-percent-earning capacity, whereas the private companies estimate an 8- to 10-percent-earning capacity necessary in order to keep them on an above-water level.

Mr. HILL. I think the Senator is entirely correct.

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

Mr. HILL. I yield.

Mr. KEFAUVER. I should like to answer the questions which have just been raised. First, the Senator from Michi-

gan stated that TVA could divert all its power to war industries. If it did so it would be violating the plain mandate of sections 2 and 3 of the TVA Act which require that preference be given to rural and agricultural users. Certainly the Senator would not want TVA to violate the direct mandate of Congress.

Then, something has been said this afternoon about how much money TVA has paid back to the Federal Government, or how much has been reinvested in TVA power-producing property. I should like to call the Senator's attention to the reference on page 894 of the hearings in the House Appropriations Committee on the Independent Offices Appropriation Act of 1950, to which he has referred. It is shown there that there has been repaid into the Treasury \$34,131,519; retirement of bonds which were issued pursuant to the purchase of Tennessee Valley electric power property, \$11,072,000; reinvested by authorization of Congress, \$75,052,967; making a total of about \$120,000,000 which has been repaid or reinvested in property as of this time.

Mr. HILL. Mr. President, I am sure the Senator is correct, and I thank him for his contribution.

Mr. FERGUSON. The Senator from Alabama has indicated that TVA has paid back certain sums of money into the Treasury.

Mr. HILL. I said some money, but not a great deal.

Mr. FERGUSON. Of course, the Senator is familiar with the fact that private companies are paying into the Treasury yearly large sums of money as income taxes.

Mr. HILL. Yes.

Mr. FERGUSON. I wonder whether the Senator would say that the following figures are correct. As of June 30, 1948, total assets of the TVA, \$819,942,171.

Mr. HILL. That is the total assets. But that figure does not represent only power. It represents flood control, navigation, production of fertilizer, and other items.

Mr. FERGUSON. I want to put into the RECORD the sums of money paid into the Treasury.

First, from power proceeds, \$23,059,000. Second, from activities other than power, \$7,911,000.

Or a total of \$30,970,000.

The third item is bonds retired from power revenues, \$11,000,000.

Fourth, for interest on the bonds, \$5,789,000.

Which makes a total of \$47,959,000.

The appropriations for TVA to June 30, 1949, were \$736,223,000.

Mr. President, I should like to place in the RECORD a statement of the total sums made available to TVA and total investments of TVA, as of June 30, 1949.

Mr. McKELLAR. Mr. President, is that the statement the Senator has just secured from me?

Mr. FERGUSON. Yes.

Mr. McKELLAR. I should be delighted to have the Senator place it in the RECORD.

Mr. FERGUSON. Mr. President, I ask unanimous consent to have the statement placed in the RECORD at this point.

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

TENNESSEE VALLEY AUTHORITY	
<i>Total funds made available to TVA and total investment as of June 30, 1948</i>	
(1) Appropriations.....	\$736,223,000
(2) Transfer of property from other agencies.....	41,107,000
(3) Proceeds from sale of bonds.....	65,072,000
(4) Net income from power operations.....	109,184,000
Total funds provided..	951,586,000
(5) Less following amounts:	
(a) Bond redemption....	11,072,000
(b) Payments into Treasury.....	30,970,000
(c) Net expenditures of non-income-producing programs..	104,685,000
	146,727,000
Total investment, June 30, 1948.....	804,859,000
¹ The net income from power operations figure of \$109,184,000 is arrived at in the following manner:	
Gross income from power.....	\$308,656,000
Less following amounts:	
Depreciation.....	72,021,000
Interest (net).....	4,646,000
Other expenses.....	122,805,000
	199,472,000
Net income from power	109,184,000
TOTAL ASSETS OF TVA AS OF JUNE 30, 1948	
As of June 30, 1948, the total assets of the TVA was in the amount of \$819,942,171.	
<i>Funds paid into the Treasury</i>	
(1) From power proceeds.....	\$23,059,000
(2) From activities other than power.....	7,911,000
	30,970,000
(3) Bonds retired from power revenues.....	11,000,000
(4) For interest.....	5,789,000
Total.....	47,759,000

EXHIBIT II.—TVA power income and expense, by years, summarized from annual financial statements

Fiscal year	Operating revenue	Operating expenses	Depreciation provisions and amortization	Net operating revenue	Interest income	Gross earnings
1933-38.....	\$6,732,447	\$3,870,994	\$3,610,118	(\$748,665)	\$164,946	(\$583,719)
1939.....	5,507,077	2,332,604	1,731,593	1,442,880	95,954	1,538,834
1940.....	15,285,074	7,081,735	3,615,623	4,587,716	143,595	4,731,311
1941.....	21,137,371	9,264,242	4,546,547	7,326,582	148,798	7,475,380
1942.....	25,329,954	15,819,351	5,230,350	4,289,253	136,078	4,425,331
1943.....	31,674,210	11,935,739	7,037,886	11,800,585	126,559	11,927,144
1944.....	35,429,546	13,815,808	9,876,468	11,737,270	115,045	11,852,315
1945.....	39,383,231	12,891,642	18,885,757	17,605,832	102,409	17,708,241
1946.....	35,264,545	9,875,814	8,605,731	16,783,000	78,591	16,861,591
1947.....	44,144,000	13,588,931	8,716,410	21,838,749	25,198	21,863,947
1948.....	48,769,624	22,328,321	9,264,755	17,176,448	5,299	17,181,747
Total.....	308,657,069	122,805,181	72,021,238	113,830,650	1,142,472	114,973,122

¹ Reflects accelerated amortization of electric-plant acquisition adjustment by write-off against accumulated earnings: 1943, \$2,000,000; 1944, \$3,000,000; 1945, \$1,000,000.

INVESTMENT IN POWER PROGRAM OF TVA

The following table inserted in the hearings on the pending deficiency bill before the Senate subcommittee shows the break-down of the TVA power program assets as of June 30, 1948:

EXHIBIT I.—TVA power program assets,¹ June 30, 1948

The power investment includes the following assets:

Completed plant in service.....	\$479,566,650
Less reserve for depreciation.....	72,136,307
Net plant in service.....	407,430,343
Funds held for future use under sec. 26, in the form of cash and current receivables.....	\$7,551,476
Long-term receivables.....	84,832
Inventories.....	7,344,984

Total assets employed in power program.....	422,411,635
Construction in progress.....	27,093,750

449,505,385

This investment was financed with capital from the following sources:

U. S. Treasury funds:	
Appropriations and transfers of property:	
Total.....	\$309,379,918
Less payments under sec. 26.....	23,059,019

Net outstanding.. 286,320,899

Bonds:	
Issued.....	65,072,500
Retired.....	\$11,072,500

Net outstanding.... 54,000,000

Total U. S. Treasury funds outstanding. 340,320,899

Earnings of the power business:

Gross earnings.....	\$114,973,122
Less interest paid.....	5,788,636

The remainder represents the net earnings invested in power assets, including \$34,131,519 paid to the Government for retirement of bonds and as an offset to appropriations and \$75,052,967 used directly in the business..... 109,148,486

449,505,385

¹ Exclusive of general assets not segregated by programs and exclusive of construction in progress relating to multiple-use facilities at projects for which an allocation of costs to programs has not yet been made.

EXHIBIT III.—Return on the TVA power investment

Fiscal year	Average investment ¹	Gross earnings	Annual return on investment
			Percent
1941.....	\$190,000,000	\$7,475,380	3.9
1942.....	220,000,000	4,416,331	2.0
1943.....	295,000,000	13,927,144	4.7
1944.....	360,000,000	14,852,315	4.1
1945.....	390,000,000	18,708,241	4.8
1946.....	400,000,000	16,861,591	4.2
1947.....	400,000,000	21,863,947	5.5
1948.....	405,000,000	17,181,747	4.2
SUMMARY			
1934-40, 7 years (development period).....	\$60,000,000	\$5,686,426	1.4
1941-48, 8 years.....	330,000,000	109,286,696	4.1
1934-48, 15 years.....	205,000,000	114,973,122	3.7

¹ Average net book cost during the year of plant in service plus long-term receivables and an allowance for inventories and general plant used for the power program.

² Reflects accelerated amortization of electric-plant acquisition adjustments by write-off against accumulated earnings: 1943, \$2,000,000; 1944, \$3,000,000; 1945, \$1,000,000.

EXHIBIT IV.—Disposition of gross TVA power earnings

GROSS EARNINGS	
Fiscal year	From exhibit II
1933-39.....	\$955,115
1940.....	4,731,311
1941.....	7,475,380
1942.....	4,416,331
1943.....	11,927,144
1944.....	11,852,315
1945.....	17,708,241
1946.....	16,861,591
1947.....	21,863,947
1948.....	17,181,747
Total.....	114,973,122

DISPOSITION OF GROSS EARNINGS				
Fiscal year	Interest	Bond retirement	Paid to U. S. Treasury (sec. 26)	Used directly in the power business
1933-39.....	\$60,479	-----	-----	\$894,636
1940.....	432,082	-----	-----	4,299,229
1941.....	484,602	-----	-----	6,990,778
1942.....	742,978	-----	-----	3,673,353
1943.....	778,291	-----	-----	11,148,853
1944.....	736,624	\$2,000,000	-----	9,115,691
1945.....	726,207	2,000,000	-----	14,982,034
1946.....	647,867	2,300,000	\$7,087,741	6,825,983
1947.....	615,570	2,272,500	7,971,278	11,004,599
1948.....	563,936	2,500,000	8,000,000	6,117,811
Total.....	5,788,636	11,072,500	23,059,019	75,052,967

¹ Reflects accelerated amortization of electric-plant acquisition adjustments by write-off against accumulated earnings: 1943, \$2,000,000; 1944, \$3,000,000; 1945, \$1,000,000.

² \$7,551,476 is in the form of cash and current receivables, a major share of which will be paid to the Government within the current fiscal year.

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

Mr. HILL. I yield.

Mr. AIKEN. The Senator from Michigan does not include the reserves that had been earned?

Mr. FERGUSON. I am sure they are contained in the statement.

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

Mr. HILL. I yield.

Mr. KEFAUVER. The figures presented by the junior Senator from Michigan would include also the investment for flood control, navigation, and the fertilizer program. Whereas, on an aver-

age, only 40 percent of a multipurpose dam is charged to electric operation. So I think the figure of investment for the purpose of the electric business is about \$450,000,000 instead of the \$800,000,000 as stated by the Senator from Michigan.

The Senator did not mention the other calculation, which is that \$75,052,000 of earnings of the TVA had been reinvested, with the approval of Congress, for electrical purposes, such as transmission lines.

Mr. HILL. Yes. In other words, TVA has been in a growing, expanding stage, and instead of putting the money into the Treasury, Congress has permitted the TVA to expend it on power facilities, transmission lines, and other investments in the project.

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

Mr. HILL. I yield.

Mr. MAGNUSON. Of course, the Senator will agree that multiple-purpose projects pay back the most money on the investment, and the returns are the quickest.

Mr. HILL. There is no question about that.

Mr. MAGNUSON. The power is readily available in these areas, and is in demand. Should the bonds of such projects be put on the private market they would sell far above par, because they are the finest kind of investment, whether it be private or public business. A similar situation exists in my section of the country. There we have the Grand Coulee and the Bonneville projects. They operate under the same schedules as TVA, though not at the same cost, and they make the same type of repayment. I should say that Grand Coulee and Bonneville are 9 years ahead of their 40-year schedule in repayment to the United States Government.

Mr. McKELLAR. Mr. President, it is evident we cannot have a vote on the amendment tonight.

Mr. HILL. Mr. President, is it the purpose of the Senator to move that the Senate take a recess?

Mr. McKELLAR. Yes.

Mr. HILL. Mr. President, I should like to say a few words before the Senator makes the motion. I desire to emphasize that the New Johnsonville plant is a very integral part of the national defense system of the United States. It has been said here that we built the Watts Bar steam plant as an emergency or war measure. We built that plant 17 months before we went into war. When we built that plant we had no selective-service law on the statute books. There was then no draft law on the statute books as there is today. We were not then expending nearly \$16,000,000,000 a year on our Army, Navy, and Air Force. We had not then appropriated, less than 7 days before, five and a half billion dollars for the nations of Europe as a defense measure. Our Foreign Relations Committee was not considering the Atlantic Pact or any such pact, or anything of such significant or far-reaching importance or effect.

Mr. Churchill said in his speech in Boston a few night ago that we were not at war now because we held and possessed the atomic bomb. When he spoke of

the atomic bomb he was speaking of the atomic energy plant at Oak Ridge, Tenn., which must secure a large part of its power from the Tennessee Valley Authority. That plant is dependent upon the Tennessee Valley Authority for the additions and expansions which it now feels necessary to make. The Atomic Energy Commission advised in its letter to Mr. Clapp that it must have this New Johnsonville plant if it is to have the power for these additions and these expansions. We must build this plant, Mr. President. We must build it for the defense of our country.

Mr. McKELLAR obtained the floor.

Mr. MAGNUSON. Mr. President, I wanted to ask the Senator from Alabama a question, but I can make this observation on my own account.

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Washington for that purpose?

Mr. McKELLAR. I yield.

Mr. MAGNUSON. I am glad the Senator from Alabama discussed the important defense angles, because there is no doubt in the mind of anyone familiar with the projects at Oak Ridge and Hanford that had it not been for Tennessee Valley power and Bonneville Authority power the atomic bomb would not have been built in the time it was built. The great advances in the science of nuclear fission are going to require more power. There is no question about that.

These two great developments, one in the southeastern part of the United States and the other in my area, are just as important today, in the judgment of the Joint Chiefs of Staff or of any military man, as are tanks, battleships, or airplanes.

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

Mr. McKELLAR. I yield.

Mr. HILL. Does not the Senator from Washington agree that they are far more important?

Mr. MAGNUSON. They are far more important.

Mr. HILL. Because we are in the atomic age.

Mr. MAGNUSON. Yes.

Mr. HILL. I thank the Senator.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1209) to amend the Economic Cooperation Act of 1948, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KEE, Mr. RICHARDS, Mr. JOSEPH L. PFEIFER, Mr. EATON, and Mr. VORYS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1741) to authorize the establishment of a joint long-range proving ground for guided missiles, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses there-

on, and that Mr. BROOKS, Mr. RIVERS, Mr. PHILBIN, Mr. COLE of New York, and Mr. ANDERSON of California were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions:

H. R. 220. An act to amend section 3 of the act entitled "An act to revise the Alaska game law," approved July 1, 1943, as amended (57 Stat. 301);

H. R. 555. An act conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.;

H. R. 572. An act for the relief of Sylvia M. Misetch;

H. R. 576. An act for the relief of Arthur G. Robinson;

H. R. 581. An act to confer jurisdiction upon the District Court for the Territory of Alaska, to hear, determine, and render judgment upon the claim, or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska;

H. R. 591. An act for the relief of Mrs. Lucille Davidson;

H. R. 592. An act for the relief of James W. Keith;

H. R. 618. An act for the relief of Eugene J. Bearman;

H. R. 659. An act for the relief of Mrs. Elizabeth B. Murphy;

H. R. 729. An act for the relief of John J. O'Neil;

H. R. 739. An act for the relief of Mary Jane Harris;

H. R. 745. An act for the relief of B. John Hanson;

H. R. 1036. An act for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen;

H. R. 1043. An act for the relief of Mrs. Wesley Berk (formerly Mrs. Ruth Cameron);

H. R. 1061. An act for the relief of Bernice Green;

H. R. 1066. An act for the relief of James Leon Keaton;

H. R. 1094. An act for the relief of Nellie M. Clark;

H. R. 1113. An act for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners, doing business under the name and style of Stapleton Lumber & Piling Co.;

H. R. 1164. An act for the relief of the estate of H. M. McCorvey;

H. R. 1176. An act for the relief of Mr. and Mrs. Leroy Hann;

H. R. 1280. An act for the relief of Mrs. Judge E. Estes;

H. R. 1286. An act for the relief of Elizabeth Rowland;

H. R. 1755. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1959. An act for the relief of the county of Allegheny, Pa.;

H. R. 1998. An act to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein;

H. R. 2708. An act for the relief of the legal guardian of Joseph De Souza, Jr.;

H. R. 3856. An act to provide for a Commission on Renovation of the Executive Mansion;

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 311 of the Merchant Marine Act, 1936, as amended; and

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.

EUROPEAN RECOVERY PROGRAM

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1209) to amend the Economic Cooperation Act of 1948, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CONNALLY. Mr. President, I move that the Senate disagree to the amendment of the House; agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CONNALLY, Mr. GEORGE, Mr. THOMAS of Utah, Mr. VANDENBERG, and Mr. WILEY conferees on the part of the Senate.

RECESS

Mr. McKELLAR. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 13, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 12 (legislative day of April 11), 1949:

COAST GUARD

The following-named cadets to be ensigns in the Coast Guard, to rank from the 3d day of June 1949:

William Talmadge Adams II
Ernest Brenton Altekruze
Norman Brown Binns
Charles Lincoln Blaha
Gordon Warner Brockway
George Kenderdine Burkman
Charles Yardley Chittick, Jr.
John Marshall Clark
William Edward Clark
Henry Anthony Cretella
Richard Sargent Dolliver
Jules Berthold DuPeza
William Royde Fearn
John Aberle Flynn
Anthony Francis Fugaro
James Steele Gracey
Robert Walton Hampton
Herbert Maurice Hartlove
Thomas Edward Hawkins
Laurence John Hoch
Collins Stewart Hyers
Nicholas Ivanovsky
Herbert Adolph Johnson
Jack Mgum Jones
Harry Hexamer Keller, Jr.
Charles Earl Larkin, Jr.
David Francis Lauth
Royce Almon Lewis
Gordon Kendall Loftin
Richard John Mayer
Paul Wayne Meyer
Herbert Hyland Mulvany
Lee Charles Nehrt
Irwin Russell Pahl
Harold Arthur Paulsen, Jr.
Richard Thurman Penn, Jr.
Karl Fairbank Peterson
Reginald Winfield Raynor, Jr.

Donald Bruce Russell
George Melville Rynick III
Norman Marshall Sawyer
Robert Schuerch, Jr.
William Sheldon Schwob, Jr.
Robert Curtis Sedwick
Wilfred Hubert Shaw
William Hollis Shaw, Jr.
Frank Lawlor Shelley
Arne Johan Soreng
Kenneth Roger Spreen
William Hart Stewart
Clarence Henry Tannel
Ernest Ray Tindle
Sidney Arthur Wallace
Joseph William Eckley Ward
John Ellsworth Wesler
Neal Earl Williams, Jr.
Albert David Young, Jr.

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 2 to class 1:

Theodore C. Achilles, of the District of Columbia.

John W. Bailey, Jr., of Texas.
Cavendish W. Cannon, of Utah.
Vinton Chapin, of Massachusetts.
Oliver Edmund Clubb, of Minnesota.
William P. Cochran, Jr., of Pennsylvania.
Albert M. Doyle, of Michigan.
Gerald A. Drew, of California.
Homer S. Fox, of Michigan.
Julian C. Greenup, of California.
George J. Haering, of New York.
Raymond A. Hare, of Iowa.
Gerald Keith, of Illinois.
Hervé J. L'Heureux, of New Hampshire.
Frederick B. Lyon, of Michigan.
Lester De Witt Mallory, of California.
Hugh Millard, of Nebraska.
Sheldon T. Mills, of Oregon.
Harold B. Minor, of Kansas.
Jefferson Patterson, of Ohio.
Guy W. Ray, of Alabama.
Robert Lacy Smyth, of California.
Edward J. Sparks, of New York.
Edward T. Wallis, of New York.

John E. Peurifoy, of South Carolina, for reappointment in the Foreign Service as a Foreign Service officer of class 1, a consul general, and a secretary in the diplomatic service of the United States of America, in accordance with the provisions of section 520(a) of the Foreign Service Act of 1946.

The following-named Foreign Service officers for promotion from class 3 to class 2:

Glenn A. Abbey, of Wisconsin.
E. Tomlin Bailey, of New Jersey.
LaVerne Baldwin, of New York.
William H. Beach, of Virginia.
Carl H. Boehringer, of Michigan.
Daniel M. Braddock, of Michigan.
Charles R. Burrows, of Ohio.
A. Bland Calder, of New York.
John Willard Carrigan, of California.
Augustus S. Chase, of Connecticut.
Norris B. Chipman, of the District of Columbia.
Montgomery H. Colladay, of Connecticut.
Henry B. Day, of Connecticut.
Edmund J. Dorsz, of Michigan.
Walter C. Dowling, of Georgia.
Dorsey Gassaway Fisher, of Maryland.
Andrew B. Foster, of Pennsylvania.
Randolph Harrison, of Virginia.
Norris S. Haselton, of New Jersey.
Knowlton V. Hicks, of New York.
Frederick W. Hinke, of New York.
John F. Huddleston, of Ohio.
U. Alexis Johnson, of California.
George Lewis Jones, Jr., of Maryland.
George D. LaMont, of New York.
E. Allan Lightner, Jr., of New Jersey.
Raymond P. Ludden, of Massachusetts.
John J. Macdonald, of Missouri.
Thomas J. Maleady, of Massachusetts.
Edward S. Maney, of Texas.
Paul W. Meyer, of Colorado.
Arthur L. Richards, of California.
Donald W. Smith, of the District of Columbia.

Horace H. Smith, of Ohio.
 William P. Snow, of Maine.
 Philip D. Sprouse, of Tennessee.
 Carl W. Strom, of Iowa.
 Francis H. Styles, of Virginia.
 Clare H. Timberlake, of Michigan.
 Marshall M. Vance, of Ohio.
 Joe D. Walstrom, of Missouri.
 The following-named Foreign Service officers for promotion from class 4 to class 3:
 Charles W. Adair, Jr., of Ohio.
 Barry T. Benson, of Texas.
 Maurice M. Bernbaum, of Illinois.
 Reginald Bragonier, Jr., of Maryland.
 Stephen C. Brown, of Virginia.
 Thomas S. Campen, of North Carolina.
 Carl E. Christopherson, of Iowa.
 Harlan B. Clark, of Ohio.
 Bernard C. Connelly, of Illinois.
 Robert T. Cowan, of Texas.
 Leon L. Cowan, of Texas.
 Earl T. Crain, of Illinois.
 Richard H. Davis, of New York.
 Andrew E. Donovan, 2d, of California.
 Edward A. Dow, Jr., of Nebraska.
 James Espy, of Ohio.
 William E. Flournoy, Jr., of Virginia.
 Richard D. Gatewood, of New York.
 Jule L. Goetzmann, of Illinois.
 Robert F. Hale, of Oregon.
 Landreth M. Harrison, of Minnesota.
 Miss Constance R. Harvey, of New York.
 Richard H. Hawkins, Jr., of Pennsylvania.
 Theodore J. Hohenthal, of California.
 J. Jefferson Jones 3d, of Tennessee.
 Randolph A. Kidder, of Massachusetts.
 Perry Laukhuff, of Ohio.
 Andrew G. Lynch, of New York.
 Edward P. Maffitt, of Missouri.
 Thomas C. Mann, of Texas.
 Roy M. Melbourne, of Virginia.
 John Fremont Melby, of Illinois.
 Miss Kathleen Molesworth, of Texas.
 John Ordway, of the District of Columbia.
 Elim O'Shaughnessy, of New York.
 Maurice Pasquet, of New York.
 Paul H. Pearson, of Iowa.
 Walter Smith, of Illinois.
 David A. Thomasson, of Wisconsin.
 Ray L. Thurston, of Wisconsin.
 John W. Tuthill, of Massachusetts.
 Gerald Warner, of Massachusetts.
 T. Elliot Weil, of New York.
 H. Bartlett Wells, of New Jersey.
 Fraser Wilkins, of Nebraska.
 Kenneth J. Yearns, of the District of Columbia.
 The following-named Foreign Service officers for promotion from class 5 to class 4:
 V. Harwood Blocker, of Texas.
 William C. Burdett, Jr., of Georgia.
 C. Vaughan Ferguson, Jr., of New York.
 Boles C. Hart, Jr., of Connecticut.
 Roger L. Heacock, of California.
 William J. Porter, of Massachusetts.
 Harold Sims, of Tennessee.
 Walter J. Stoessel, Jr., of California.
 George Lybrook West, Jr., of California.
 The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:
 Stewart G. Anderson, of Illinois.
 William Barnes, of Massachusetts.
 W. Wendell Blancké, of Pennsylvania.
 Byron E. Blankinship, of Oregon.
 Findley Burns, Jr., of Maryland.
 Don V. Catlett, of Missouri.
 Ralph N. Clough, of Washington.
 Wymberley DeR. Coerr, of Connecticut.
 Thomas J. Cory, of California.
 William A. Crawford, of Pennsylvania.
 Eugene Desvernine, of New York.
 Thomas P. Dillon, of Missouri.
 Clifton P. English, of Tennessee.
 Thomas S. Estes, of Massachusetts.
 G. McMurtrie Godley, of New York.
 Marshall Green, of Massachusetts.
 Joseph N. Greene, Jr., of Massachusetts.
 James C. Lobenstine, of Connecticut.

Edwin W. Martin, of Ohio.
 Charles Robert Moore, of Washington.
 Carl F. Norden, of New York.
 Julian L. Nugent, Jr., of New Mexico.
 James L. O'Sullivan, of Connecticut.
 Richard M. Service, of California.
 Harold Shullaw, of Illinois.
 Ernest V. Siracusa, of California.
 Joseph S. Sparks, of California.
 Norman C. Stines, Jr., of California.
 Wallace W. Stuart, of Tennessee.
 Richard E. Usher, of Wisconsin.
 Andrew B. Wardlaw, of South Carolina.
 Livingston D. Watrous, of New York.
 William A. Wieland, of New York.
 The following-named Foreign Service officers for promotion from class 6 to class 5:
 Frederic S. Armstrong, Jr., of Massachusetts.
 Oscar V. Armstrong, of North Carolina.
 Taylor G. Belcher, of New York.
 Robert O. Blake, of California.
 Thomas S. Bloodworth, Jr., of Louisiana.
 John W. Bowling, of Oklahoma.
 Robert A. Brand, of Connecticut.
 Clarence T. Breaux, of Louisiana.
 William T. Briggs, of Virginia.
 Lewis D. Brown, of New York.
 Stanley M. Cleveland, of New York.
 Carroll E. Cobb, of Georgia.
 William B. Connett, Jr., of the District of Columbia.
 Edwin D. Crowley, of Virginia.
 Richard H. Donald, of Connecticut.
 Thomas A. Donovan, of North Dakota.
 L. Milner Dunn, of Utah.
 Thomas J. Dunnigan, of Ohio.
 John I. Fishburne, of South Carolina.
 William Dale Fisher, of California.
 T. Andrew Galambos, of New York.
 Arthur L. Gamson, of Arizona.
 Robert B. Hill, of Massachusetts.
 Edward W. Holmes, of Massachusetts.
 William P. Hudson, of North Carolina.
 Elmer C. Hulen, of Kentucky.
 Alfred le S. Jenkins, of Georgia.
 Curtis F. Jones, of Maine.
 Joseph J. Jova, of New York.
 John M. Kavanaugh, of Louisiana.
 William M. Kerrigan, of Ohio.
 Thomas D. Kingsley, of Maryland.
 William R. Laidlaw, of California.
 William C. Lakeland, of New York.
 Edward V. Lindberg, of New York.
 David J. S. Manbey, of California.
 David E. Mark, of New York.
 David K. Marvin, of Nebraska.
 Joseph A. Mendenhall, of Maryland.
 Daniel W. Montenegro, of New York.
 Edward N. McCully, of Texas.
 Vincent T. McKenna, of New York.
 John A. McKesson, 3d, of New York.
 E. Jan Nadelman, of New York.
 Joseph P. Nagoski, of Tennessee.
 James F. O'Connor, Jr., of New York.
 David L. Osborn, of Arkansas.
 Robert Irving Owen, of New Jersey.
 Claiborne Pell, of New York.
 LeRoy F. Percival, Jr., of Connecticut.
 Harry F. Pfeiffer, Jr., of Maryland.
 William Walter Phelps, Jr., of New York.
 James W. Pratt, of California.
 Norman K. Pratt, of Pennsylvania.
 C. Hoyt Price, of Arkansas.
 Edward P. Prince, of Illinois.
 Edwin C. Rendall, of Illinois.
 John F. Root, of Pennsylvania.
 Benjamin J. Ruyle, of Texas.
 Stephen A. Rynas, of New York.
 John Newton Smith, of Kentucky.
 Rufus Z. Smith, of Illinois.
 Clyde W. Snider, of California.
 Wells Stabler, of the District of Columbia.
 Thomas B. Stauffer, of Illinois.
 Charles G. Stefan, of California.
 John L. Stegmaier, of Massachusetts.
 Robin E. Steussy, of Wisconsin.
 Albert W. Stoffel, of New York.
 Robert W. Stookey, of Illinois.
 DeWitt L. Stora, of California.
 John H. Stutesman, Jr., of New Jersey.

William H. Sullivan, of Rhode Island.
 James S. Sutterlin, of Kentucky.
 Miss Mary Vance Trent, of the District of Columbia.
 Thomas T. Turner, of Oregon.
 Norman E. Warner, of Iowa.
 Herbert S. West, of California.
 Jackson W. Wilson, of Texas.
 Stanley B. Wolff, of New York.
 Sam L. Yates, Jr., of Michigan.
 Robert L. Yost, of California.
 Harry R. Zerbel, of Colorado.

IN THE NAVY

The following named midshipmen (aviation) to be ensigns in the Navy from the 3d day of June 1949:

Robert J. Artz	Richard H. Parsons
Albert T. Barr, Jr.	James McC. Patton, Jr.
William T. Barron	Lewis H. Petersen
Shelby D. Bass, Jr.	Robert G. Poage
Robert "D" Bell	James H. Pressley, Jr.
Otto C. Bender	David G. Prior
Robert E. Bennett	James C. Rahman
Paul J. Bergdahl	Jay V. Richmond
William H. Birk	Harold A. Riedl
Raymond A. Blank	William M. Rewey
Gaspere R. Bonsig-nore	Sam Rosenfeld
Warren R. Brown	Joseph V. Rossi
David O. Brunius	Franklin R. Ruelke
Gene W. Carnahan	David Rust
William Clifford	Edward H. Schopp
Donald C. Cole	Burton H. Shepherd
William A. Daniel	Martin J. Signorelli, Jr.
Chann Ellberg	Wayne O. Smith
Jack E. Everling	Harrison B. Southworth
Robert C. Gill	Robert G. Stammerjohn
Hollis O'N. Hall	David F. Tatum
Bob N. Hancock	Benjamin W. Taylor
John B. Hawkins, Jr.	Horace H. Taylor
Thomas L. Hogan	Harold L. Terry
Robert C. Jacobson	Harry E. Thomas
Robert "J" W. Klimetz	Edward J. Tomko
Philip E. Lucas	Stanley VanLiere
Robert C. McColloch	Curtis D. Vipond
James A. McIntyre	James M. Weaver
Thaluis J. Markham, Jr.	Henry T. White, Jr.
Frederick C. Marshall	James D. Whyte
Edwin L. Myers, Jr.	Victor H. Wiegand
Delis Negron	James E. Williams
Lawrence D. Nicholls, Jr.	James H. Wilson
Robert D. Norman	William O. Wirt, Jr.
Lowery W. Norris	George A. Woodward
Charles C. O'Reilly, Jr.	William F. Wroth
Joseph B. Parse, Jr.	John Zvara

The following named (Naval ROTC) to be ensigns in the Navy from the 3d day of June 1949:

Winston T. Bachmann	James R. Roney
David A. Berry	Richard E. Sander
John C. Holz	Robert N. Summers
Francis J. Long	Peter Q. Waterloo
Donald W. McCracken	Ralph A. Webb, Jr.
Joseph R. Morgan	Donald A. Weiss
Harry J. Nelson, Jr.	Robert C. White
Robert D. Provost, Jr.	John R. Zech

The following named (Naval R. O. T. C.) to be ensigns in the Supply Corps of the Navy from the 3d day of June 1949:

Julius E. Morris	
Howard W. Whitaker	

The following named (Naval R. O. T. C.) to be ensigns in the Civil Engineer Corps of the Navy from the 3d day of June 1949:

Ralph R. Barnard	John G. Morgan
Reinhold M. Hendricks	Richard H. Schreiber

The following named (civilian college graduates) to be ensigns in the Navy from the 3d day of June 1949:

Richard B. Doyle	John H. Lurz, Jr.
Michael S. Gaffney	Richard C. Messerschmitt
Marvin D. Hester	Leonard J. Owen
Richard S. Hoover	Gordon E. Raymer
John H. Keane	
Louis E. Kollar	

Lucian L. Smith, Jr. (civilian college graduate), to be an ensign in the Navy from

the 3d day of June 1949, in lieu of ensign in the Navy as previously nominated and confirmed, to correct date of rank.

The following named (civilian college graduates) to be lieutenants (junior grade) in the Medical Corps of the Navy:

Harry C. Alfred	Henry L. Hook
Paul G. Bamberg	Jerome Imburg
Robert K. Barton	James L. Keating
Charles H. F. Beach	Raymond J. Lefler
Jules H. Bogaev	Edward L. Mahon, Jr.
Wayne C. Brady	Joseph J. Maioriello
Frank M. Bryan	Robert R. Martelle
Richard S. Clover, Jr.	Francis P. Nash
Bernard H. Cobetto	Frank Ostapowicz
Ward Cooper, Jr.	Charles O. Parker, Jr.
Keith M. Coverdale	Leonard J. Raider
Benjamin L. Crue, Jr.	William R. Rundles
Robert P. Do'vie, Jr.	Edward J. Rupnik
Paul D. Doolan	Jack L. Smith
Duwayne D. Gadd	William L. Thomas
George E. Gardner	John W. Troy
Frederick W. George	Robert G. Trout
III	Donald O. Ward
John H. Heald	

The following named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Joseph J. Carroll
Louis F. Parkers.

The following named to be ensigns in the Nurse Corps of the Navy:

Ella M. Anderson	Jean E. Linsacum
Muriel A. Bennett	Roseann Lydon
Dorothy M. Culbertson	Sally Munyer
Lillian M. Deavers	Mildred L. Punch
Barbara A. Fredette	Ann M. Rigby
Helen E. Jarvi	Lucille M. Schill
Marie J. Keiss	Nadean M. Swoboda
Patricia A. Lee	Doris M. Wallace

The following named officer to the grade indicated in the line of the Navy:

LIEUTENANT COMMANDER

Bernard Frankel

The following named officers to the grades indicated in the Medical Corps of the Navy:

LIEUTENANT COMMANDER

Joseph C. Pinto

LIEUTENANTS (JUNIOR GRADE)

James M. Cole	Paul H. Pennypacker
Wallace C. Ellerbroek	Lyle H. Prenzier
Charles W. Lewis, Jr.	

The following named officer to the grade indicated in the Chaplain Corps of the Navy:

LIEUTENANT

Robert E. Elliott

The following named officers to the grades indicated in the Medical Service Corps of the Navy:

LIEUTENANTS

Howard A. Barrett	William G. McGehee
Floyd H. Belknap	Paul M. McReynolds
Leslie E. Bond	Glenn E. Malby
William A. Breathwit	Howard H. Mayville
Herman H. Burton	Jack F. Moore
Armond P. Chartier	Frank P. Pfirrmann
Joseph P. Duane	George A. Rustad
Leo J. Elsasser	Ernest Sanders
Charles K. Garverick	Ancil B. Smith
Robert H. Getts	Whitner W. Smith
William B. Gilmore	John P. Soitysiak
Cecil R. Harvey	Fred E. Stewart
Joseph E. Herman	Clarence B. Stuart
Elma T. Jarrett	Andrew A. Taylor
Kenneth L. Johnson	Herman B. Tidwell
Allen W. Kenney	Russell G. Vliet
Henry Kibsgaard	Francis L. Westbrook
Ira V. King	Louie K. Witcowski
Leo M. Lay	Lee A. Young
Shelley "L" Lewis	

LIEUTENANTS (JUNIOR GRADE)

Albert L. Andersen	Thomas A. Boyd, Jr.
William F. Anderson	Bernard N. Bricks
Paul B. Bennett	Frank A. Bruce
Ray Bohannon	Robert L. Cannon, Jr.

Jack A. Chapdelaine	Guy H. Morgan
Melvin A. Comstock	Russell S. Nance
Harold G. Donovan	James H. Parker
Clinton H. Dutcher	Walter K. Patton
Cary O. Edge	Fred E. Phillippi
Ernest N. Grover	Byron C. Raybourn
Arthur E. Johnson	Kenneth V. Rice
Leslie H. Joslin	Richard C. Richardson, Jr.
Wolfgang E. Klostermann	Arthur L. Rogers
James T. McDonald	Joe W. Russell
Jr.	Milfred E. Sims
Emanuel Mendrala	Robert L. Smith
Thomas J. Miles	Stewart P. Tipton
Lloyd W. Miller	Chester D. Worthen

The following named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

Sara J. Burris	Louise M. Novak
Gloria V. D'Auria	Ruth B. VanWinkle
Marjorie A. Kane	

Robert N. McKinney to be a lieutenant (junior grade) in the Navy, for limited duty only, classification Hull, in lieu of ensign in the Navy, for limited duty only, classification Hull, as previously nominated and confirmed, to correct rank.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 12, 1949

The House met at 11 o'clock a. m.
The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou eternal Christ of God, in the hush before the cross we wait for Thee; O lay the compulsions of Thy love and forgiveness on our souls.

In this, the Passion Week of our Lord, we would walk with the Master, hear His teachings, heed His entreaties, confess Him and follow Him until daybreak in the garden.

O put into our breasts the meaning of Thy divine self-abnegation; let us constantly seek to be filled with Thy spirit, using our knowledge and influence to soften the sorrows of our fellow men. We would not falter, but go forward with brave and quiet hearts, with the cross of Jesus going on before. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 220. An act to amend section 3 of the act entitled "An act to revise the Alaska game law," approved July 1, 1943, as amended (57 Stat. 301);

H. R. 555. An act conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.;

H. R. 572. An act for the relief of Sylvia M. Missetich;

H. R. 576. An act for the relief of Arthur G. Robinson;

H. R. 581. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render

judgment upon the claim, or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska;

H. R. 591. An act for the relief of Mrs. Lucille Davidson;

H. R. 592. An act for the relief of James W. Keith;

H. R. 618. An act for the relief of Eugene J. Bearman;

H. R. 659. An act for the relief of Mrs. Elizabeth B. Murphy;

H. R. 729. An act for the relief of John J. O'Neill;

H. R. 739. An act for the relief of Mary Jane Harris;

H. R. 745. An act for the relief of B. John Hanson;

H. R. 1036. An act for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen;

H. R. 1043. An act for the relief of Mrs. Wesley Berk (formerly Mrs. Ruth Cameron);

H. R. 1061. An act for the relief of Bernice Green;

H. R. 1066. An act for the relief of James Leon Keaton;

H. R. 1094. An act for the relief of Nellie M. Clark;

H. R. 1113. An act for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners doing business under the name and style of Stapleton Lumber & Piling Co.;

H. R. 1164. An act for the relief of the estate of H. M. McCorvey;

H. R. 1176. An act for the relief of Mr. and Mrs. Leroy Hann;

H. R. 1280. An act for the relief of Mrs. Judge E. Estes;

H. R. 1286. An act for the relief of Elizabeth Rowland;

H. R. 1755. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1959. An act for the relief of the county of Allegheny, Pa.;

H. R. 1998. An act to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein;

H. R. 2708. An act for the relief of the legal guardian of Joseph DeSouza, Jr.;

H. R. 3856. An act to provide for a Commission on Renovation of the Executive Mansion;

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended; and

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.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 164. An act authorizing the Secretary of the Interior to convey certain lands to the Churntown elementary-school district, California;

H. R. 594. An act for the relief of Mamie L. Hurley;

H. R. 595. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of Harry W. Sharpley, his heirs, administrators, or assigns, against the United States;

H. R. 652. An act for the relief of Laura Spinnichia;

H. R. 779. An act to amend the Federal Tort Claims Act to increase the time within which claims under such act may be presented to

Federal agencies or prosecuted in the United States district courts;

H. R. 1169. An act for the relief of Mrs. Marion T. Schwartz;

H. R. 1271. An act for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co.;

H. R. 1401. An act relating to the disposition of certain recreational demonstration project lands by the State of Michigan to the Mount Hope Cemetery Association of Waterloo, Mich.;

H. R. 1501. An act for the relief of the legal guardian of Rose Mary Ammirato, a minor;

H. R. 1741. An act to authorize the establishment of a joint long-range proving ground for guided missiles, and for other purposes; and

H. J. Res. 160. Joint resolution to authorize completion of the processing of the visa cases, and admission into the United States, of certain alien fiancés and fiancées of members, or of former members, of the armed forces of the United States, as was provided in the so-called GI Fiancées Act (60 Stat. 339), as amended.

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

S. 42. An act for the relief of Ellen Hudson, as administratrix of the estate of Walter R. Hudson;

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States;

S. 146. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones and others;

S. 147. An act for the relief of H. Lawrence Hull;

S. 189. An act conferring jurisdiction upon the United States District Court for the District of Nebraska to hear, determine, and render judgment upon the claim of Mrs. Florence Benolken;

S. 213. An act to provide benefits for members of the reserve components of the armed forces who suffer disability or death from injuries incurred while engaged in active-duty training for periods of less than 30 days or while engaged in inactive-duty training;

S. 227. An act for the relief of Stone & Cooper Coal Co., Inc.;

S. 257. An act to amend the Interstate Commerce Act, as amended, so as to provide limitations on the time within which actions may be brought for the recovery of undercharges and overcharges by or against common carriers by motor vehicles, common carriers by water, and freight forwarders;

S. 270. An act to change the name of Culbertson Dam on the Republican River in the State of Nebraska to "Trenton Dam" and to name the body of water arising behind such dam "Swanson Lake";

S. 277. An act to enhance further the security of the United States by preventing disclosures of information concerning the cryptographic systems and the communication intelligence activities of the United States;

S. 326. An act to amend the War Claims Act of 1948;

S. 392. An act authorizing the issuance of a patent in fee to Thomas A. Pickett;

S. 408. An act for the relief of the estate of William E. O'Brien;

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands;

S. 566. An act to fix the salaries of certain justices and judges of the Territory of Hawaii;

S. 576. An act to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah;

S. 635. An act to increase the fees of witnesses in the United States courts and before United States commissioners, and for other purposes;

S. 646. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion;

S. 647. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary;

S. 676. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion;

S. 683. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments;

S. 690. An act to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes;

S. 716. An act authorizing the Secretary of the Interior to sell the land of George Peters under existing regulations;

S. 729. An act to amend the Trading With the Enemy Act so as to extend the time within which claims may be filed for return of any property or interest acquired by the United States on or after December 18, 1941;

S. 755. An act to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.;

S. 796. An act to establish the grade of General of the Air Force, and for other purposes;

S. 851. An act to promote the settlement and development of the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes;

S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes;

S. 948. An act for the relief of Mickey Baine;

S. 969. An act to transfer the Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif.;

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors;

S. 1043. An act to amend section 1705 of title 18 of the United States Code;

S. 1122. An act relating to children born out of wedlock;

S. 1123. An act to amend section 1537 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, as amended, so as to provide for services of process on agents of a nonresident individual, partnership, association, group, organization, or foreign corporation, conducting a business in the District of Columbia;

S. 1125. An act to amend section 16-415 of the Code of Laws of the District of Columbia, to provide for the enforcement of court orders for the payment of temporary and permanent maintenance in the same manner as directed to enforce orders for permanent alimony;

S. 1127. An act to amend sections 130 and 131 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, relating to the notice to be given upon a petition for probate of a will, and to the probate of such will;

S. 1129. An act to amend section 16-416 of the Code of Laws of the District of Columbia, to conform to the nomenclature and practice prescribed by the Federal Rules of Civil Procedure;

S. 1130. An act to amend sections 356 and 365 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to increase the maxi-

mum sum allowable by the court out of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from \$600 to \$1,000;

S. 1131. An act to amend sections 260, 267, 309, 315, 348, 350, and 361 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to provide that estates of decedents being administered within the probate court may be settled at the election of the personal representative of the decedent in that court 6 months after his qualification as such personal representative;

S. 1132. An act to amend section 137 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, relating to the time within which a caveat may be filed to a will after the will has been probated;

S. 1133. An act to amend section 16-418 of the Code of Laws of the District of Columbia, to provide that an attorney be appointed by the court to defend all uncontested annulment cases;

S. 1134. An act to amend section 13-108 of the Code of Laws of the District of Columbia to provide for constructive service by publication in annulment actions;

S. 1135. An act to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to provide a family allowance and a simplified procedure in the settlement of small estates;

S. 1136. An act to amend the Canal Zone Code, and for other purposes;

S. 1137. An act to revise and codify the laws of the Canal Zone regarding the administration of estates, and for other purposes;

S. 1168. An act to amend section 2680 of title 28, United States Code;

S. 1181. An act to authorize the appointment of officers on the active list of the Philippine Scouts in the Regular Army, and for other purposes;

S. 1185. An act to provide that all employees of the Veterans' Canteen Service shall be paid from funds of the Service, and for other purposes;

S. 1270. An act to repeal that part of section 3 of the act of June 24, 1926 (44 Stat. 767), as amended, and that part of section 13a of the act of June 3, 1916, (39 Stat. 166), as amended, relating to the percentage, in time of peace, of enlisted personnel employed in aviation tactical units of the Navy, Marine Corps, and Air Corps, and for other purposes;

S. J. Res. 18. Joint resolution for the relief of the First-Citizens Bank & Trust Co., administrator of the estate of C. A. Ragland, Sr.;

S. J. Res. 32. Joint resolution to authorize the cancellation and release of an agreement dated December 31, 1923, entered into between the Port of Seattle and the United States of America, represented by the United States Shipping Board acting through the United States Shipping Board Emergency Fleet Corporation;

S. J. Res. 53. Joint resolution to provide for the reforestation and revegetation of the forest and range lands of the national forests, and for other purposes;

S. Con. Res. 23. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 24. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 25. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 27. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 28. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. J. Res. 42) entitled "Joint resolution granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Texas, Mr. O'CONOR, and Mr. BREWSTER to be the conferees on the part of the Senate.

ALASKA HOUSING ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 851) to promote the settlement and development of the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes, for its immediate consideration. This bill is similar to House bill H. R. 3615, which was reported unanimously by the House Committee on Banking and Currency.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I do it just for the purpose of having the gentleman from Kentucky explain the bill.

Mr. SPENCE. This is the Alaska housing bill. It was unanimously reported by the Committee on Banking and Currency. It raises the dollar ceiling on mortgage loans in Alaska, because of the increased cost. It furnishes a secondary market for the securities and provides for direct loans where equity capital is not available. The building season in Alaska is very short, and it is very necessary that the bill be passed at this time in order that this season may produce housing. I think it is a very excellent thing to see that our last frontier, our furthest outpost of democracy, should be an exhibit to which we may point with pride, and that its prosperity and the happiness of its people may be observed from Russia across the straits. This should furnish an added interest in the enactment of this bill.

Mr. MARTIN of Massachusetts. This is a unanimous report of the gentleman's committee, and it has also passed the Senate?

Mr. SPENCE. Yes. A similar bill was passed by the Senate which we are now considering.

Mr. MARTIN of Massachusetts. I agree that we ought to pass the bill. I withdraw my reservation of objection, Mr. Speaker.

Mr. RICH. Mr. Speaker, further reserving the right to object, did the gentleman say there was a unanimous report by his committee?

Mr. SPENCE. Yes; it was unanimously reported by the committee. There was not even a roll call; it was reported without a roll call and without objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Alaska Housing Act."

SEC. 2. (a) Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof a new section reading as follows:

"SEC. 214. If the Federal Housing Commissioner finds that, because of higher costs prevailing in the Territory of Alaska, it is not feasible to construct dwellings on property located in Alaska without sacrifice of sound standards of construction, design, or livability, within the limitations as to maximum mortgage amounts provided in this act, the Commissioner may, by regulations or otherwise, prescribe, with respect to dollar amount, a higher maximum for the principal obligation of mortgages insured under this act covering property located in Alaska, in such amounts as he shall find necessary to compensate for such higher costs but not to exceed, in any event, the maximum otherwise applicable by more than one-third thereof. No mortgage with respect to a project or property in Alaska shall be accepted for insurance under this act unless the Commissioner finds that the project or property is an acceptable risk, giving consideration to the acute housing shortage in Alaska: *Provided*, That any such mortgage may be insured or accepted for insurance without regard to any requirement in any other section of this act that the Commissioner find the project or property to be economically sound or an acceptable risk. Notwithstanding any of the provisions of this act or any other law, the Alaska Housing Authority shall be eligible as mortgagor or mortgagee, as the case may be, for any of the purposes of mortgage insurance under the provisions of this act. Upon application by the mortgagee, where the Alaska Housing Authority is the mortgagor or mortgagee, for the insurance of a mortgage under any provisions of this act, the Commissioner is authorized to insure the mortgage (including advances thereon where otherwise authorized), and to make commitments for the insuring of any such mortgages prior to the date of their execution or disbursement thereon, under such provisions (and this section) without regard to any requirement that the mortgagor shall be the owner and occupant of the property or shall have paid a prescribed amount on account of such property."

(b) The powers of the Federal National Mortgage Association, and of any other Federal corporation or other Federal agency heretofore or hereafter established, to make real-estate loans, or to purchase, service, or sell any mortgages, or partial interests therein, may be utilized in connection with properties or projects in Alaska designed principally for residential use; and, notwithstanding any of the provisions of section 301 of the National Housing Act, as heretofore or hereafter amended, or of any other law unless enacted expressly in limitation hereof, any mortgage loans, or partial interests therein, may be offered to the Federal National Mortgage Association for purchase, and the Association shall be authorized to make real-estate loans, including advances thereon during construction, if such loans or advances are secured by property located in Alaska and insured under any of the provisions of the National Housing Act, as amended.

SEC. 3. (a) In order to relieve the particularly severe impact of the housing shortage in Alaska, the legislature of that Territory may authorize the Alaska Housing Au-

thority, in addition to the housing projects undertaken pursuant to the provisions of the act of July 21, 1941 (55 Stat. 601; 48 U. S. C., secs. 481-483), as amended, also to undertake other projects for the construction and sale or rental of dwelling accommodations for inhabitants of the Territory, and to make loans for such projects to public agencies, or private nonprofit or limited dividend corporations, or private corporations which are regulated or restricted by the Authority (until the termination of all loan obligations to it) as to rents or sales, charges, capital structure, rate of return, and methods of operation to such an extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment, and the legislature of that Territory may authorize said Authority to make character loans to individuals or cooperatives for the improvement, conversion, or construction of dwellings in remote areas to be occupied by such individuals or members of such cooperatives where the loan does not exceed \$500 per dwelling, and any powers of said Authority, including but not limited to powers of eminent domain and issuance of bonds and obligations, with respect to projects undertaken pursuant to the provisions of said act of July 21, 1941, may be made available with respect to projects undertaken pursuant to the authorization provided in this section: *Provided*, That the authorization provided in this section shall be limited to projects where adequate financing on reasonable terms and conditions, or entrepreneurial sponsorship, or both, as the case may be, is not otherwise available: *And provided further*, That any projects constructed and owned by such Authority pursuant to the authorization provided in this section shall be sold for cash or on reasonable terms and giving consideration to full market value, as promptly as may be advantageous under the circumstances and in the public interest: *And provided further*, That such Authority shall exercise its powers under this section to encourage and assist the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life, and the development of well planned residential neighborhoods. Any law enacted by the legislature of the Territory of Alaska which, except for its enactment prior to the enactment of this act, would be authorized under this section, is hereby authorized, approved, and validated.

(b) To obtain funds for the purpose of undertaking and administering projects or of making loans pursuant to any authority conferred by the legislature of the Territory of Alaska under subsection (a) of this section, the Alaska Housing Authority may, on and after the effective date of this act, issue and have outstanding at any one time notes or other obligations for purchase by the Housing and Home Finance Administrator in an amount not to exceed \$15,000,000 and the Housing and Home Finance Administrator is hereby authorized to purchase such notes or other obligations to the extent that funds are available therefor: *Provided*, That such notes and other obligations issued and outstanding for the purpose of making character loans to individuals or cooperatives shall not exceed \$1,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities not exceeding 40 years, and shall be purchased under such general terms and conditions as may be prescribed by the Housing and Home Finance Administrator. Such notes and other obligations shall bear interest at a rate determined by the Housing and Home Finance Administrator, with the approval of the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States

as of the last day of the month preceding the issuance of such notes or other obligations.

(c) The Alaska Housing Authority shall make an annual report to the Governor of Alaska on all of the activities of the Authority, for each fiscal year ending June 30, for transmission with his comments and recommendations to the Housing and Home Finance Administrator.

(d) There is hereby authorized to be appropriated to the Housing and Home Finance Administrator, out of any money in the Treasury not otherwise appropriated, not to exceed \$15,000,000 for the purposes of this section. Funds made available to the Administrator pursuant to the provisions of this section shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this section shall be available for any of the purposes of this section. In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator, notwithstanding the provisions of any other law, shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of loans or advances of funds and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

SEC. 4. The Housing and Home Finance Agency is authorized to provide technical advice and information and otherwise to cooperate to the full extent authorized by law to assist the Alaska Housing Authority in the program to relieve the severe shortage of housing in the Territory.

SEC. 5. Notwithstanding the provisions of sections 4 and 301 of 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, with respect to the disposition of housing of a permanent character, any such housing in Alaska under the jurisdiction of the Housing and Home Finance Administrator which has been reserved (in whole or in part), prior to the enactment of this act, for employees of an agency of the Federal Government may be retained by him for employees of that agency for such time as he determines such action necessary to provide adequate housing accommodations for them in the area.

SEC. 6. Any executive department or agency of the Federal Government is hereby authorized to sell, transfer, and convey to the Alaska Housing Authority at fair value (as determined by such department or agency), for use under this act, all or any right, title, and interest in any real or personal property under the jurisdiction of such department or agency which it determines to be in excess of its own requirements, notwithstanding any limitations or requirements of law with respect to the use or disposition of such property: *Provided*, That the authority conferred by this section shall be in addition to and not in derogation of any other powers and authorities of such department or agency.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. R. 3615 was laid on the table.

HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INTERSTATE COMPACT RELATING TO THE BETTER UTILIZATION OF THE FISHERIES OF THE GULF COAST

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries—marine, shell, and anadromous—of the Gulf coast and creating the Gulf States Marine Fisheries Commission, with a House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BLAND, THOMPSON, WICKERSHAM, WEICHEL, and TOLLEFSON.

THE LATE FRANKLIN D. ROOSEVELT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record on the occasion of the fourth anniversary of the death of our late beloved President, Franklin D. Roosevelt.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, four years ago today this Nation was overcast with an awesome pall of gloom and grief.

A whole people—indeed, a whole world—then engaged in a titanic struggle for liberty, experienced a sense of shock and amazement at the stunning news of the death of Franklin Delano Roosevelt.

At the very moment of his death, there was prevalent a feeling of growing confidence that this Nation and its gallant allies were well on the way toward triumph over the forces of totalitarian evil.

That confidence was inspired by the knowledge and realization that our President was the principal architect of certain victory, and that the genius of his leadership would inevitably achieve it.

Nevertheless, with that certain victory within grasp, the messenger of death struck swiftly, and, in God's inscrutable wisdom, Franklin Delano Roosevelt was swept from this earth to the judgment Father.

It is futile, I suppose, to speculate upon how the course of world history would have developed if he had been spared to us.

Those who had the high privilege of working with him are consoled by the thought that his ideals and principles are still the guiding norms of our national

and international objectives. It is but human to regret that he was denied the opportunity of devoting to the winning of the peace the same prodigious talents which insured the successful prosecution of the war.

As a peacetime President, Franklin Delano Roosevelt stood forth as a symbol of human freedom and individual dignity. Imbued with a philosophy of sound and logical humanitarianism, he was fortunately elevated, by the will of our people, to the highest office through which he could give practical application to that philosophy in the processes of government.

As a result, his administrations were both the occasion and the cause of a social progress founded on the theory that government is the servant, and not the master, of the people, and that the primary function of man on earth is to be brother to his fellow man, to render justice to all of our people.

While such ideas and theories were not in any sense novel, the manner of their utilization in the administration of Federal Government under Franklin Delano Roosevelt was distinctly unique. More than any other man in our history, he realized that the commerce and general welfare clauses of our Constitution were something more than dry, legal formulas and he had the courage to demand legislation which would effectuate their spirit for the social and economic betterment of our people.

He had but one overriding passion.

That was love of his fellow men—particularly the poor, the suffering, the aged, the underprivileged, and the exploited.

He had but one great ideal.

That was social justice. It was a virtue to which he gave outward expression through warm friendliness and sympathetic concern for all of the problems of those whom he was called upon to serve. A good neighbor himself, he sought to make the brotherly spirit of good neighborliness an implement of national policy.

He had but one buoyant hope.

That was the unity of our strong and friendly land with democratic nations throughout the world for the sole purpose of achieving international amity so that men everywhere might dwell secure in peace and brotherhood.

On this fourth anniversary of his death, the passions, the ideals, and the hopes of Franklin Delano Roosevelt remain with us as fervent aspirations.

With reliance on the faith with which he believed in them, we shall, with God's help, attain them.

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Record in two instances and include extraneous matter.

Mr. CLEVELAND asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. SHAFER asked and was given permission to extend his remarks in the Record.

Mr. H. CARL ANDERSEN asked and was given permission to extend his remarks in the RECORD.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include an article on the Panama Canal.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article from the Washington Evening Star.

Mr. RODINO asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include certain statements and excerpts.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. BARRETT of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GOLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a concurrent resolution passed by the Legislature of Kentucky asking the Congress to pass legislation to supplement the tax loss because the Federal Government has taken so much land from my State.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Chicago Tribune.

LET'S REPEAL THE TAFT-HARTLEY ACT

Mr. YOUNG. 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 Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, in the House of Representatives we have gone a long way since January 3, 1949, under a great Democratic leadership. The noteworthy achievements of the House of Representatives of this Congress up to this good hour have been a matter of favorable comment by columnists and others.

We have worked hard in debating pending legislative proposals. We have sent to the other body numerous measures upon which we have acted favorably. Unfortunately, due to a coalition in that body between reactionary Republicans from the North and some southern Democrats, a temporary bottleneck developed there, and in legislative accomplishments and achievements we have, to date, far surpassed that body. Extraordinary efforts are now being undertaken in that body to pass on legislation we have been sending over to it. Therefore there is every reason for liberal, progressive, forward-looking people of this Nation to have hope and confidence that this Eighty-first Congress will make a noteworthy record for the progress and welfare of the American people and the peace of the world. Those

voices of reaction that have been critical of this Congress soon will be squealing like stuck pigs that we have done too much.

Mr. Speaker, now that important appropriation measures, reciprocal trade agreement continuation, and rent control extension, ECA authorization, and other legislation of great importance for the welfare of our Nation will have been acted upon and favorably by the last of this week, I take the floor today to express hope that the Democratic leadership of this House later this month will bring before us legislation to repeal the Taft-Hartley Act. I propose to vote for repeal of the Taft-Hartley law and restore the Wagner Act plus pending amendments proposed by our Democratic leadership.

COMMITTEE ON VETERANS' AFFAIRS

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. What bill are we going to take up tomorrow morning?

Mr. MCCORMACK. After the consideration of the ECA bill is completed, the armed services appropriation bill is in order, and after that the independent offices appropriation bill.

Mr. RANKIN. How much general debate will there be on the armed services appropriation bill?

Mr. MCCORMACK. I am unable to state, but from information I have received I think they are trying to agree on 3 hours.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs may sit tomorrow during the session of the House during the general debate.

Mr. MCCORMACK. There may be some general debate today, I may say to the gentleman.

Mr. RANKIN. I know, but if there is an hour or two of general debate in the morning we can sit then.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. NORTON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be permitted to sit during the session of the House tomorrow morning during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently 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. 74]

Allen, La.	Jones, Ala.	Rains
Baring	Kean	Reed, Ill.
Buckley, N. Y.	Kearney	Regan
Bulwinkle	Kirwan	Sabath
Celler	Lane	Simpson, Pa.
Dingell	Larade	Smith, Ohio
Eberharter	Lyle	Smith, Va.
Elliott	Lynch	Teague
Elston	McSweeney	Thomas, N. J.
Fernandez	Morrison	Walsh
Fulton	Morton	Wardel
Gamble	Murphy	Whitaker
Gilmer	Norrell	White, Idaho
Hall	Passman	Withrow
Leonard W.	Poulson	

The SPEAKER. On this roll call, 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INVESTIGATION OF CERTAIN ECONOMIC PROBLEMS

Mr. DELANEY, from the Committee on Rules, reported the following privileged resolution (H. Con. Res. 54, Rept. No. 426), which was referred to the House Calendar and ordered to be printed:

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on the Economic Report, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation into the following problems of the economy:

(1) The problem of investment, including, but not limited to, (A) the role of investment institutions in the investment markets, in industry, and in the economy generally; (B) changes in sources of investment funds and the reason therefor; (C) availability and character of investment funds for national, local, and independent enterprise and the effect of such investment or lack of investment upon different classes or size groups in industry; (D) and needs, by industry, for various types of capital.

(2) The problem of the effectiveness and coordination of monetary, credit, and fiscal policies in dealing with general economic policy.

(3) The problem of low-income families in relation to economic instability.

(4) The problem of unemployment trends and their significance in current economic analysis.

SEC. 2. The joint committee shall report to the Senate and the House of Representatives not later than December 31, 1949, the results of its study and investigation, together with such recommendations as it may deem advisable.

SEC. 3. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized (1) to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties; and (2) to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress prior to January 1, 1950; to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting hearings shall not be in excess of 25 cents per one hundred words. Subpenas shall be issued

under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

Sec. 4. The expenses of the joint committee under this resolution, which shall not exceed \$30,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

EXTENSION OF EUROPEAN RECOVERY PROGRAM

Mr. KEE. 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. 3748) to amend the Economic Cooperation Act of 1948.

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. 3748, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, April 11, the Clerk had read through section 8 of the bill. Are there any amendments to section 8?

Mr. SMITH of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Wisconsin: On page 8, lines 11 and 13; on line 11, strike out the figure "\$1,100,000,000" and insert the figure "\$1,000,000,000"; and on line 13, strike out the figure "\$4,280,000,000", and insert the figure "\$4,900,000,000."

Mr. SMITH of Wisconsin. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. KEE. Mr. Chairman, I am constrained to object.

Mr. SMITH of Wisconsin. Mr. Chairman, I am very sorry that the chairman of my committee has objected to my having five additional minutes to speak on this important matter.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. CANFIELD. As one who is supporting this program to the fullest, I, too, am very sorry that the chairman of the committee has taken that position today, and I wonder if he will not change his attitude thereon.

Mr. KEE. Mr. Chairman, I do not want to change my attitude. We are endeavoring to get this bill through. There are two other bills following this before the Easter vacations. We want to finish this bill this afternoon, if possible, and as soon as possible.

Mr. SMITH of Wisconsin. Mr. Chairman, I can hardly present my argument for this reduction in 5 minutes.

However, I want to bring you up to date on just what the situation is. This bill reached the committee under H. R.

2362, and called for an amount of \$5,580,000,000. When the committee finished marking up the bill, we had reduced it \$200,000,000. My amendment calls for a reduction of \$380,000,000, which, when you take into consideration the \$200,000,000 cut in committee, the gross cut would then amount to \$580,000,000. At the outset I want to say that I am supporting this program and that this cut will in no way impair the efficiency of the program.

Now, I want to bring you right down to the point that I am trying to make, which is this: That we have heard a great deal about the efficiency of the program and of the remarkable recovery that has been achieved in Europe. With that I agree. Paul Hoffman says in his report, a report on the recovery progress and United States aid, on page 1:

Today there is a record to stand on, a record of achievement both for the Europeans and for the American people. It is by this record that the request for further funds should be adjudged.

I accept that as a premise for my argument to justify this cut.

Mr. Hoffman's own report indicates that, as far as actual shipments are concerned, as of January 31, 1949, \$2,300,000,000 worth of goods had been shipped. To bring you right down to date, as of March 31, 1949, just 2 weeks ago, the amount of goods shipped aggregated only \$3,800,000,000. We have had all this recovery, if you please, this fine showing with expenditures up until the 1st of March of \$3,800,000,000. It seems to me that with \$1,200,000,000 still in the till—and I say "in the till" because I am talking about the shipment of goods—that we could well afford to go along for the balance of this quarter even without appropriating one dollar; but this bill, even under my amendment, would still leave a billion dollars to be expended for the shipment of goods. How can we justify the appropriation of this large amount for the final quarter, justify it to the taxpayers of this country, when on the face of the record, their own record, if you please, they have made a remarkable showing by spending \$3,800,000,000? Do you believe that this small cut I am asking, a cut of \$380,000,000, is going to impair the program? It does not seem that way to me; and, certainly, we must face the facts. Today we are in a recession. Will you agree to that? We cannot go to our people any more in the face of Mr. Hoffman's own record and say that we need \$5,580,000,000; so I ask you to consider this cut that I am proposing, a cut of \$100,000,000 in the payments for the last quarter, and \$280,000,000 for the fiscal year 1950. This is an amount which we ought not to leave for the sole consideration of the Committee on Appropriations. Some have come to me and asked, "Why not leave this matter of the cut to the Committee on Appropriations?" My answer is, Let us face our own responsibility in this Committee.

Mr. Chairman, the first consideration in this legislation is the financial position of the United States. That is the law.

So let us take a brief look at our situation:

The President's budget calls for.....	\$41,800,000,000
Estimated receipts (liberal).....	41,000,000,000
This leaves a deficit of.....	800,000,000
Total foreign aid.....	6,700,000,000
Military expense.....	15,800,000,000
Arming of Europe.....	2,000,000,000
Total.....	25,300,000,000
Increased taxes.....	4,000,000,000
Total.....	21,300,000,000
Social-security program.....	(?)
Normal cost of Government.....	(?)
Veterans' Administration.....	(?)
Housing.....	(?)
Federal aid to education.....	(?)
Farm-subsidy program.....	(?)

How much can we spend, Mr. Chairman, without jeopardizing our own economy?

There are two ways to meet this gigantic spending program: First, by increasing taxes; or, second, by cutting the budget all along the line, and that means a cut in this program. I am not for increasing taxes. If we refuse to cut here, we should not cut on items affecting our own economy.

Is there anything sacred in the amount requested? I do not think so, and certainly a reasonable cut will not jeopardize the whole program. We are working on the balance-of-payments theory, nothing else. We pay, with dollars, the deficits that the ERP countries cannot meet.

There is a real danger to our economy when the money we give goes into the building up of industries which compete with industry in this country. Industry here is established with money invested by private individuals, with their own savings. Business people in Europe do not have to worry about saving money to establish their enterprises; we furnish it under the program without cost. Government-owned automobile plants in Italy and France, which do not worry about fixed charges, will soon compete with American firms, who must consider costs.

I am reliably informed that we are giving the British the money to build a complete airplane industry which is subsidized by the Government. It will, of course, compete with a like industry in this country. Under this Marshall-plan aid, England sets aside 70 percent of her national income to rehabilitate and extend factories of all kinds. This is a lot of money—more than industry sets aside in this country.

Today the British have from 15 to 20 percent greater production than they had before the war. In view of this situation there is a danger in overdoing the capital-investment program.

We must realize that the Marshall plan program is or should be a self-reducing one. If we are to believe the testimony at the hearings, that all of the participating countries have increased their production, then our giving should be reduced.

A dollar deficit means that people are not producing enough to maintain them-

selves at the standard of living which they would like to enjoy.

Sir Stafford Cripps, in England, operates a planned economy. It is all on paper and sets forth what everybody in Britain is obliged to do, what they are going to eat and wear, and what they are going to make. Do we have to accept this plan? That is what we do if we approve this legislation without reduction in the amount. The British reach their requirement figures because of the plan they have approved.

Is it fair to ask, what is their plan? Here it is. With a total national income of £13,000,000,000 they set aside 20 percent for capital investments, 15 percent on exports, and 65 percent on domestic consumption. This means food and clothing and rents for housing. It includes subsidies on food. A subsidized food program in the United States would cost \$8,000,000,000. It also includes their health and welfare services, which would cost us \$6,000,000,000.

This program can be reduced on the basis of the figures submitted by ECA.

Last Saturday, during general debate, and again today, there were statements about the fine record made by Mr. Hoffman and his associates. I agree that this is so. However, I call your attention to an irrefutable fact that the remarkable recovery made by these countries was actually accomplished by shipments of \$3,800,000,000 as of March 31, 1949.

I am not speaking of allotments, contracts, or authorizations. Recovery must be based on the goods and services that the countries have received. And up until the 1st of April we had shipped \$3,800,000,000 out of a total appropriation of five billion. I hope my amendment will be adopted by a substantial majority.

ECA OBLIGATIONS, SHIPMENTS AND EXPENDITURES

AS OF FEBRUARY 28, 1949

Allotments to countries, \$4,953,000,000—all of the funds available for commodity authorizations out of the \$5,010,000,000 total.

Obligations (procurement authorizations), \$4,567,000,000.

Estimated actual shipments, \$3,300,000,000.

Expenditures (paid shipments), \$2,634,000,000.

After procurement authorizations are issued, there is normally a lag of between 2½ and 3 months before shipments are made; after shipments are made, there is a normal lag of 1½ months until the necessary documents are submitted and payments are made.

In November 1949, procurement authorizations were issued in an amount three times as great as normal. Payments under these procurement authorizations will be made in March and April, which months will therefore show unusually heavy expenditures.

ESTIMATES AS OF MARCH 31, 1949

Obligations, \$4,900,000,000, all of the funds available for commodity authorizations except a small amount which may be unobligated for technical administrative reasons.

Estimated actual shipments, \$3,800,000,000, a lag of \$1,100,000,000 in unshipped goods, approximately a 2½ to 3 months' pipe line.

Payments, \$3,100,000,000.

ESTIMATES AS OF JUNE 30, 1949

Obligations, \$6,000,000,000, the sum of \$4,953,000,000 plus \$1,100,000,000 appropriate

tion for the period April 3 to June 30, 1949, minus a small amount unobligated for technical administrative reasons.

Actual shipments, \$4,900,000,000, a lag of \$1,100,000,000 in unshipped goods.

Payments, \$4,300,000,000.

[From the Washington (D. C.) Post of April 9, 1949]

ECCLES SEES STABILITY AS UNITED STATES PROBLEM

SAN FRANCISCO, April 8.—Current challenges to democratic capitalism were discussed today by Marriner S. Eccles of the Federal Reserve Board. He addressed the Commonwealth Club of California.

Eccles said the challenges arise from Russia's Communist leaders and from the failure of democratic capitalism to achieve and maintain stable economic progress.

"Sustainable economic stability is the foremost long-run problem of democratic capitalism," Eccles said. "Democracies have not yet succeeded in solving it. On the contrary, recurrent depression has been a chronic tendency of western capitalism."

He reiterated previous statements that the Nation is in a "phase of deflationary readjustment" which is not only inevitable but desirable after such a prolonged period of inflation.

"Our economy is being stimulated by fortuitous developments and temporary stopgaps," he continued. "We are depending on a heavier investment in certain capital goods sectors than can be sustained in steady volume. We are increasing dependence on a public subsidy through high price supports and stock piling."

"Most important of all, we are bracing up our levels of activity by a huge military preparedness program and a world aid program, both without foreseeable terminal points as to time or amount."

THE CHAIRMAN. The time of the gentleman from Wisconsin has expired.

MR. MANSFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I respect the gentleman from Wisconsin very much, and I know that he has the best interests of his country at heart when he offers the amendment that is now before us. He has, however, told you that in our committee we did cut this amount in the sum of \$200,000,000. He has made the further statement that not one dollar is needed to carry on during the 3 months' period before us; nevertheless, he has cut that amount by only \$100,000,000. If that were the case, I would suggest that it would have been more logical had he moved to strike the full \$1,100,000,000.

I wish also to bring to the attention of the Committee the statement which I made last Saturday to the effect that this is the time to hit hard for European recovery:

The full momentum of the recovery program, which has been so dearly bought, must be carried forward and the United States must back the efforts of the European countries to the full during this coming critical year.

It is for this reason that I urge the Congress to approve the full amount of the authorization provided in the present bill. If the Congress, because of the recovery progress achieved, attempts an unwise economy at this time, the momentum of recovery will be dissipated and recovery itself will be postponed. In the long run, such a course would cost the United States taxpayers more money rather than less.

The amounts authorized in the present bill for the recovery program, during the coming 3 months and the next fiscal year, are firm estimates screened many times, on the basis of almost a full year's experience with the aid program, and with the assistance of the several organizations which Congress in the original ECA act expressly created or contemplated.

As a result of this screening and rescreening, the European recovery program proposed to the Congress for the next 15 months is, as Mr. Hoffman has said, "a tight fit."

In addition to all these studies, the committee examined in considerable detail the program submitted to it. It questioned the Administrator and his principal subordinates, the special representative in Europe and the principal ECA mission chiefs. The committee report refers to the attention given by the committee to such particular questions as the effect of recent price changes, the problem of wheat prices under the prospective international wheat agreement, and the question of prices paid for Middle East oil under the ERP.

MR. CHAIRMAN, I should like to bring to the attention of the Committee a letter from the Honorable Paul G. Hoffman, Administrator of the program, in which he states as follows:

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 cur

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 HOFFMAN,
Administrator.

AMOUNT OF FUNDS

LAST 3 MONTHS FISCAL YEAR 1948-49

Program for fiscal year 1948-49 as screened by OEEC and further screened by ECA totals \$4,823,500,000.

Funds allocated by ECA to 1948-49 program out of amounts made available last year total \$3,673,500,000.

Deficiency is thus \$1,150,000,000.

Committee cut this by \$50,000,000 so that bill authorizes an amount of \$1,100,000,000. The amount of \$1,100,000,000 is \$400,000,000 less than the amount sought last year for the same period.

FISCAL YEAR 1949-50

Individual country programs totaled \$4,690,100,000. OEEC recommended total of

\$4,347,000,000. ECA requested and the bill authorizes \$4,280,000,000. The amount of \$4,280,000,000 is \$1,020,000,000 less than the amount requested for the first 12 months of the program a year ago and \$730,000,000 less than the amount Congress made available for the first 12-month period.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to join with my colleague from Montana in saying that I respect very highly the dispositions of the gentleman from Wisconsin who has proposed this amendment and his complete good faith in proposing it. I think more than that, a very useful purpose is served in the House by requiring the committee to, in debate, justify the figures which it brings before the House. I thoroughly agree that there is nothing sacred about these figures just because the Administrator for European Economic Cooperation has asked for them. The House has an entire right to an accounting and I shall hope to contribute in some small measure to that accounting; but I would like to emphasize just one fact. We are asked by this amendment and the argument which supports it to substitute irresponsibility for responsibility.

If the Members will look at the morning papers—unfortunately there are none in Washington, but they can look at the New York and Philadelphia papers—they will see evidence of what is responsibility in seeking to cut funds. Yesterday before a committee of the other body testimony was given as to why funds sought for our defense appropriations were excessive, and those who spoke in support of that position, former President Hoover and Mr. Ferdinand Eberstadt, gave by book and page in exact detail to the dollar, and specified individual instances which made then believe that the request for funds was excessive and that, therefore, a cut was warranted.

We are asked to make a cut, and I say this with no invidious connotation whatever upon the basis of irresponsibility because we are not given any specification of where a cut may be made. We are given the actual shipments of goods as of the 31st of March 1949, as about \$3,800,000,000. Every Member knows, whether in business or not, that the mere shipment of goods does not constitute a complete program—such a program starts far behind the water's edge.

I ask the committee to consider the fact that the allotments to the countries in the European recovery program, to wit, the authority that they have with which to buy and with which they actually do buy, including what is in the pipe line, either on contract or on order or being prepared for shipment, aggregates approximately \$4,950,000,000 out of a total amount made available by the Congress in the first year of the program of \$5,010,000,000, a difference there of about \$50,000,000. Your committee was so careful that at the request of the gentleman from Ohio [Mr. VORYS] that \$50,000,000 was taken out of the request of \$1,150,000,000 made on the committee

by the Administrator for European Cooperation for the 3 months between March 31, 1949, and June 30, 1949, and that amount is eliminated from the bill which is before the House in the Committee of the Whole today which calls for \$1,100,000,000 for that period.

I invite the Members to look at page 18 of the committee report as bearing the actions of ECA and of OEEC. It shows the screening process which the allocations for the initial period of the program had gone through. The national governments themselves which were affected requested \$5,889,000,000. As screened by their own organization the OEEC it came down to \$4,875,000,000, and as finally screened by the ECA itself it came down to \$4,823,000,000 of proposed allotments, or a cut of \$1,000,000,000 below what these governments themselves thought they needed.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Will the gentleman please tell us to what extent unshipped goods have contributed to the present recovery that now exists in Europe, according to his own statement?

Mr. JAVITS. The gentleman should know that when a country gives the figures as to the extent of its recovery, it includes everything it has contracted for in connection with its operations, as well as what has been shipped. The gentleman should know very well that the picture we are being given of the European recovery program includes not only shipments, but everything that these countries have contracted to get, and that that includes \$4,900,000,000 and not \$3,800,000,000.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman has said that OEEC has screened these. I want to call his attention and the attention of the House to the basic document, page 72, which says that it has been necessary for the ECA to prepare this year's program "before the OEEC has screened the individual national programs and made its own recommendations." There is considerable confusion I find even in the committee. This year we do not have individual screening by the OEEC estimates of the countries' requests.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JACKSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very much in favor of the present legislation. It is very unlikely that under any circumstances, unless considerable evidence is produced to the contrary, I would support a reduction in the amount asked for. However, I do feel that on this most important point, the real crux and the only serious point of contention in the entire program, that the membership of the House should have every opportunity to hear everything there is to be said with respect to the appropriations which are being asked for.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of California. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Mr. Chairman, I want to call the committee's attention to the fact that I have before me a statement prepared quite recently by ECA which gives us the estimates up to and including June 30, 1949 of the amount of actual shipments and the lag in shipments. The actual shipments as of June 30, which are estimated, indicate \$4,900,000,000, a lag, therefore, of \$1,100,000,000 in unshipped goods.

Now, it is my contention, Mr. Chairman, that, in view of the statement by the ECA administration alone, there are sufficient funds to carry this program through, and that my amendment reducing the amount in the present bill by \$380,000,000 is a drop in the bucket. It will have no effect of impairing the program and I do not want it impaired. As I said at the outset, I believe that Mr. Hoffman and his staff have done a remarkably fine administrative job. Thank goodness, this country is not plagued as it was in lend-lease and in the UNRRA program. Here we have a program of administration based upon realism rather than upon theory.

Now, Mr. Chairman, before we leave this debate on this cut, we ought to call attention to the fact as to just what we are up against in this whole program so far as our own financial resources are concerned. I take it as a fundamental proposition that we are concerned with our own country first and the effect of this program on our economy. You recall that the President's budget called for \$41,800,000,000. The estimated receipts, and I am liberal, are \$41,000,000,000, leaving a deficit of \$800,000,000. We have not considered it yet, but we will soon be called upon to appropriate for military aid to Europe. Tomorrow we are going to have before us a \$16,000,000,000 defense bill. We are going to have total foreign-aid programs amounting to approximately \$6,000,000,000, to say nothing about Social Security, the normal cost of operating the Government, the Veterans' Administration, housing, Federal aid to education, and the farm subsidy program which is before us. How can we spend this amount of money, Mr. Chairman, without jeopardizing our own economy? I think it is up to this committee to approach this matter of a \$380,000,000 cut with a good deal of realism as to what is facing the country. \$380,000,000 lopped off this bill will not impair its operation.

I thank the gentleman from California for his kindness in yielding to me.

Mr. PRESTON. Mr. Chairman, I offer a substitute amendment to the Smith amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. PRESTON to the amendment offered by Mr. SMITH of Wisconsin:

On page 8, line 11, strike out "\$1,100,000,000" and insert in lieu thereof "\$990,000,000." On line 13, strike out "\$4,280,000,000" and insert in lieu thereof "\$3,852,000,000."

Mr. PRESTON. Mr. Chairman, I offer this substitute amendment as one who is supporting this legislation. The

gentleman from Wisconsin has offered some very good reasons why this authorization should be cut. I call your attention to what I think are some other very good reasons why the authorization should be cut.

As a member of the Committee on Appropriations, I have seen brought into the full committee, day after day, reports by the subcommittees cutting our domestic appropriations by 10 percent and cutting our construction program for all of our vast projects throughout these 48 States by 15 percent. The only bill brought in which has not done this is the armed services bill, which increases the President's budget considerably.

We have done this on the theory that the dollar will purchase more today than it would purchase at the time when the estimates were made. We believe that during the coming fiscal year the dollar will purchase even more. The Marshall plan is a purchasing program. The principal function of the program is to purchase. The majority of the purchases will be made in this country. If a dollar is going to purchase more during the coming fiscal year, surely we can make a cut in this authorization. I have no doubt but that the bill will be cut in the Committee on Appropriations, and I am confident it will be cut, but I think the House should give the Committee on Appropriations some sentiment upon which to go on here today.

I call your attention to the fact that we will soon have to implement the Atlantic Pact. It is generally thought by those who think conservatively that it will involve a billion and a half dollars. That money will further relieve the economies of the participating nations. We must find this money somewhere. We are faced with the proposition of deficit spending this year, while it is confessed before the Committee on Foreign Affairs in the hearings that the budget of Great Britain will be balanced this year and they will actually have a surplus in the treasury of Great Britain. Not only that, Great Britain has found itself able to spend \$1,900,000,000 for a consumer food subsidy, something we do not have in this country. It has found itself able to spend \$2,000,000,000 a year for a socialized-medicine program, something we do not have in this country. It is spending 20 percent of its national income on capital improvements within its country; more than we spend. Their dollar trade balances have been improved by one-third, and as to their sterling balance, they have no deficit; they have a surplus in the sterling areas.

From the invisible standpoint they have to offset their dollar deficits with dollars raised through the tourist trade and through other means. This is a country whose economy is in good shape, or at least in much better shape. We completely overlook the fact that two men who are high-ranking statesmen of the party in power in Great Britain have said publicly that recovery has been effected in Great Britain; yet we turn blindly away from those statements. Yes, there is a lot of justification for cutting this appropriation. We will be faced in this very session with the problem of deciding whether we will increase taxes

by \$4,000,000,000. The Committee on Ways and Means is today standing by waiting to see what the total appropriations will be by the Committee on Appropriations before deciding whether or not there shall be an increase in income taxes in this country. Surely we do not want that to happen. When you consider the fact that we are increasing our national-defense expenditures, spending a billion dollars for atomic energy and a billion dollars for occupied countries this year, plus the Marshall plan, we are going to find ourselves at the end of the fiscal year 1950, with a deficit in our own Treasury.

I submit that we should take our eyes off of Europe occasionally and search the horizon in America and find out how we are at home. I am for this legislation. I supported it initially. I shall vote for it today regardless of whether my amendment or the amendment offered by the gentleman from Wisconsin is adopted. I say to you, however, that this program can be carried on at a reduced rate. If one-third recovery has been effected in one year, then certainly there is no need to extend this program over a period of 5 years at the same rate. We can reduce the authorization of the amount of money to be appropriated this year and carry it on through 5 years, but at a lesser rate.

Mr. Hoffman said before your committee:

It was initially understood and agreed that the program for the second year would cost less than the first year.

As I view the figures, having appropriated \$4,300,000,000 in the Eightieth Congress, we are not reducing it this year.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I wonder if the Congress realizes that the adoption of these amendments reducing in a very slight degree this authorization does not mean a slackening of the program or a reduction of the program. The shipments to the 1st day of April, and the first 12 months, averaged \$325,000,000 a month, and that is all there is to go by, except the allotment question. On that basis, with \$5,000,000,000, practically, added to the \$1,200,000,000 already available, the program can be carried until the middle of October or the 1st of November 1950.

Let us see what this allotment business means. In an article from Frankfort, which was published in the New York Herald Tribune, and which was received from their own correspondent, a week ago last Sunday, it appeared that \$519,000,000 have been allocated to the Bizone section of Germany, and that only \$248,000,000 would be used or obligated by the 1st of July. What does that mean? That means you cannot accept the figures of allotments in considering such an item as this. You must consider the needs. But this is what I am afraid of: If you turn this thing loose with too much money, you will have the same result that Winston Churchill has described as happening in Britain. He wrote a letter to a constituent of one

of the conservative candidates. It appears that the funds are being used for the building up of socialism in England. My own information is that a lot of these funds are being used to take care of the deficit of the socialistic operations in France. The result of creating socialism throughout western Europe will be to destroy the very thing that we are aiming for, because it will result in a dictatorship and there will be no free people left in western Europe and in England to help us if world war III should, perchance—and I pray to God it will not come onto us—ever come about. That is the kind of thing we must think about. On top of that, we must think about the tax situation in America. Today the taxes are taking, through State, Federal, and local taxation, 37 percent of every disposable dollar that comes to the American people. I pray that this House will show some signs of responsibility and will adopt these amendments reducing in a very small degree these proposals, because it is necessary that we show to the country a sense of responsibility. They are expecting us to meet our responsibility and not be guided by pressure and by propaganda. Let us stand up and let us be counted square.

By unanimous consent, the pro forma amendments were withdrawn.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, any argument that either one of these two amendments is hostile to the bill would not in my opinion be a sound one; on the other hand, I think it would be unwise for the Committee of the Whole to adopt either of the amendments. My very dear and valued friend from New York [Mr. TABER], and no one respects and admires him more than I, made a very eloquent appeal that we have "certain things" to think about. Yes; what he said is correct, but we have got to think about two world wars in which our country participated and which the world underwent. We have got to think about the possibility of another world war; we have got to look back and realize that it was failure on the part of men in public life here and elsewhere throughout the world, their failure to see; or seeing, their failure to do the things we now know could have been done that might have averted World War I and in all probability World War II. The question is, Are we going to take the road now that will be a contributing factor to world war III, or are we going to take the road that, based upon two terrible experiences, we know, or ought to know, we should take as the only road that might avert world war III? World war III is going to be averted, as I see it, only if the power of America is used affirmatively. Whether we like it or not, that is the situation in the world of today. I dislike it with all the feeling I am capable of entertaining, but I cannot ignore the reality as to what world conditions are; I cannot overlook the fact that the generation of young Americans who fought in World War I were overlooked and forgotten after World War II. They discussed money values then, they appealed to emotions, they made appeals that divided our people, and they failed to exercise our

powers affirmatively and effectively to bring about a world peace. Are we going to do it now? That is the basic question. We know what the world situation is; our way of life is challenged; the world looks either to the Kremlin or to Washington. They look to Washington with hope; they look to Moscow with despair. If we do nothing, the countries now outside of the control of the Communists will be taken over one by one against their will. The only way they can live is if America helps, if America acts affirmatively. By acting affirmatively we are not doing something from a charitable angle; we are acting, as I see it, in the national interest of the United States.

Let us pause for a moment and think: If tomorrow, or a month from tomorrow, all of Europe were taken over by the Communists, or if 6 months ago it had been taken over by the Communists, the internal enemies within each country with the assistance of the Soviet Union taking over various countries, and then in control of governments with the force and fear they would impose upon people, compelling them to subject themselves to such regimentation, would you and I be as happy today, as contented even in our disturbed state of mind, as we are? Do you and I think if all of Europe went communistic or became subject to Communist control, that that would not be against the national interest of the United States?

The Committee on Foreign Affairs has considered this bill well. I have got to weigh the report of the majority of the Committee. Both members offered amendments, not hostile—I want that understood—but on the evidence as I see it I have got to accept the view of the majority of the Committee on Foreign Affairs. There is a presumption in favor of their report where there is a difference of opinion among the members. We must also consider that the Atlantic Ocean is no longer a barrier to attack. There was a time when the Atlantic Ocean was our first line of defense, but no longer. Those are the things we have got to think about and pass upon. If my judgment errs, let it be on the side of strength and security rather than on the side of weakness and insecurity.

Mr. GAVIN. Mr. Chairman, I move to strike out the requisite number of words and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KEE. Mr. Chairman, I object.

Mr. GAVIN. Mr. Chairman, I am rather disappointed at the attitude of my distinguished friend from West Virginia. This bill involves a large amount of money, \$5,500,000,000, and I think the membership should be permitted an opportunity to be heard. The committee has monopolized most of the time and we who want to be heard cannot be heard and I think we should have some additional time.

Relative to these amendments, may I say that I think the amendment to cut this appropriation three hundred eighty million should be for about a billion and a half and then that billion and a half

be placed in the 70 air group to build up our national defense to be in position to meet any emergency that might arise. That would be the answer to the problem confronting us today.

Mr. Chairman, I want to call the attention of the membership of the committee to a pamphlet issued by the British Information Service, an agency of the British Government, as follows:

U. K. STARTS \$500,000,000 OIL PROJECT

LONDON, April.—In four commercially strategic corners of Britain work is going ahead on one of the United Kingdom's most ambitious and important recovery projects—an eightfold increase in her oil-refining capacity.

At Shellhaven on the north bank of the Thames near London, at Stanlow on the Manchester Ship Canal, at Llandarcy near Swansea in South Wales, and at Grangemouth on the Firth of Forth in Scotland, great new refineries and their complementary byproducts plants are either being newly built, or added to. In the coming months work will be started on a further three oil-refining projects.

The capital cost of those seven important plans will be some £125,000,000 (\$500,000,000). This is part of the \$7,600,000,000 which Britain will be spending this year on capital investment. When completed they should be treating nearly 20,000,000 tons of crude oil a year, compared with little more than two and a half million tons in 1947. And work is being pushed ahead so rapidly that by next year annual throughput should have reached 8,000,000 tons of crude oil.

While the growing demands for oil products partly account for this activity the most important objectives are the saving of dollars, and the practical contribution to European recovery. By expanding her refining capacity at home and overseas, Britain will eventually save on imports. It is cheaper to buy crude oil and refine it, than to buy finished petroleum products. Purchases from the United States of America will be cut down. At the same time British oil companies will be able to play an increasing part in supplying sterling area countries, western Europe, and other parts of the world with petroleum products which can be paid for in sterling, and not in dollars. As her refining capacity expands Britain will also be able to increase her production of petroleum byproducts, many of which are now imported from the dollar area.

Another important reason is that it is part of the development of Britain's and western Europe's basic industries on which successful production of so many finished goods depends, and in which oil is taking an increasingly vital place, with coal, steel, chemicals, and cement. Oil refining is in fact developing into one of western Europe's major industries.

Western Europe like the rest of the world is coming to rely more and more on oil for so many of its needs. A measure of this reliance is the fact that while oil has not replaced coal, it now supplies one-third of world energy.

War and postwar needs have accelerated demands for oil. Whereas between 1919 and 1945 world consumption multiplied more than five times to over 1,000,000 tons a day, demands in 1947 were nearly six times those of 1919. At present rate of progress it is estimated 1919 consumption will have been multiplied seven times by 1951. Compared with 1938 world demand is now more than 70 percent greater.

A significant development in this onward march is that recently the United States of America, which is the world's biggest consumer and producer of oil, has turned from being a net exporter to net importer. It is true the United States of America is still exporting large quantities of crude and refined

products to Europe and other parts of the world but on a decreasing scale. Growing home demands have on the other hand raised her imports. British oil concerns are taking a big share in filling the gap which this has created.

Britain's oil expansion program is not confined to multiplying her home refining capacity. British concerns are heavily interested in Middle East oil fields which are rapidly increasing production. British companies are also producing in Latin America, West Indies, India, and elsewhere. Including the Royal Dutch Shell group, a partnership of British and Dutch undertakings, the oil production of British concerns rose from 46,000,000 tons in 1946 to 54,000,000 tons in 1947 and was probably about 64,000,000 tons last year—by 1953 it will possibly be double the 1947 total.

The plans now in hand for increasing overseas resources include a new refinery in Venezuela, and the enlargement of existing refiners in the Middle East and East Indies. It is hoped to increase refining capacity overseas 40 percent by 1953. Increasing output from the Middle East will entail additions to existing pipe lines and the laying of new ones. Including current maintenance, all the various plans will call for 3,500,000 tons of steel between now and 1953.

The expanding world demand for oil has meant the call for more tanker ships. Britain is playing a leading role in meeting this need. From 242,000 at the end of 1946, the tonnage of tankers being built in British yards rose to 414,000 at the end of 1947 and to 608,000 at December 31, 1948.

The latter was nearly one-half of all tanker tonnage being built throughout the world.

The savings in dollars which these projects will bring eventually must not overshadow the immediate cost to Britain. Until adequate supplies come from nondollar areas she must continue to import a lot of dollar oil, while at the same time financing a large expenditure on steel and other materials for the expansion program, much of which has to be in dollar and other scarce currency. Also as she is now supplying western Europe with about 40 percent of its oil, she is in effect not only contributing to European recovery, but is doing so only at the cost of a substantial drain on her gold and dollar resources.

Mr. Chairman, it is apparent that the final steps will be taken today to authorize the extension of the ECA program and to set a top limit on the appropriations for that purpose.

There are certain results of this program which are becoming visible. I want at this time to call attention to one very marked trend which we are going to have to have in the future, perhaps in the near future. That is the competition which is being created by the use of American taxpayers' money for the petroleum industry of the United States.

It is not a question of merely keeping our own oil at home, in our markets, and letting the supply for the Marshall-plan nations and others with whom we have friendly relations come from foreign sources of supply. There is every evidence of an ambition to invade the markets of the United States with still more foreign oil.

In other words, the American taxpayer is about to furnish the money to sharpen the razor which eventually will cut his economic throat. I am in sympathy with this program and expect I will vote for it; however I believe it should be cut down considerably, otherwise we may

eventually find ourselves facing bankruptcy. I heard my distinguished friend refer to the two wars. I want to say that in both wars we in the United States floated to victory on a sea of oil. The petroleum industry was in a position to meet the terrific demand that was made upon it. Now, we intend to cramp the oil industry of the United States by bringing about a competitive situation so that these European countries and the Arabian and South American oil fields will be brought into the picture. In that event it might bring about a depressed situation in the petroleum industry in this country and reach a point where no further exploration would be undertaken to discover new fields to build up our reserves in this Nation.

We might become dependent upon South American and Arabian oil and European refineries with whom we may be unable to compete. The results would be that if we were catapulted into another emergency and our supplies from the South American and Arabian countries cut off, we would not be in a position to meet the demands that would be made upon the petroleum industry.

This is a very serious question and the curtailing of our development programs in the United States because of the inability of the industry to meet the competition that may be brought about, and is one that should be given very careful consideration.

The question of petroleum imports has for some months past been growing more acute and the independent producers have placed the problem before several committees of the Eightieth and the Eighty-first Congresses. Imports have risen to more than 600,000 barrels per day in recent months, which is four times the prewar rate during the years 1935-39. In several States, the conservation agencies have ordered reductions of the production of oil, amounting, since the first of this year, to about three-quarters of a million barrels daily. Further cuts in the domestic production of oil are in prospect. The oil industry, the landowners, labor, the economy of the oil-producing States and the national security are involved in whatever is done to depress the domestic industry. The producer who has no market for his oil will not drill to discover and develop the reserves in this country.

Heretofore, the imports of petroleum came from the concessions held by large corporations in South America and in the Middle East. In themselves they possessed the ability to alter and affect the welfare of the domestic industry and all the economic and national defense considerations that are dependent on the course of the domestic industry. But we are entering a new phase. Competition by foreign governments with the private oil industry of the United States is in the making.

The British Information Services' statement made here in Washington a week ago and to which I referred and again repeat, is headed, "UK starts \$500,000,000 oil project." It revealed the plans of the United Kingdom as an eightfold increase in her oil refining capacity. When completed, the plants,

it was said, will be refining 20,000,000 tons of crude oil a year, compared with little more than two and one-half million tons in 1947. Mention was made also of the rapid expansion of production of crude oil by British concerns. By 1953, the statement said, it will possibly be double the production of 1947. Latin America, the Middle East, the East Indies, and India were named as areas of greater development. A new refinery will be built in Venezuela and refineries in the Middle East and the East Indies will be enlarged. This, I might say, is something for the petroleum industry to think about.

As a further aid to this program, it was published recently in a petroleum trade journal that through ECA we are now recruiting a party of 18 geologists for service in British east African possessions. ECA will pay the costs. The purpose is to help develop natural resources, including oil.

Apart from ECA, there is a program under way to finance governments in the Western Hemisphere in the development of oil. The Mexican Government wants millions of dollars—through the Import-Export Bank—to put its oil industry on its feet. An official of the Mexican petroleum monopoly—a government concern—was quoted to the effect that they hoped to have a surplus of oil for export, with the aid of United States funds. Into which market may we conclude the exports would come?

Everybody seems to want to get into the oil business. The tidal wave of oil imports has already driven the producers in the United States out of their own markets to the extent of about 10 percent of the production which was coming from our fields near the close of 1948.

The oil producers in my district, the region where the oil-producing industry of the United States started in 1859, have had one price cut after another in recent months. Their price has gone down 30 percent. A one-barrel well in Pennsylvania cannot compete with a 50,000-barrel well in the Middle East.

We have a Joint Committee on Foreign and Economic Cooperation in the Congress. I invite their attention to the fact that our Government is sharpening the knife to cut the throat of our own petroleum industry. It has been doing this for a long time. The Congress, sooner or later, will have to face the issue. The sooner it does, the greater the assurance that we will continue in existence an industry that has never failed, in peace or in war.

Mr. SMATHERS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and members of the Committee, several months ago down in Texas there was a terrible automobile accident. It involved the greatest golfer that the world has ever known. His name was Ben Hogan. He lingered in the hospital for many weeks and finally, after receiving the best medical attention that money could get, he was sent home. But before he went home the doctors looked at him and they had this to say about him: His blood pressure was better than it had ever been before the accident, his heart functioned better

than it had ever functioned before, his digestive system was better than it had ever been before. "But" said the doctor, "this man is not a well man. His system has suffered a severe and devastating shock, and therefore this man needs the attention, and all the care we can give him."

Now, I tell you that story because it seems to me the countries of western Europe are very much in the same position. They have suffered by reason of the war a tremendous ravaging and devastating shock. It is true that since we have been looking after them, in effect, been doctoring them with this Marshall aid plan, they have made great strides toward recovery, but they have not yet recovered. They are not yet durable or completely self-sustaining. The gentleman from Georgia says that Great Britain's production is up, there are other countries of Europe whose production is up, but the fact remains, and I want to emphasize that these countries of western Europe have not yet recovered from the shock of war. Therefore we must go forward in this period of convalescence, and give them every bit of assistance that they need in order to completely recover, so that they will be off our backs in 1952.

All agree, as the Members who have spoken down in this well have indicated, that no one desires to cut this figure of money allotted to Europe if they thought it was going to interfere with the recovery of these European democracies. We do not want to be penny-wise and pound-foolish, and yet those of us who come up here and offer amendments to cut this figure are in danger of being guilty of that charge. Those who offer amendments to cut are, in effect, saying that they know exactly what each one of the countries of western Europe actually needs, and they know it better than we, the members of the committee, and they know it better than do the officials of the ECA, who have been studying the minute as well as the big and long-range problems. I submit to you that the officials of ECA are just as good and patriotic and true Americans as any one Member sitting in this House today. They are just as anxious to save the taxpayers' money as is any one of us. I say that they have recommended these figures. There is not one of us here who can stand up in good conscience and say that those men are wrong and that they do not know what they are talking about, and that we will substitute our quick judgment and impressions for their accurate studies and specific recommendations.

The gentleman from Georgia has talked about Great Britain. I think, as most everybody does, that Great Britain is the key to this European recovery program. Great Britain has asked for \$940,000,000. Last year Great Britain got \$1,239,000,000, so we can see that already Britain is taking a cut of 25 percent this year. And why cut it 25 percent? someone may ask. Because this program is designed to apply for 4 years, and if Great Britain cuts 25 percent every year, at the end of 1952 she will be off our backs, and self-sufficient.

The question is, Can Britain get along with \$940,000,000? Britain says that she can, and yet anyone, who has taken the trouble to look at the austerity program under which the people of Britain are living, it is wondered if she can do it. But the British people are people of determination, character, and of courage, and they say they can do it. Today they have 25 percent less clothing than they had in 1938; they are rationed to 20 cents a week of meat; they are allotted 2 ounces of bacon a week; they are authorized to have 10 ounces of sugar a week. Where and how can anyone cut that amount of food and clothing and still make it possible for the people of Great Britain to live? Already, as has been referred to, and I think properly so, this is known as the misery program in Great Britain.

How did Great Britain get into the shape that she is in today? In 1938 she had \$17,000,000,000 of external assets. Today she has a deficit of \$6,000,000,000 of external assets. In 1938 she had 470,000 more houses than she has today, and today she has 3,500,000 more people than she had in 1938. In 1938 she had \$5,000,000,000 more of capital assets than she has today. It is well to remember that the way Great Britain lost these assets and suffered this loss was by going to war in 1939, in defense of the rights of little peoples to choose their own government.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to make my remarks as direct as possible to the specific issues that have been raised.

First, with respect to the matter the gentleman from Florida just mentioned with regard to Great Britain, it is true that Great Britain has asked for \$940,000,000 and by the table on page 18 it is proposed to give her under the ECA allotment her full request. If the gentleman will go up and down the list of all the other countries, he will find there have been reductions from the requests of the other nations for the proposed ECA allotments. Last year Great Britain got almost what she asked. And before that, she got a \$3,000,000,000 loan. Great Britain has done pretty well at the hands of the United States taxpayer and will even if the total is cut.

Now, for another point. The gentleman from New York [Mr. JAVITS], in his remarks on the figures that have been requested by the national governments, said they had been reviewed by OEEC and then had been reviewed by ECA, and that altogether there had been a reduction of a billion dollars from the original requests. That is not correct. As the gentleman from Ohio [Mr. VORVY] did point out, OEEC has not reviewed the 1950 requests. The figures the gentleman from New York used were the 1948-49 figures, which were reviewed. And the \$1,000,000,000 cut was for the current year—not 1950 with which the pending bill deals.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Sorry, but I cannot yield because of the limited time.

Every member of the committee can refer to page 18 of the committee report and see that the billion-dollar reduction was in the original requests for the current year. It is proposed by the pending bill to cut 1950 only by a very small amount, about \$300,000,000 which is nowhere near a billion dollars. If we do as much reviewing as they did last year, we can go far deeper. Are you not going to do that?

The gentleman from Georgia has aptly pointed out that the domestic appropriation bills which are coming before the committee and the Congress are cut 10 percent, and 15 percent on construction. Of course, this is a dollar-exchange proposition, but the things these countries are going to buy here are cheaper for them, too.

Third, I want to bring to your attention something that has just happened. Yesterday the President of the United States sent a special communication to the Congress in the form of a new budget estimate, a supplemental budget estimate, that asks for \$595,890,000. What for? For readjustment benefits for veterans. In that connection, what is said in the letter from the Budget Bureau which was placed before the House only last night?

Costs of the readjustment (unemployment) allowance program have also exceeded previous estimates due to higher numbers of veterans receiving these benefits than had been expected. This higher degree of participation has become evident since January 1, 1949.

In other words, since January 1, 1949, veterans in the United States have been running out of jobs, so the President sends up a supplemental estimate and asks for \$595,000,000, almost \$600,000,000, more for unemployment allowances and readjustment benefits for veterans in this country.

In that connection, let me give you a sentence from the letter of Winston Churchill, to which the gentleman from New York [Mr. TABER] alluded. Churchill said the Socialists "boast they have cured unemployment and at the same time admit that but for the immense American subsidy there would be between one and two million unemployed today."

If the President finds it necessary to ask us for \$600,000,000 to take care of veterans out of jobs in this country, a situation that has become apparent since January 1, 1949, are you going to go back to those veterans and say, "We are going to tax you to cure an unemployment problem in England?"

Now, finally, the gentleman from Massachusetts made an eloquent plea on the basis of stopping communism, but it is not this program that has stopped the westward advance of the Kremlin. Rather, it is what Churchill said, fear of the atom bomb and our ability to deliver it, which stopped the westward advance. Building up western Europe is desirable and works toward desirable ends of unification, world stability, and all that—but merely to make western Europe more

prosperous and healthy would, in the words of my Ohio colleague, only make those countries fatter for the kill if the Kremlin moved west. The European aid program alone would only sweeten the invitation to the Russian bear to come and get it, were it not for the atomic bomb and the 70-group air force.

The hope of world peace is the hope that war can be made so evidently a losing proposition for any nation that no nation will try it while we develop the machinery and methods of peace. Let us adopt these amendments and apply to our foreign-aid program the same prudent pruning knife that we are applying to domestic expenditures more and more these days. That will protect our ability to maintain our own economy and to help others as well.

Mr. KEE. Mr. Chairman, I wonder if we cannot agree on a time to end this debate. We have gone on now for 55 minutes. Therefore, I ask unanimous consent that debate on the pending amendment and the substitute amendment thereto close in 40 minutes, the last 5 minutes to be allotted to the committee.

Mr. BROWN of Ohio. Mr. Chairman, I object.

Mr. RICH. I object.

Mr. KEE. Mr. Chairman, I ask unanimous consent that debate close in 50 minutes.

Mr. BROWN of Ohio. Mr. Chairman, reserving the right to object, there are 13 Members standing. Fifty minutes would give them 4 minutes apiece. I presume members of the committee will wish to speak, including the chairman. There are some of us who have said nothing on this bill whatsoever. I am of the opinion that you want to finish this afternoon, and I suggest this is the most important amendment you will have to consider, and perhaps you would be wise to permit the membership to express themselves to some extent.

Mr. KEE. Mr. Chairman, I ask unanimous consent that debate on this amendment and the substitute amendment close in 1 hour, the last 5 minutes being reserved for the committee.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, how much time will that give to individuals who desire to speak on the amendments?

I ask that question because the RECORD of yesterday will show that 75 percent of the time in debate was used by the proponents, and the opponents were only permitted about 25 percent of the time. I would like to see the Members have at least 5 minutes apiece.

The CHAIRMAN. On the basis of the Members who are now standing, and among whom the time will be divided, each Member will have about 3 minutes.

Mr. MILLER of Nebraska. Then, Mr. Chairman, I object.

Mr. KEE. Mr. Chairman, I move that debate on this amendment and the substitute amendment close in 1 hour.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Mr. Chairman, if this motion should carry, is the Chairman going to recognize, as a matter of privi-

lege, the members of the Committee on Foreign Affairs to the exclusion of Members who are not on that committee?

The CHAIRMAN. It will be the purpose of the Chair to recognize within the time fixed those Members who are now standing, the time being equally divided between the Members standing.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RICH. Mr. Chairman, from the time that debate began on these amendments, I have been seeking recognition, and that is for 45 minutes. I have been unable to secure the recognition of the Chairman. Is the Chairman going to recognize the Members who are now standing, or will the Chairman recognize those who have been trying to get 5 minutes' times for the last 45 minutes?

The CHAIRMAN. The Chair has answered the inquiry of the gentleman from Pennsylvania in response to the inquiry of the gentleman from Wisconsin [Mr. KEEFE].

The question is on the motion offered by the gentleman from West Virginia [Mr. KEE].

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 88, noes 60.

Mr. KEEFE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. KEEFE and Mr. KEE.

The Committee again divided; and the tellers reported that there were—ayes 130, noes 78.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BREHM].

Mr. COUDERT. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. COUDERT moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. COUDERT. Mr. Chairman, apparently the only way that a junior Member of this House can be heard is by offering a preferential motion. Between the precedence of the committee members and those who are senior to him in service he is very lucky under the present control of this committee to be heard when we get down to the 50 seconds per Member period of debate; and I did not care to get down to that.

Mr. Chairman, I think this is one of the most important bills which we are going to have. The issue involved here is of profound importance. If we are here today discussing relatively minor amendments to the bill, discussing minor reductions in amount, if we are here talking in terms of 12 months ago, it is because this committee, the Committee on Foreign Affairs, has elected by its procedure to put blinders on the Members of this House, to merely repeat the debate of 12 months ago, to completely ignore the facts of life, the facts of life that each one of us is possessed of until he walks into the hall of this House; and

then under the procedure of the Committee on Foreign Affairs and the rules of the House he finds himself compelled to check his knowledge of the facts of current life outside with his hat and coat.

Mr. Chairman, this debate might just as well have been lifted bodily from the minutes of the debate 1 year ago when we enacted the 1948 law. The committee has completely ignored the new major revolutionary fact that has come into this European aid picture since we enacted the 1948 bill. That, of course, is the Atlantic Pact and the coming demands for military aid to Europe.

When this committee last year reported out a bill, it reported a bill which provided for both military and economic aid. This year, for some reason best known to its majority, because the minority did not agree, the majority reported out a bill that makes it impossible for this House to consider in one pattern on one occasion the competing demands for economic aid and military aid.

It is hardly necessary to say that the only possible way to exercise intelligent and reasonable judgment in such matters is to have before us a bill that is of such broad scope that the House can work its will on the entire European aid program, so that the House can determine whether or not, first, it wants to authorize foreign military aid to European countries and if it does want to authorize something for that purpose, it will be in a position to determine whether some of that cost should come out of the ECA proposed authorization. As it stands today, we are not free to act as our intelligence and our judgment might dictate.

Later I am going to offer an amendment to strike out the 1950 appropriation, leaving in the 3 months' provision, as a notice to the Committee on Foreign Affairs that the House wants a single-package bill, that the House wants that committee to come back here with a bill that will enable the Members to act freely in accordance with the facts of life. In the meantime, I am in favor of reducing the amount. It is the only alternative this committee leaves us. It does not solve the problem, it does not deal with the problem in a realistic, intelligent fashion. It puts blinders on our eyes and makes us check our knowledge of the facts of life outside. All we can do is to attempt to reduce this amount somewhat in preparation for what we know is coming in the way of demands for foreign military aid.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SMATHERS. Mr. Chairman, I rise in opposition to the pending motion.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Florida yield for a parliamentary inquiry?

Mr. SMATHERS. I yield.

Mr. KEEFE. Mr. Chairman, I was on my feet as a member of the Committee of the Whole requesting time to speak in opposition to this proposal. Now, the Chair is indulging in exactly the same practice under the limitation voted that

any time a member of this Committee on Foreign Affairs rises any other Member of the House who wants to speak is precluded under the rules from speaking.

I ask if the gentleman now in the chair is required under the rules to continue that same practice in view of the limitation of time that has been voted by the Committee?

The CHAIRMAN. The gentleman from Wisconsin has stated his parliamentary inquiry, and the Chair understands the parliamentary inquiry.

The Chair advises the gentleman, in answer to his parliamentary inquiry, that under the rules of the House recognition of Members by the Chair is within the discretion of the occupant of the chair. In this particular instance the gentleman from New York has offered a motion to strike the enacting clause. The Chair, acting within the discretion accorded by the Rules of the House, has recognized a member of the Committee on Foreign Affairs to speak in opposition to that motion.

The gentleman from Florida will proceed.

Mr. COUDERT. Mr. Chairman, I ask unanimous consent to withdraw my motion.

Mr. SMATHERS. I object, Mr. Chairman.

Mr. Chairman and members of the Committee, I would like to say to the gentleman from Wisconsin [Mr. KEEFE] I will be glad to yield him 2 minutes, provided that the colloquy which has just transpired is not deducted from my time.

Mr. KEEFE. May I say to the gentleman that I think I have made my position very clear on this bill, and I want to enforce it as we go along. I have sat here by the hour without any opportunity to speak because the time is being monopolized by the members of this committee. I should think the Committee itself would like to hear from some of the other Members who are in support of this legislation and who might have an idea to offer. I cannot do it, in due deference to the gentleman, in 2 minutes.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. I yield for a question.

Mr. RICH. Well, I just want to make the same request, in a measure, that the gentleman from Wisconsin made. When we first started debate on this amendment, there were only three of us standing. I asked the Chair to be recognized and I was not recognized, but every time some new Member would stand up he recognized him.

Mr. SMATHERS. I thank the gentleman from Pennsylvania for his comments.

As regards the Atlantic Pact, Mr. Chairman, which has been mentioned by the gentleman from New York, I think it well that we remember that the Atlantic Pact has not yet been passed by the other body. It would be impossible to appropriate any money or in any way implement an Atlantic Pact until such time as the other body has considered it. We do not even know whether it will be adopted by the other body, so how under

this legislation, we are now considering, can we possibly implement or even discuss the Atlantic Pact?

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SMATHERS. No; I cannot yield any further.

One other point I would like to make in reference to the Atlantic Pact is that it would not make a whole lot of sense for this country to adopt the Atlantic Pact, and to implement it with a billion dollars' worth of arms and munitions, if the countries of western Europe were not sustained as democracies and friends. If the countries of western Europe were controlled by the Communists, or had weak and vacillating political governments then there would be no occasion to have an Atlantic Pact, because the countries of western Europe could not do us any good and we, in turn, could not do them any good.

To return to Great Britain for a moment, I would like to point out, while Great Britain is being criticized severely here today it is well to remember what brought about the condition in Great Britain. She lost \$23,000,000,000 in external accounts before lend-lease started. She spent \$8,000,000,000—

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. As I understand, the question was on the motion offered by the preceding gentleman to strike the enacting clause. The gentleman now addressing the House is not talking on that motion. He is just monopolizing the time.

The CHAIRMAN. The gentleman from Florida is within his rights. He may discuss the provisions of the bill, because every section and line of the bill is involved in a motion to strike the enacting clause. The gentleman may proceed.

Mr. SMATHERS. I thank the Chairman very much.

To continue with what I was going to say, Great Britain spent \$8,000,000,000 of her own money in 1939 before lend-lease started for arms and munitions, and where did she spend it? She spent it over here in the United States, for the implements of war in order to fight dictatorship and tyranny; in order to fight our own common enemy Adolf Hitler and his Nazis. It was their valiant fight against our common enemy that bled them white and put them in such dire economic straits, that they need and require our temporary assistance.

Mr. COUDERT. Mr. Chairman, I ask unanimous consent to withdraw my motion.

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. COUDERT] that the enacting clause be stricken out.

The motion was rejected.

Mrs. DOUGLAS. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from Wisconsin [Mr. KEEFE].

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. BOSONE. 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 gentlewoman from Utah?

There was no objection.

Mrs. BOSONE. Mr. Chairman, there are some disadvantages in being in Congress and in living in Washington, but one of the great advantages is meeting and knowing the people who make, not only this country tick, but also the world. It was my very good fortune to attend a small dinner party one evening shortly after I arrived in Washington. The speaker at this dinner party was a man of international reputation who had been loaned to ECA by his government. Because the group was small, this gentleman said he was going to let his hair down and give us the dope on the ECA as he saw it. He said, first of all, that the 16 countries receiving ECA aid worked smoothly together, and that the leaders of these nations were agreed that the money of taxpayers of America should be withdrawn from Europe at least by 1952. The most heartening statement on the European recovery program I have heard was made by this man when he said, "For God's sake, take the taxpayers' money out of Europe by 1952." I thought this point of view would be encouraging to those of you who are seeking to cut down the amount of money which is specified in this bill.

The gentleman also said that he believed both the leaders and the people of Europe were aware of the fact that, in order for them to pull themselves up by their own bootstraps, they would have to accept a lower standard of living.

I had been afraid that maybe the people of Europe would get accustomed to the huge amount of money that was pouring into their countries and they would lose their initiative and wish to go on forever receiving assistance from the United States.

Let us not cut the appropriation in this bill. I am afraid it would do more harm than good. Let us instead adopt a firm policy and make sure that we have concluded this program by 1952. I believe that when Europe realizes that our yeas are yeas and our nays are nays, they will provide for their own recovery and rehabilitation after 1952—thereby relieving the tax load in this country and giving our own country a breathing spell in our tremendous tax load.

I hope there will be no change in the authorization of funds designated in the bill.

Mr. DAVIS of Georgia. 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 Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, I voted for the Marshall plan last year. When I voted to place this burden upon the shoulders of the American peo-

ple, I did it with the full realization that the burden would be a heavy one. It was a step in the dark. There was no possible way to know whether the spending of this tremendous amount of money would insure peace and would stop the spread of communism, or not. The decision which I finally had to make, regardless of my doubts and misgivings, was whether or not the possibility that the Marshall plan would stop communism and preserve peace was great enough to justify our giving away these billions of dollars.

It was a question of balancing off on the one hand the billions of dollars required to finance the program against the chance on the other hand of avoiding a third world war and of preventing the further spread of communism throughout the world.

I feel, as the great majority of American people feel, that our money cannot be spent for a better purpose than that of preserving peace. If money can be properly spent to prevent the spread of communism, that also is one of the most worthy purposes for which we could use our substance.

While there is no point whatever to frittering away money, or spending it uselessly, nevertheless it is worth billions of dollars to avoid another war.

I have felt for a long time, and still feel, that war with Russia is inevitable, if communism continues to spread. Communism is so repulsive to our American sense of freedom and liberty, that we would never permit it to overthrow our Government, either by force and violence, or by infiltration.

Since 1917, communism has taken over 12 or more countries, and is constantly reaching for more. I believe that every country which goes behind the iron curtain lessens just to that extent our chances of stopping communism.

I realize, as we all do, that this program increases our tax burden; that it is going to have a definite effect on our economy in the future, because in this recovery program we are building up future European competition for American industry, American manufacturers, American workmen, and American agriculture.

Nevertheless, I believe that we can endure these things better than we can endure communism. We can endure these things more easily than we can endure another war.

I am willing to endure them, if by so doing, there is a reasonable prospect that we may realize the objective of this European recovery program, namely, the stopping of communism and the maintenance of peace.

After weighing these things, one against the other, my conclusion was that it is worth while to give the Marshall plan a trial, and I so cast my vote at that time.

I hope I reached the right conclusion, and that my vote was proper.

We are now about to vote on the pending amendments to reduce the figures provided in this bill as the maximum amounts which can be appropriated during the next fiscal year to finance the European recovery program. It is true

that this is not an appropriation bill. It is simply an authorization bill. However, there is no reason why the Members of this body in considering this bill cannot or should not determine at this time whether a reduction of 10 percent or a reduction of 15 percent, or a reduction of any other size is proper with reference to this program. It is proper to keep in mind now as well as later when the appropriation is being made, that, after all, this money comes from the pockets of the American taxpayers. It is proper to bear in mind, now and at all other times, that no tax money should be wasted. I have a feeling that the higher we make this authorization ceiling, it will to that extent encourage larger appropriations.

In helping Europe to get on its own feet, I do not intend to so impoverish America, that at the conclusion of this European recovery program America will stand in need of a recovery program of her own. If we should thus deplete our own resources, there would be none to extend a helping hand to us. It is just as important, and to my mind, far more important, to keep our own country and our own economy sound and stable as it is to restore the economy of western Europe.

In considering whether or not a reduction of 10 percent can be made in Marshall-plan funds for the next fiscal year, one of the first factors to be considered is the cost of materials to be purchased by the participating countries. It cannot be denied that prices are lower now than they were when the Marshall plan was voted. As has already been pointed out by the gentleman from Georgia [Mr. PRESTON], appropriation bills are being reduced in some instances 10 percent, and in some instances 15 percent. This reduction is made possible because of lower prices and because of increased purchasing power of the dollar.

I do not believe it will impair this program in the slightest to reduce the amount of money 10 percent. Certainly I do not intend to vote for new taxes this year for any purpose short of preventing national disaster. If we do not save money wherever savings are possible, we are going to face the necessity either of deficit financing, or of increased taxes.

In my opinion a reduction of 10 percent in the amount of this authorization is proper. I do not believe such a reduction will impede European recovery in the slightest. It will help to lighten the load of our taxpayers, and I intend to support such a reduction in this bill, as well as in the appropriation bill which will follow.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I thank the distinguished gentlewoman from California for yielding me her time.

Mr. Chairman, it does seem to me that some of us who are tremendously interested in the welfare of our country should have an opportunity to express our views freely. When the chairman of this committee predicates his opposition to allowing a Member to speak for more than

5 minutes on the fact that we must finish this legislation in order that we can have a recess Thursday and go home, I think it is being placed upon grounds which the American people will not approve. I am serving notice now that if any unanimous-consent request is made it will be objected to. I think we can afford to take time, if necessary, to let the American people have all the facts and let those who are in opposition to this know all the facts.

I spoke yesterday on this bill and announced my support of it and gave my reasons. This does not mean, however, that I am going to oppose every amendment that may be offered and every suggestion that may be offered for the betterment of this situation for your country and mine.

See what we are now confronted with. Will you not listen? Do you know what is facing us, or are we, in our efforts to get away from here and get this thing through, not going to consider the vital facts?

Read the bill and ask yourself this question: Right in the first section it is provided "that no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States."

Can you answer that question honestly to yourself without knowing what the demands are going to be in total for the total foreign aid? You have nothing here to implement the Atlantic Pact. You do not know how much is going to be asked. You do not know what is going to be asked for the Greek-Turkish aid. You do not know what the emergency children's fund is going to ask. You do not know what may be asked for China aid or some other aid program.

I cannot answer my people honestly and say I voted for this thing with my eyes shut, just because Mr. Hoffman and his group have seen fit to send up here a request for the amount specified in this bill.

Let me ask the acting chairman of this committee whether or not you intend by the passage of this authorization legislation to take to the country the word that that maximum of authorization must be the amount to be appropriated later in the appropriation bill.

Mr. RICHARDS. I am sure I can speak for myself and every member of the committee in saying that it was never the intention of the House Committee on Foreign Affairs to present this figure to the House as a fixed sum, as a maximum. It has always been the understanding, and it has been repeatedly set forth here, that the House Committee on Appropriations would revise those figures in the light of the international situation as it develops.

Mr. KEEFE. Did the committee examine meticulously the estimates as to the actual need, or did you take the figures that were submitted by ECA?

Mr. RICHARDS. Our committee examined those figures meticulously for a period of 6 weeks, sometimes at night and sometimes during the day.

Mr. KEEFE. What confuses me, then, is the statement in the minority report, signed by the Republican members of

the committee, which gives an entirely different impression and very definitely cautions the Congress and the country. They use the following language:

There must be no repetition of last year's attempt to distort limitations into commitments, or the legislative maximums into appropriation maximums.

What I am worried about is that if you pass this bill with these so-called legislative maximum authorizations, the story is going to be just what it was last year, and when the Committee on Appropriations makes an honest attempt to examine the estimates, they will be charged with sabotaging the program.

Mrs. DOUGLAS. Mr. Chairman, much has been said about the terrible thing that was done a year ago when the Congress and the force of American public opinion reversed the Appropriations Committee of the House in its decision to make the 12-month authorization do for 15 months—to cut the program thereby 25 percent—to make it a relief and not a recovery program. The terrible thing was not the reversal. It was the error in concept so narrowly averted. We of the committee claim no sanctity for our figures. Nor do we recognize the sanctity of any other committee's figures.

The record in the first year of this program shows that the authorization recommended by the Committee on Foreign Affairs was substantially correct. The figures submitted this year are tight figures. They are subject only to changes such as price changes—which may occur between the authorization and the appropriation.

I want to discuss now certain aspects of British trade relations with Russia. East-west trade is essential for recovery. Wheat, coal, lumber, and minerals must be imported by western European countries to sustain their economies. Dollars are not used to promote this trade—the local currencies of the countries are used. I would like to point out, Mr. Chairman, that the United States cannot begin to supply all the raw materials that are needed to carry forward the recovery of western Europe.

On March 31, 1949, the newspapers carried an account to the effect that the United Kingdom budget included an allowance of \$36,000,000 to Russia.

Actually the mention of dollars was incorrect. The money involved was £9,000,000. This £9,000,000 allowance is not a new credit for future deliveries. It is an arrangement for regularizing transactions which originated during the war. It provides an advance against which payments by Russia for nonmilitary goods ordered by Russia from the United Kingdom and for the most part delivered during the war, may be concluded when the final contract details are settled.

The £9,000,000 item arises out of wartime relations between the two countries.

A trade and payments agreement signed by the two governments on August 16, 1941, provided that the Russians would pay 40 percent in hard currency for nonmilitary supplies and would ob-

tain the balance through repayable sterling credits extended by the British.

Under the urgency of the war, many of the items were manufactured and delivered without final determination of contract terms. The manufacturers had to be paid, however, and the British Government advanced money to pay the manufacturers. At the end of the war, negotiations on the contracts lagged, delaying final settlements. A trade and payments agreement signed with the Russians on December 27, 1947, changed the method of settlement under which further trade would be handled.

Since the wartime authority under which the British made advances to the allies has expired, it is now necessary to secure additional parliamentary authority and appropriations to cover the remaining advances required to settle the wartime accounts. It was estimated in the budget presentation for 1949-50 that the amount required for this purpose in 1949-50 would be approximately £9,000,000 in sterling.

On settlements previously concluded, the Russians are making repayments in accordance with the agreements. This year Russian payments of this character will amount to about £5,000,000.

BASIC TERMS OF BRITISH-RUSSIAN TRADE

The basic terms of the United Kingdom's trade with the U. S. S. R. are set forth in the trade agreement of December 27, 1947, which adjusts and revises the earlier agreement of August 16, 1941. The trade agreement of 1947 has both long- and short-term aspects and has no stated terminal date. The countries have agreed to discuss developments under the terms of the agreement and recommendations for further developments of trade at least once a year.

It is anticipated that trade between the two countries will balance in the long run. In the short run, however, a lag of balance can be expected. The financial arrangements in the trade agreement provide that the Russian State Bank account with the Bank of England, established under the trade agreement of 1941, should be balanced off every 3 months, with any debit favoring the Russians for an excess of shipments over receipts by them to be settled by British repayable advances of sterling.

The agreement of 1941 also provided that the total advances outstanding under the payments arrangements then included should not exceed the sum of £10,000,000. When the outstanding advances should approach the £10,000,000, the two parties would negotiate for additional credit.

The short-run aspects of the trade are quite specific. For example, in 1948 Russia agreed to supply the United Kingdom with 750,000 metric tons of coarse grains and the British agreed to supply rails, largely from surpluses.

In the long run, Russia will supply basic foods, timber, and similar products, whereas the United Kingdom will supply industrial equipment. Deliveries on industrial equipment involve considerable lags, in some cases as much as 2 to 2½ years following the placement of orders.

It was estimated at the end of 1948 that, of the long-term goods desired, the Russians had so far placed only between 10 and 15 percent of the total orders necessary.

Trade between the United Kingdom and the Soviet Union in 1948 resulted in the United Kingdom receiving more goods than it sent to Russia.

United Kingdom trade with Russia stated in dollar equivalent

Imports.....	\$109,000,000
Exports and reexports.....	28,400,000

Grain, flour, and other food supplied more than 80 percent of British imports from Russia; machinery made up two-thirds of British exports of domestic produce.

PARTICULAR COMMODITIES IN BRITISH-RUSSIAN TRADE

Doubts about United Kingdom trade relations with Russia have been expressed in relation to a number of specific commodities and to strategic materials in general. The allegations and the answers in relation to specific commodities are stated below. The general question of British-Russian trade in strategic items is then discussed at greater length.

Aluminum: It is alleged that the United Kingdom has supplied aluminum to Russia.

The answer: Total shipments by the United Kingdom to Russia of nonferrous metals and manufactures, which include aluminum, amounted to less than the equivalent of \$3,000 in 1948 according to the British Government's publication *Accounts Relating to Trade and Navigation*. This figure indicates that aluminum shipments from the United Kingdom to Russia in 1948, if any, were insignificant.

Jet airplane engines: It is alleged that since early in the program the United Kingdom has sold jet airplane engines to the Russians.

The answer: The engines referred to were transferred by the United Kingdom to Russia prior to the time ECA came into existence, and under a contract entered into in 1946.

Steel rails: It is alleged that the United Kingdom sold 18,000 tons of steel rails to Russia, and these rails were included in the steel which the United States had supplied to Great Britain.

The answer: Only 1 percent of British steel is supplied by the United States. The steel shipped to Britain under ECA is of a special class, used mostly for steel pipe. No steel suitable for rails has been shipped from the United States. United States export-control policy does not bar the shipment of steel rails from the United States to eastern Europe. Since there is no security consideration and since the United Kingdom produces enough steel rails so that there are some for export, there is no objection to some of these rails being shipped to Russia—particularly since vitally needed wheat and other essential materials are received by the United Kingdom in return.

Tin: It is alleged that the United Kingdom has been shipping large quantities of tin to the Soviet Union.

The answer: International commerce in tin is controlled by an allocation system under an international combined committee, on which both the United States and the United Kingdom are represented. During the period in which the European recovery program has been in effect no allocation of tin for the Soviet Union has been made. The Soviet Union has applied for no allocation of tin.

STRATEGIC MATERIALS IN GENERAL

As to strategic materials in general, the United Kingdom exercises export controls limiting exports of goods of strategic value. It does not ship munitions, military equipment, or articles of strategic military value to Russia.

On March 31, the British Government announced that export licenses would be required in the future for a long list of additional products not previously limited. The countries of the British Commonwealth and the other participating countries, as well as the United States, are exempted from these licensing procedures so that it is clear that they are directed largely toward restriction of the movement of goods of strategic value to countries in eastern Europe.

The new list included certain metals, nonmetallic minerals, tools, chemicals, and certain kinds of machinery and equipment.

The implications of this new export license policy are indicated in an excerpt from an item from the Christian Science Monitor, April 2, 1949:

BRITAIN TO TIGHTEN CONTROL OVER EASTWARD EXPORTS

(By John Allan May)

LONDON, April 2, 1949.—Britain will greatly tighten its control over the exports of possible war potential to eastern Europe as of April 8.

Almost every type of machine tool, wide range of chemicals, and many items of scientific apparatus are included on the new schedule of goods needing export licenses thereafter if eastward bound.

The following colloquy between British Foreign Secretary Bevin and an American newspaperman at the National Press Club in Washington, April 1, 1949, is in point:

Question: Last night's press stated that Great Britain loaned Russia \$36,000,000 to purchase British goods. Is this true, and, if so, why?

Mr. Bevin's reply:

We certainly haven't lent any dollars. They wouldn't even give me any to spend here. No, we haven't lent. What we have done is to have east-west trade, which is in keeping with the decision of the OEEC in Paris. We have restricted certain goods in the same manner as you have yourselves. I do feel that the absolute and exclusive cutting off, particularly of the people inside the curtain, in Poland and the rest of it, from all contacts is not a wise way to bring about recovery. Do please remember that there are millions of people in Czechoslovakia and in all these countries who are only looking for the day when the curtain will be rent and the light can go through again.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I tried to get you to recognize me for an hour and a half, hoping to get 5 minutes. Now I am recognized, and because of the fact that the chairman of the committee wants to gag the House of Representatives, I get the great long time of 3 minutes to cut down this authorization. I want to say here I think the Committee on Foreign Affairs is showing little respect and consideration for the House of Representatives in the way they are conducting this legislation. I hold no ill feeling in my heart toward the committee or any of the individual members, but I think the proceedings here in the last day or so are just bad, terribly bad.

I am so provoked by the way things are going here in the House of Representatives, and the way you are handling this great Nation of ours, that sometimes I get worried to the extent that I just get sick at heart, knowing the way our country is being led to the slaughter, to bankruptcy and ruination. I do not know what is going to happen to us. While we think and talk about the greatest country on the face of the earth, if we follow this Congress any longer, you are going to see the greatest ruination that any nation on the face of the earth has ever seen, and that will be just because of the statement which was read to you here by my colleague from Wisconsin in the first paragraph of the bill.

You are not taking that statement the way it should be taken, and you are not fully recognizing what it means. It says:

Provided, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.

You are ruining us, the obligations you are and have assumed toward other nations are not aiding them or us. I say you are wrecking America.

I do not believe that the majority of the Members of Congress know actually what they are doing in the expenditures of the funds of the American taxpayers, when we are trying to obligate the people of this country with a debt of \$252,000,000,000, and taking them down deeper and deeper, when this year you are going into the red for at least two and one-half or three billion dollars. Then what is going to happen? If you think about the Atlantic Pact and the other things that you are trying to give to these foreign countries, I predict disaster in America. You talk peace and prepare for war. The Foreign Affairs Committee seems to me is more foreign than domestic.

Talk about Great Britain; I heard on the radio this morning a commentator say that Great Britain was working now to get the ECA to give them money so that they would be in a good financial position to help Great Britain and all of their industries, and that with this aid and assistance that you are giving to those countries, to build plants, and guarantee them economic recovery, the first thing you know Great Britain and all these other countries will have the markets of America; American industry

will be closed down and American labor will be on the relief rolls and you will be in bad shape, and it will be your fault. I am for the amendments to cut down the amount, and even if they do pass—and I do not anticipate anything even that good—I will vote against the bill. I want it to be known, after listening to the debate and taking all facts into consideration, this bill is so bad for our country that I do not want to support it. It is not a relief bill; it is economic death to America and the private-enterprise system.

Twenty years ago one who would have proposed such a plan would have been considered out of his mind, and I am sure he would have been right, and I have not changed my mind by time. To my colleagues, is it not time we get some sense and look after our own America, the land of freedom, the land we do and should love? God save America.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I suspect that the membership of the House, depending upon their inclination at the moment, could take either side of the questions concerning the amendments that have been offered, and make sincere and fervent pleas for either position, because I know every Member of the House recognizes the difficult and opposing facts involved in this matter.

This is an authorization bill. It is not an appropriation bill. As the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from South Carolina [Mr. RICHARDS] pointed out a moment ago, the proper figure can be set when the appropriation bill comes here, assuming that it is not claimed then that this is intended to set or fix the appropriation.

I would like to put in my view by pointing out that the ECA measure is a part and only a part of a strategic plan, or strategic concept, originated by the distinguished gentleman who became our Secretary of State, and who was formerly Chief of Staff of our armed forces. It involves, in this particular portion of that plan, the recovery of the nations of Europe, so that they may withstand the forces to the east of them, and be able to contribute substantially to their own defense in case they are attacked, and hence not require so much of our own forces. I think if we look at it from that standpoint, we may feel a little bit different about it. It is a part of a great strategic concept. In my view, it can save the people of the United States, perhaps, much blood and tears in the long run. I am willing to vote for the authorization that is brought here and reserve my judgment as to the appropriation until the Committee on Appropriations has heard all the evidence in a justification and brings in its recommendation. It hurts me in my conscience to do anything to support any Socialists' government anywhere in the world. I do not like to do that. But so long as that socialistic government is going to oppose Fascist socialism, called

communism, which seems to be creeping upon the world, then I would rather support that socialism in its efforts to destroy communism, that force which would itself destroy freedom in the world. I cannot, therefore, go along with the amendments designed to decrease the authorization in this bill, although I will reserve the right to vote for a decrease in the appropriation if, when that bill is brought before us, the situation appears to warrant such action.

The CHAIRMAN. The time of the gentleman from California has expired. The gentleman from Texas [Mr. WORLEY] is recognized for 3 minutes.

Mr. WORLEY. Mr. Chairman, I was particularly impressed a few moments ago by the statement of the gentleman from Florida to the effect that the British ration is 2 ounces of meat per person a week. I did my best yesterday to tell the committee where quite a large amount of good canned beef owned by this country is available which could be well used to supplement their diet.

It does seem strange to me, Mr. Chairman, that with the surpluses which we have here in the United States, not only of meat but of basic agricultural products as well, the ECA does not dispose of as much surplus as it can before buying from other countries, particularly from nonparticipating countries.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield.

Mr. ANDERSON of California. I have asked the gentleman from Texas to yield to me in order that I may address a couple of questions to the chairman, the acting chairman, and members of the committee.

I have here an article from one of the New York newspapers which concerns me. It is dated Paris, March 7. It reads as follows:

Dr. Frederic Joliot-Curie, French high commissioner for atomic energy and a self-avowed Communist, today endorsed the newly announced Communist line of siding with Russia in event of war. He directs all atomic research in France and is in charge of building France's first atomic pile, the basis for atomic bombs.

I should like to know from the members of the committee if they can assure the House that none of the moneys or materials that are carried in this bill which, by the way, I am supporting, will find its way into the Communist-dominated portions of France which might eventually fall under the domination of Russia, and that we can be assured that these materials will not be directed toward the building of an atomic pile which may threaten this country in the future?

Mr. VORYS. I can give the gentleman that assurance.

Mr. ANDERSON of California. I appreciate the gentleman's assurance. I should like to add this, I am sure the Members of the House will be interested. I wrote to Mr. Hoffman about this question and I have the following answer from him. He writes:

In reply to your letter of March 15. I have investigated the question of whether ECA funds have contributed to the development of the French atomic pile. I find that

the policy of our Government is opposed to shipping atomic-energy materials to France and that as a result no ECA-financed goods have been used directly or indirectly for this purpose.

He states that he understands that is the policy, but I believe that the Congress and the country should know definitely that it is not the policy of this country to ship any atomic-energy materials to the Communist-dominated portions of France.

Mr. VORYS. I can merely say that we investigated that in executive session, and I repeat the assurance that I made.

Mr. ANDERSON of California. I appreciate having the assurance of the gentleman from Ohio on this important question. Certainly we do not want to repeat the mistake we made prior to Pearl Harbor when scrap iron and other materials were shipped to Japan and returned with interest in the form of planes, guns, and bullets.

Also I wish to thank the gentleman from Texas [Mr. WORLEY] for yielding me this time.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The gentleman from Ohio [Mr. BROWN] is recognized for 3 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I will note take the full 3 minutes, because it is impossible to discuss this question in that short period of time. I do, however, desire to say that I will support the amendments to reduce this authorization, because I am not unmindful of the fact that while this Congress a year ago was told by the Committee on Foreign Affairs it was simply an authorization that we were voting for, when it came time to consider reduced appropriations the statement was made that we had committed our country to the other nations of the world to furnish these amounts, and that to refuse to appropriate them would be an act of bad faith on the part of the Congress and the American people. I am certain that the same thing will occur again if we authorize this full amount and the Committee on Appropriations, in its good judgment and wisdom, attempts to reduce the appropriations to a more realistic figure.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. PHILLIPS of California. Is it not always possible, should the amount turn out to be a little less than necessary, to increase it in January or in a deficiency bill?

Mr. BROWN of Ohio. Certainly; and we have done just that time after time, both through authorization bills and through deficiency appropriations.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, let us reason carefully which way we are going. When the Marshall plan first came up for consideration the Committee on Foreign Affairs assured us that it would reduce our national-defense expenditures. Yet now we are asked for over \$16,000,000,000.

We have just been told by a member of the Committee on Foreign Affairs

that they got certain assurance and information in executive session. I might suggest that that committee has unwittingly been holding too many executive sessions with Mr. Hoffman and other ECA administrators, together with the heads of the State and Commerce Departments. These international industrialists are out to fleece the American people. I am quite positive that few, if any, of those representing the American ideologies of the founders of our Nation, outside of the group mentioned above, were heard in executive sessions. I feel that in the future this committee should hold its hearings in public.

I want to be frank and say to that committee that I wish to inform their friends, the foreign nations, that this insane program will end in 1952, and I also wish to inform the international gangsters, the one-worlders for profit and their unwitting innocent victims on the Committee on Foreign Affairs, that it will end in 1952 when the American people realize that we have taxed and mortgaged the soul of every baby to the extent of \$4,756. That is each individual's portion of the national indebtedness with future commitments. The time has arrived when we should think soberly and not smilingly and sneeringly because of the fact that some foreign nation or some foreign plutocrat has showered a smile upon you or because you may have seen the Queen of Greece.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman think our Foreign Affairs Committee is more foreign than domestic?

Mr. LEMKE. I feel that some members are more interested in and represent other countries more than our own.

Mr. RICH. I have heard members of the Committee on Foreign Affairs say that this appropriation could be cut down without injury to the foreign program that the Foreign Affairs Committee is considering. When you hear members say that individually, then everybody stands up and says it cannot be done. I want to say that there is something wrong with the Committee on Foreign Affairs.

Mr. LEMKE. I have seen some members of the Committee on Foreign Affairs vote against most everything for Americans and for most everything for foreigners.

This Marshall-plan authorization for some \$5,300,000,000 will pass, but not with my vote. This bill provides for the exploitation of the European people by the international manufacturers and bankers of the United States. It guarantees these investors to the extent of \$300,000,000 not only against loss but a profit.

This all at the American taxpayers' expense. According to the Bureau of the Budget we already owe \$663,000,000,000 with future commitments. This is about four times what all the other nations in the world owe. Every baby from the moment it is born is mortgaged for \$4,756. That is the share of the

Federal debt for every man, woman, and child.

It is true that you have not signed a note or a mortgage, but the Federal Government has a lien on all your property and all your earnings and the future earnings of the baby for \$4,756. It will collect the lien via income taxes and a hundred other unseen and hidden taxes. You cannot, while you live, escape from helping to pay that lien. It is about time that we stop playing Santa Claus to other nations and forgetting our own people.

Here are a few of the big boys that profited out of the \$5,500,000,000 previous Marshall plan. Five hundred and fifty million of the ECA dollars spent in the United States went to Anderson, Clayton & Co. The head of that company is William Clayton, former Under Secretary of State, who did more than any other person to get the approval of the plan in Congress.

Five hundred and sixty-five million dollars went to the Standard Oil Co. of New Jersey. The Rockefeller family played an important part in creating a favorable consideration by Congress for the plan. The Rockefellers interested worked through a committee called the Marshall plan to aid European recovery. The principal promoters of this plan were Winthrop W. Aldrich, brother-in-law of John D. Rockefeller, Jr. On that committee was Nelson A. Rockefeller, the son of John D. Rockefeller, Jr.

Nearly two-thirds of all the ECA money spent in the United States went to the States of New York and Texas. We could fill several pages on those who advocated the Marshall plan and sold it to the administration, and profited financially. It may truly be said that America was sold down the river by the financial interests that expected to and did profit from the Marshall plan.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, if I understand these two amendments correctly, one would cut the appropriation to the extent of about \$110,000,000 from April 3 to June 30, 1949, and the other would cut the over-all appropriation from \$4,280,000,000 down to \$3,852,000,000. If that is the purpose of the two amendments, I propose to support both of them if I am given a chance to vote.

Mr. Chairman, I want to take this opportunity to speak for the majority of the people in my district who are weary of carrying tax burdens that are unnecessary. This is my fifteenth year as a Member of this House and today more than ever before I am convinced that the Congress of the United States, including the other body and this body, is far too ruthless in its use of dollars provided by the taxpayers and the bond buyers.

In my opinion, two terrible forces are at work on this Hill. One is where men are compromising with themselves by taking the position that in view of these foreign-country appropriations which we make, and which they oppose, they are for any and everything that can be asked for by the people of the United States.

I think that is getting on dangerous ground. Secondly, that if they are opposed to bills of this particular type, which involves armament, they are in favor of any kind of a bill that is brought in here for the armed services of this country. I think that is terribly dangerous ground on which to stand.

The people of this country expect us to have some personal convictions and some ordinary goose sense. We have thrown billions to the winds in the last 15 years until every branch of the Government has become immoral in its extravagance; therefore I use this opportunity to set the brakes just a little bit. There is no need of our sticking our own people in the back by appropriating funds or authorizing funds until they are absolutely justified beyond any question. I feel that when any Member disregards his own responsibility in that respect, he is committing economic treason against the people who sent him here and those people who are now too young to consider what these questions involve.

Mr. Chairman, these are my reasons for supporting the two pending amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, it is my intention to vote for this bill whether or not this amendment or any other amendment is adopted. However, I approach the problem with a great deal of doubt, and certainly agree that there is a great calculated risk. I fervently hope this will be the last authorization of such great sums we will be called upon to make. I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentleman from Pennsylvania [Mr. FULTON].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania [Mr. GRAHAM]?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, I am speaking from the committee table, but I am not speaking for the minority of the committee. I am speaking for myself. I am in favor of the Smith amendment to cut this authorization \$380,000,000 and am opposed to the Preston amendment. I am for ERP; I am for the Atlantic Pact and expect to support military aid in connection with that pact. I expect the Committee on Appropriations to do their duty when this authorization comes to them, regardless of what happens on this amendment. As has been pointed out repeatedly here, there is no specific commitment in this authorization.

But, when it comes to this proposed \$380,000,000 cut I am mindful of certain things.

First, we have got to keep strong at home in order to keep helping abroad.

We owe it not only to ourselves, but to the other free nations to keep strong.

Second, we just do not dare have a big tax hike or go into the red this year, if we want to keep strong.

Third, we have two unknown quantities facing us involving this very authorization; we do not know what the OEEC organization itself thinks about these individual country requests that are before us, and the cost of arming Europe is an unknown, unbudgeted amount.

Fourth, in view of the remarkable recovery so far, Europe certainly can get along with the mild cut of \$100,000,000 from now to June, a period of about 2½ months, and \$280,000,000 for the rest of the coming year. If we have cut too fine, Congress is going to be in session next year. So, after a great deal of consideration, I am opposing the majority of the committee in supporting this amendment. ECA can get along and go forward with less.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, we are now considering H. R. 3748 to amend the Economic Cooperation Act of 1948. The measure the Members of this House are now debating authorizes the continuation by this Nation of the act of Congress passed in 1948 for the purpose of cooperating with the free nations of the world which have not yet fallen before the ruthless march of Russian military might, and which have not been brought under the sway and control of Russian communistic despotism. The measure now before us, if it is passed by the Congress, will authorize the appropriation by the Congress of \$5,338,000,000 in further aid to the European nations we have heretofore been cooperating with up until June 30, 1950.

The distinguished gentleman from Wisconsin [Mr. SMITH], a member of the House Foreign Affairs Committee, has offered an amendment to the pending measure reducing the appropriation authorized by the measure we are now considering to the extent of \$338,000,000.

The able gentleman from Georgia [Mr. PRESTON] has offered an amendment to the amendment offered by the gentleman from Wisconsin [Mr. SMITH] to reduce the proposed appropriation to the extent of \$990,000,000. The amendment of the gentleman from Georgia will be voted on first. I shall support it. If the proposal to reduce the appropriation authorized by this bill to the extent provided by the amendment by the gentleman from Georgia is defeated, I shall then vote for the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

It has been urged by the Members of this House who favor this huge appropriation of \$5,338,000,000 without reducing it one cent, that if we do not authorize the appropriation of these vast sums, without reduction, the European nations we have been assisting for the past year will be unable longer to stand on their feet; that they will become discouraged and will no longer stand up in opposition to Russian aggression and Russian communism. They are inconsistent in what

they have to say on this subject. Members of this House, Members of the Senate, and the representatives of this Government, along with men of character and intelligence in civilian life, have visited Great Britain. They have been in France, in Italy, in Belgium, in Holland, in Luxemburg, in Portugal, in Denmark, and in Norway. These Americans who have visited these countries who have been the recipients of our aid, are unanimous in their report that the countries we have been thus assisting are well on their way to recovery.

One of our colleagues has gone so far as to say that even in the case of those who apparently have made such a marvelous recovery, their condition is to be compared to that of a man who has sustained a physical injury and who has made a complete recovery. His wounds have healed. The fractures he sustained are reunited and are again strong. His heart is good and there are no after effects in the way of a psychosis or hang-over which impairs his physical well-being. Yet, nevertheless, he feels he should have further treatment and if this is not accorded him he will collapse. A man who has recovered from an injury and who continues to simulate and pretends to be suffering from his hurts is ordinarily called a malingerer. Surely the friends of European relief and the supporters of this measure do not mean to say that the people of Europe who have been the beneficiaries of our generosity, and who are so far along on the road to recovery, will play the role of malingerers if we do not authorize the appropriation of the full amount named in this bill.

I do not believe for one minute that the free nations of Europe will throw in the sponge and quit if we do not authorize the appropriation of the \$5,338,000,000 named in the measure we are now considering.

The free people of the nations of Europe who up to this time have stood up against the threat of Russian aggression have the will to be free and to remain free. They are not going to run up the white flag of surrender simply because the representatives of the people of this country seek to make a small saving in the funds we are proposing to give to our friends across the sea.

One of the finest and most inspiring examples the world has recently witnessed of the determination of a people to be free is the establishment of the State of Israel in Palestine by the Jewish people. Only a handful of them, surrounded on every hand by enemies in overwhelming numbers, established and are maintaining their independence among the nations of the world.

I am glad to hear my good friend the gentleman from Ohio, able member of the Foreign Affairs Committee [Mr. VORYS], say on the floor of this House that he favors and will vote for the Smith amendment to reduce the authorization carried by this bill to the extent of \$338,000,000.

In considering this measure I shall first consider my duty to my own country. Self-preservation is the first law of nature. This is true with individuals and it is true of nations. This truth

was recognized by the apostle Paul when he said:

But if any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel.

There is every likelihood that the full amount authorized by this measure will not be necessary for European relief over the period of the next 15 months. This is true for a number of reasons. First, the prices of the commodities which will be furnished under this measure are falling. Second, a good crop year in Europe will reduce the amount necessary under this measure. Third, accelerated European recovery will also justify a decrease in the appropriations needed to carry out the necessary relief to the countries affected.

The relief extended by this Nation to the peoples of Europe has been fully justified and it has inured to the welfare and safety of our people. It has prevented the further spread of communism in Europe. Communism thrives upon human misery and human weakness. Russia, by her use of the veto in the United Nations, by her refusal to cooperate and join in making peace between this Nation, Great Britain, France, Belgium, Holland, and the nations with whom we have been at war, and by her acts of aggression both in Europe and in Asia, has made it absolutely necessary for the free nations of the world to stand together, to join forces against the further spread of communism by Russian military might.

To protect ourselves and our friends, this Nation must remain strong.

If Russia marches and if the third world war comes—and I see ominous signs, and I hear reckless statements, coming from men who are charged with the safety of this Nation, indicating and virtually prophesying that it will come, this Nation, to protect its friends and our people must conserve and build up its own strength.

I wish the President had not said the other day that if it becomes necessary he will drop atomic bombs. This sounds too much like the talk of a dictator. I wish he would not get in the frame of mind where it appears that he is arrogating to himself the right to determine the issue of war or peace—the fearful power to declare war.

How becoming it would be to him in wisdom and in modesty to refrain from indulging in provocative and warlike talk. We know that a President can put us into war by bungling, stumbling and fumbling, or by design.

The men who wrote our Constitution, the founding fathers of this Nation, in an effort to safeguard peace, placed the power to declare war solely in the Congress.

It goes without saying that if Russia forces war on this country our military authorities will use every weapon available to us. They will use to the utmost in the defense of our country and in defense of our allies the atomic bomb, devastating, destructive, and fearful as it is. The people of this country, however, are not anxious that we get into another war unless it becomes absolutely necessary. It is infinitely better

for our people and for the people of the world if we can avoid war and remain at peace. To accomplish this end, our President, the commanders of our armed forces, and the Members of Congress should avoid the use of language calculated to provoke, hasten, or make inevitable a war.

It is never wise in a personal difficulty and certainly not with respect to a war with a foreign nation that may destroy all the wealth of this country and cost the lives of millions of our boys for us to assume the attitude of an aggressor, either by word or by deed.

If war must come, let it come as the result of the aggression of some other power.

In this connection we should remember that there is such a thing as bleeding a country white. In the last world war this Nation spent more than \$300,000,000,000. We have already spent and incurred obligations in our cold war with Russia \$24,000,000,000. The debt of the Federal Government is \$252,000,000,000.

We are mining our soil. We are exhausting its productive capacity. We are mining our mineral resources—our coal, iron, copper, lead, zinc, and bauxite from which aluminum is made. We are exhausting our supply of oil. We are dissipating the strategic materials without which this Nation cannot wage a victorious war.

And, above all, if war can be avoided with honor and safety, we do not wish to sacrifice the young manhood and young womanhood of this Nation on battlefields all around the world.

Nor do we wish to strap the taxpayers of this country upon an operating table, so to speak, and continue unnecessarily to give transfusions of treasure and blood to nations, even though they are our friends. This may be carried to such a degree that our country will be rendered so weak in material resources and in manpower that we may ultimately fall a victim to the power of Russia, after she has rendered us unable to put up an effective defense.

The late Will Rogers once said:

This country never lost a war, and we never won a conference with foreign nations.

We have set our hand to the plow in our effort to maintain the peace of the world and, if the worst comes to the worst, to insure for ourselves friends and allies against the day when advancing hordes of despotism and communism may seek to overwhelm us.

Lest we forget, let it be remembered that the mistakes, the blunders, the incompetency of Mr. Roosevelt and his advisers at Teheran, at Yalta, at Potsdam, and those who betrayed our allies in China, are responsible for the unparalleled sacrifices and burdens this country has been forced to make and to assume in our defense against the perils which now confront us.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, when the distinguished gentleman from New York was speaking about the effects of propaganda, I could not help but recall in connection with

the propaganda upon this bill some of the activities of certain groups in this country, governmental and otherwise. I happened to go back in my file and found a letter from the Committee for the Marshall Plan To Aid European Recovery, dated February 27, 1948. It had a very distinguished executive committee, consisting of Mr. Robert P. Patterson as chairman, Dean Acheson, Winthrop Aldrich, Frank Altschul, Alger Hiss and others. How intriguing.

I have noted in the Congressional Quarterly, to which I subscribe, the fact that in 1948, according to the report on lobby spending, the Committee for the Marshall Plan To Aid European Recovery spent \$131,435. That is under date of February 4, 1948.

The next step we have is this, and I quote from the Congressional Quarterly of March 18, 1949. The title is "Foreign Policy: What Lobbies Want."

Formation of an Atlantic Union Committee was announced by former Supreme Court Justice Owen Roberts, former Secretary of War Robert P. Patterson, and former Under Secretary of State Will L. Clayton. After Congress has acted on the Atlantic Pact, Roberts said, the committee will ask for passage of a resolution calling for an international convention to explore how far the United States and other democracies could wisely go at this time in forming a true federation of the Atlantic democracies * * * within the framework of the UN. A similar convention was urged by Federal Union, Inc., whose president, Clarence K. Streit, is a director of the committee.

I think as long as we are considering the Marshall plan, which became ERP and which is now ECA, we had better get ready for what will next come—Union Now.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, one cannot say much on this very important subject in the short time available. I should like to say, however, I believe it to be an act of wisdom on the part of the Congress if we would support the substitute amendment and try to reduce this bill by about \$500,000,000. Then, if we fail in that, I think, in the interests of our own country and our own people, it would be the better part of wisdom to support the Smith amendment, which would reduce the amount by \$380,000,000.

I think we all have observed that the materials of every kind to be purchased in this country under the new authorization and under the new appropriations, after the amount is settled and brought before this Congress from the Committee on Appropriations, will require considerably less, due to lower prices. In other words, the money we are appropriating for the coming year will go further, and, inasmuch as we are trying to reduce our appropriations by about 15 percent for flood control and other various needs of our own people of America, why cannot we take the slim chance of reducing this authorization of aid under the Marshall plan by 10 percent, or \$500,000,000? That is the percentage, as I understand it, which the first and major substitute amendment would provide. I think we all, as individual Representatives, rep-

resenting our various districts, should give particular thought as to how we can best serve our own people. If we can save \$500,000,000 here, or \$380,000,000, it will probably help prevent the further threat of tax raises on the American people. I hope that the majority of the Congress will support one or both of these amendments. If we support the first amendment, it will not be necessary to take action on the second.

We should reduce the amount by \$500,000,000 in the interest of our own taxpayers.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON] for 6 minutes, under the consent of the committee granted at the request of the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. FULTON. Mr. Chairman, I wish to thank my good colleague, the gentleman from Pennsylvania, Lou GRAHAM, for this added time. As the committee knows, I have spoken but briefly on this bill.

We should look closely to see whether this amount of this authorization should be reduced. If it should not be reduced, then we should vote for the full amount which the committee has brought to us as its recommendation.

Being a member of the Committee on Foreign Affairs of the House of Representatives is one of the hardest tasks in these days that any Member has to bear. Not only because he is on the Committee on Foreign Affairs, and must thus protect the over-all United States strategy and policy abroad, which many Members do not try to keep up with, but because the work takes many, many hours and there is very little thanks given publicly by some groups in the House for that work.

May I compliment the various Members on the Democratic side as well as the Republican side for the unlimited time that they have given to the exhaustive study, to look into these amounts, to check through the technical and complicated relations between the countries, and to come up with a bill as they did last year, which passed this House by a resounding majority.

Let someone who is opposed to this bill look back in the RECORD when they criticize the Committee on Foreign Affairs for doing its duty to the American people. They will find that on the Republican side of the House those Members who were Members of that Committee were least affected by the recent election. The Republicans who are on the Committee on Foreign Affairs suffered the fewest defeats in the last election. We lost less members than any other committee in the House. We, on the Committee on Foreign Affairs, on the Republican side, and who are standing up for this bipartisan foreign policy, are very proud of that fact.

Let some of the members of other committees, who are making such a great to-do today about the Foreign Affairs Committee's duty to the American people look back and see how many members they lost because of the lack of confidence of the American people in the policies that they were putting forward.

The first year of the European recovery program was a year when we were faced with emergency deficits of food and essentials, deficits of transportation which had to be met immediately or the people would starve; it was a starvation emergency program. The second year is to be the rehabilitation year and is to be the year of developing the industries and the farms of these countries so that they can look ahead in 1952 to supporting and feeding themselves and trading among themselves in this democratic society of nations.

You ask me: What is the amount by which the request has been cut to reach this figure of \$4,280,000,000? The request of the governments participating in ECA for the year 1949-50, that is the coming fiscal year, was \$4,690,000,000. The amount that has been set in the bill for the fiscal year by the committee's action is \$4,280,000,000.

If we look at this bill now and say, "We will cut the authorization further," we will then possibly find that we do not have enough money to proceed with the program and that Mr. Hoffman will have to come in before the year elapses and go through the same motions again. We should not risk dampening the enthusiasm and fast tempo of recovery.

The crop estimates, as we all know, can be best made later in the year. Every farmer knows, everyone knows, that it is simply a gamble as to what the current crops will be in Europe or this country, for that matter, at this time. The proposed international wheat agreement, as you know, will be considered in August. Consequently the international price of wheat will be determined around August of this year. The Appropriations Committee must check these items closely in the succeeding weeks, as well as petroleum prices and many other factors.

How did Mr. Hoffman arrive at the figures which ECA approved and submitted to the Congress? He said to us on the committee:

I want to begin by explaining how we divided the aid provided by Congress among the participating countries and how we arrived at the estimate of the money needed for the coming fiscal year. To make intelligent judgment on the different questions we have had to have (1) a thorough knowledge of the domestic economy and the resources within each ERP country; (2) of the economy of Europe as a whole; (3) of the economic relationships among the ERP countries; and (4) their economic relationships with the rest of the world.

Those are the basic factors that our own United States representative, Mr. Hoffman, says are technically inherent in this program. We cannot decide those major premises at this level upon these amendments. The committee is giving you the over-all limit this time and saying that the details of specific items of the appropriation can be worked out with further hearings.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from Connecticut [Mr. LODGE] is recognized for 3 minutes.

Mr. LODGE. Mr. Chairman, I believe that the provision in the act which states that the act should not seriously

impair the economic stability of the United States is extremely important. I believe, and I have frequently stated, that we must have a prudent regard for our own resources. I believe that the people of Europe have a great stake in keeping the American economy strong. I am against raising taxes, I am against deficit spending; but I do not believe that a cut here is the way to meet the problem of cutting our suit according to our cloth. I believe that the Hoover Commission report should be sincerely and energetically implemented. I understand that according to that report that we could save perhaps \$3,000,000,000 a year, and in the process increase the efficiency of our Government. I do not believe that this amendment represents a realistic appraisal of the situation. The point about unspent balances is like trying to determine your financial status by referring to your bank balance only and forgetting about your outstanding checks, your outstanding bills, and your prospective expenses. I believe that it is not realistic to consider simply what has been delivered and not to consider also what has been allotted, not to consider the procurement authorizations, not to consider what is in the pipe line.

In a huge technical program there is always a lag between undertaking and delivery.

I wish to call your attention to the fact that whereas the participating countries requested \$4,690,000,000 for 12 months, and whereas the amount requested of us by ECA was \$4,347,000,000, the amount actually provided in the bill is \$4,280,000,000, which is \$410,000,000 less than the amount requested by the participating countries. Mr. Paul Hoffman has said that an arbitrary percentage cut might well result in shifting the program from recovery to relief. Let us bear in mind the objectives for which the Congress established the Economic Cooperation Administration. Let us take note of Mr. Hoffman's words:

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 will not do it.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Judd].

Mr. JUDD. Mr. Chairman, I am opposed to the pending amendments, even though in committee I voted for the first half of the amendment offered by the gentleman from Wisconsin, and for the amendment which cut the authorization by \$200,000,000.

The reason I oppose these amendments is because this is only an authorization and the stakes are so great in the fateful conflict in which we are engaged that I do not think we ought to take even the slim chance which a previous speaker advised. If I had pneumonia I would not want my doctor to say, "I will give you 10,000,000 units of penicillin, but if you are not well then, I will not give you any more." If we got into a war we would not say: "Well we will spend a hundred billion dollars, but if we have not won the war by that time we will give up and surrender."

Our whole future, perhaps our existence as a free and prosperous people is at stake in this program, and I would rather err on the side of providing a ceiling that may prove to be too high than to err on the side of providing a ceiling that is too low. The former can be easily corrected, the latter might have serious results indeed. I admit frankly that I do not know what the correct amount should be. The ECA officials told us they could not be sure either. We do not yet know what the crops are going to be this year; we do not know what is going to happen to commodity price levels here and around the world. Surely it is wisdom to provide a cushion to take care of any unforeseen emergency. The Appropriations Committee is commissioned and charged with the responsibility to review the situation and recommend the appropriate amounts in terms of the additional facts that will be available to that committee in June or July of this year.

I believe the amendments should be defeated. If they are, I want the record to show that authorization of the full amount in this bill is in no sense a commitment, an obligation, a promise. If later the Appropriations Committee, on the basis of its examination, thinks it advisable to change the figure, then I hope the newspapers and the commentators, as well as the administration and Members of the Congress, will not again mislead the public into thinking such action is reversal of any alleged commitment, or going back on a promise, or breaking faith with the ECA countries. There must be no repetition of the disgraceful performance we had here last year when that which we had set as a ceiling was interpreted almost universally as a floor, and great anxiety and apprehension were caused abroad and confusion here at home by irresponsible charges that the House was going back on the program, was reversing the policy it had established, and so forth. If the day comes, and I hope and believe it will come by June or July, when it is clear that we can with safety and even benefit cut down the appropriations below this authorization, it must be made perfectly clear even now that in any such action we are not changing a policy but are merely changing the amount of money that more recent facts indicate is necessary to carry out that policy.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. HALLECK. What assurance, if any, can the gentleman give us that the performance of a year ago will not be repeated? That is, that it will not be said that the Congress has passed on the amount and any subsequent examination by the Appropriations Committee is in violation of the obligation and commitment of the Congress undertaken in the action on the authorization bill?

Mr. JUDD. I am sorry I cannot give any absolute assurance that mischievous persons may not try again to misinterpret such action. We can only do all we can to make sure that the truth is available

on the record so that the whole situation will be accurately understood at home and abroad.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I know that my good friend, the gentleman from Georgia, and my good friend, the gentleman from Wisconsin, are 100 percent sincere in the amendments they have offered here.

This thing has troubled me too, as to how much money it will take to do this job in Europe, but frankly, I believe they are mistaken. I think it would be tragic if we accepted these amendments.

There is much talk about the Congress having pulled this figure out of the air; there is talk about what the House Foreign Affairs Committee did last year. As a matter of fact, these are tight figures with the lights before us. We have acknowledged in the report—you will find the acknowledgment there—that these figures may have to be revised even though we think they are the proper figures. We also acknowledge, Mr. Chairman, that it will be incumbent upon the Appropriations Committee to revise these figures.

We refer to wheat, we refer to oil, for instance, in the case of these two commodities we say that from the facts we have before us now we think so much money will be needed, but we do not know right now what the variations in price may be. Now, I mentioned the commodities, wheat and oil, because they are mentioned in the report specifically.

Now, Mr. Chairman and Members of the House, either one of these amendments would be very easy to vote for from a political standpoint, because you could go back and tell your constituents that "I voted to save you money; I voted to quit sending money over there to feed a bunch of foreigners"; but do not forget that this authorization is just as essential to the welfare of the United States and just as essential to the defense of the United States as the Atlantic Pact or the bills for the armed services that will come in here shortly. My friends, we have put our hands to the plow and we cannot turn back. Yesterday the gentleman from Wisconsin said, "The die is cast." It is cast, and we have crossed the Rubicon.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. KEE] to close debate.

Mr. KEE. Mr. Chairman and ladies and gentlemen, I do not think I will use even the brief time allotted to me. I have listened to my friend the gentleman from Ohio [Mr. VORVY], who said that he was in favor of the pending amendments. I wonder when the gentleman started to favor these amendments. We passed this bill out of the Committee on Foreign Affairs with a unanimous vote. The gentleman from Ohio was present taking part in the meeting when the bill was voted out. We considered this amendment and similar amendments from every standpoint. We put in 5 or 6 weeks in the hearings, working day and night, considering every avenue of infor-

mation to see whether or not we could make any cuts in the amount of the authorization. We followed the advice of the gentleman from Ohio and cut \$50,000,000 from the authorization for the first 3 months of the period. We had no advice from him with reference to cutting anything else from the bill, and we left the remainder, the \$4,280,000,000, as it was, and voted it out without a dissenting voice.

Ladies and gentlemen, as I said, we explored every avenue; we went into the price structure. In examining the price structure with a view of cutting this authorization, we found we were in a field of speculation and probabilities, something that might or might not happen in the future, and we decided we could not possibly vote upon something that no man could anticipate or prophesy. We left the final review to the Committee on Appropriations.

At one time I heard an Irishman say that if his hoe handle was too short he could splice it, but if it was too long he did not know what the heck he could do with it. I believe that when we are sending a hoe handle down to the Committee on Appropriations for their consideration we should send down a handle that is of the right length, or if it happens to be a little too long it can be cut off. This bill establishes a limit to the appropriation, so let us not send down a limit, a ceiling that is too low, and that will ruin absolutely this program.

The CHAIRMAN. The time of the gentleman from West Virginia has expired. All time has expired.

The question is on the substitute amendment offered by the gentleman from Georgia [Mr. PRESTON] to the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. PRESTON) there were—ayes 63, noes 140.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Wisconsin) there were—ayes 86, noes 162.

So the amendment was rejected.

Mr. COUDERT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COUDERT: On page 8, line 13, after "1949", strike out "and not to exceed \$4,280,000,000 for the fiscal year ending June 30, 1950."

Mr. COUDERT. Mr. Chairman, it looks as if this bill is not going to be amended to reduce the amount of the authorization. The question still remains open, and this amendment presents it, as to whether or not this House wishes to be free to legislate independently and effectively. This amendment, if adopted, would free the House to work its will in the domain of European aid.

This amendment would strike out the provision for 1950 appropriations. It would strike out the \$4,280,000,000, leaving in the bill the \$1,100,000,000 for use through June 30, 1949, 4 months off.

The amendment, if adopted, would in no wise impair the operation of ECA, according to the program. It could go right on with that interim 4-month appropriation. During that period the House Committee on Foreign Affairs will have an opportunity, I have not the slightest doubt, to consider and act upon a Presidential request for a large additional authorization for a foreign military aid program. Now, I am not opposed to this program. I voted for it last year albeit with no little misgiving. I expect to vote for it again this year. But I should certainly like to vote for bills of this kind freely, in circumstances broad enough to permit exercise of an intelligent discretion. Everybody knows what is coming up. Every notice has been served upon us that we are going to get a demand for foreign military aid.

Mr. Chairman, there are strong arguments for taking some of this ECA appropriation and allocating it to military aid, if it be decided that such aid should be given. One has to keep an open mind on it until all the evidence is in, of course. But if we can postpone action on this long-term authorization until such time as we have an opportunity to consider all the factors involved, to determine first whether as a matter of wisdom and policy we want to authorize foreign military aid at all, and if it be decided in our wisdom that we want to authorize it, to determine whether our own economic conditions permit us to merely add it to existing requests—and that kind of mere addition, my friends, spells national bankruptcy—or whether in effect we want to transfer part of this proposed authorization to the military authorization because the two are inextricably entwined. That is the position this committee took last year when it gave us both economic and military aid in the same bill. There is no reason in the world why the committee should not do the same thing this year and give the Members of the House an opportunity to judge it intelligently and effectively. For that reason I have offered this amendment. I hope it will be supported. There is no reason in the world why anyone should not support it.

It will not impair the operation of ECA. It will not reduce amounts. It will not increase amounts. It will merely leave the Members of the House free to act as trustees of the American taxpayer—free to exercise their control of the purse intelligently. The minority members of this committee, in their report, filed a most effective brief in behalf of this amendment. They made a most persuasive statement of the wisdom and importance of a one-package approach. That is all I ask the committee to do—to give the House an opportunity to make a one-package approach to this bill.

Mr. KEE. Mr. Chairman, I rise in opposition to the amendment. The Members of the House have just passed upon the question not only of retaining the amount of \$4,280,000,000 in this bill, but they have passed upon the question of acting upon this bill now and not postponing it until a later day.

Mr. Chairman, I move that debate on this amendment now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COUDERT].

The question was taken; and on a division (demanded by Mr. COUDERT) there were—ayes 43, noes 137.

So the amendment was rejected.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have read, very carefully, all of the 12-day debate in the other body, on the European relief problem. This debate should be read by every Member, because the short time given to this important legislation in the House, makes it impossible to have a complete discussion and airing of all of the complicated problems in our relief program.

After reading the debate and weighing the pros and cons, it is my considered judgment that the Marshall plan ought to be tapered off far more than is proposed in our present legislation. I say this because I am convinced that events taking place in our own country will make it impossible for this country to continue its generous dishing out of our resources all over the world, and at the same time, stay economically strong at home.

Evidence in the other body indicates that out of last year's appropriation, there is still about \$2,500,000,000 in the pipe lines that have not yet reached the Marshall-plan countries. It is my opinion that the proposed appropriation of \$5,500,000,000 for this year, ought to be drastically reduced.

I do feel that the aid so far under the European recovery program has been of much assistance to the Marshall-plan countries, in regaining some of their economic stability and has helped them to ward off communism. Our help has given these people new hope and confidence. I feel we underestimate how much they would have regained without our aid. They had hit bottom. There was no place to go but up. There is much evidence now in the testimony that these countries are reaching for our dollars—not asking for less, but demanding more and more. I just do not feel that we ought to be doing things for these countries that they can, but will not do for themselves. The Appropriations Committee so far has seen fit to reduce appropriations for our own domestic program of reclamation, flood control, and similar activities by 15 percent. No such reduction by the administration is proposed in our foreign-aid program.

Most of these European countries have already recovered 100 percent of their prewar production. Under the Marshall plan, we find England deliberately cutting her imports from the United States. The ECA spent \$354,000,000 last year for Canadian wheat, when the United States had the largest surplus in her history. Today wheat is selling below parity, yet the taxpayers' money buys wheat from other countries.

The Marshall-plan countries have about \$14,000,000,000 worth of securities in the United States. Why should not

they use some of this for their own recovery?

The evidence is unmistakable that our money has been used to finance experiments in socialism in Europe. England could never have adopted socialized medicine, nationalized her mines, her banks and transportation without the aid of our dollars. To me socialism, when carried to its final conclusion, is the first cousin to communism.

This country has been liberal in its help to Europe. The record shows that since 1945, we have made loans, grants, and mostly gifts, of over \$24,000,000,000 to assist Europe in its recovery. This does not include the \$6,000,000,000 of lend-lease to England or the \$6,000,000,000 of loans made under the Bretton Woods agreement.

Our aid program this year, including the military aid to Germany and Japan, will be nearly \$8,000,000,000 or about \$55 for every man, woman, and child in the United States. If you live in a county of 10,000 people, it means that the Congress will bond you for more than a half million dollars just for this one program. It means an indebtedness of \$71,500,000 for my State of Nebraska.

Mr. Chairman, our country has about 7 percent of the working people in the world, and this 7 percent has developed about 36 percent of the world's income. This leaves 93 percent of the people in the world having 64 percent of the world's income. I am fearful that the road we are now traveling is designed to divide the wealth of 140,000,000 Americans on a share and share alike basis with the other peoples of the world. If we do this, certainly we are lowering our own standard of living to a point where we will no longer be able to help those in distress, or even help ourselves.

Mr. Chairman, I did vote to send food, medicine, and clothing to European countries, to Greece and to China. I believe in that kind of relief. If they are still in need, I would want to carry it on. That is not the type of relief we are now giving under the Marshall plan.

Mr. Chairman, under the Marshall plan, the European countries were obligated to furnish us scarce materials for stock-piling. This provision has been a failure.

I am further concerned about certain trade agreements which the 16 Marshall-plan countries have with the iron-curtain countries. These countries have completed some 88 trade treaties with the countries behind the iron curtain. Most of them have been completed since World War II. Forty of these treaties are restricted and confidential. The evidence before the Senate is unrefuted that under these treaties, the Marshall-plan countries have sent nearly \$5,000,000,000 worth of equipment to the iron-curtain countries. This equipment includes jet engines, locomotives, steel rails, and all types of items that are certainly war-potential materials.

I find, also, Mr. Chairman, that England just last week, has made arrangements to loan Russia \$36,000,000. It seems to me that some of the equipment and materials we are supplying to the 16 Marshall-plan countries is merely in

transit, and has found its final resting place in one of the iron-curtain countries, in the form of manufactured goods.

Mr. Chairman, it is quite evident that this European aid bill will pass the Congress. I am convinced that some of my colleagues will vote for the measure because they think it may help to stave off a depression in the United States. It may help to do that for a short time. I shudder when I think of what might happen to our economy, which is now geared to tremendous production for the military, lend-lease, and aid, all over the world, when all that aid is shut off at one time. Very soon we must pay the fiddler.

Mr. Chairman, last week, there was a meeting in Washington, attended by industrialists and manufacturers, considering ways and means of getting more gravy out of the Marshall plan. They are finding it rather difficult because of the red tape and restrictions to come under the provisions of this aid. If you followed the discussion of this group, you are convinced that they must either supply goods under the Marshall plan or curtail their production. One hundred and nine of these industrialists appeared before the committee insisting their products be included under the Marshall plan. In fact, the chairman of the committee declared, and I quote:

There will be a fight if the demands of the folks at home are not recognized.

In other words, ladle out the gravy and make big appropriations to the special interests, or the bill is in danger. The get-it-now boys feel it may stave off a depression in the United States, and they may be right. But I am wondering if they are really interested in the recovery of Europe, or saving the economy in this country.

I am also amazed to find, that since the close of World War II, some 25 large industries in the United States have established themselves in Europe. They are making automobiles, washing machines, typewriters, vacuum cleaners, and hundreds of other products. They are taking the know-how of our country to Europe, and there produce goods in competition to our own. Our industries go there because they can take advantage of the lower labor costs, with labor that seems willing to work, and they can then ship these foreign-made goods back to the United States, over lower, or no tariff walls at all. Many of these products now flood our country. Take the case of automobiles. We find that in 1947, only 48 automobiles were imported into the United States. In 1948, more than 38,000 automobiles were imported, and we are just getting started. All of these industries establishing themselves in Europe will soon be flooding our country with their products. This is emphasized by the fact that just last year, our imports increased \$1,700,000,000 over 1947, and our exports decreased \$3,000,000,000.

Mr. Chairman, we have in the United States today about 4,000,000 people unemployed. There are another 9,000,000 people who are working part time. Unemployment is the first symptom of the job loss through imports of goods from

Asia, Africa, and Europe. The workers of this country had better wake up to what these trade agreements will do to their jobs. They just have no protection and under the Marshall plan we are gradually lowering our standard of living to those of the rest of the world.

I feel we ought to look further at the economy of the Marshall-plan countries. The debt of this country is nearly twice that of all of the Marshall-plan countries, and yet we dig into our pockets to help them pay their debts. The per capita debt of those countries is \$650, while ours is well over \$1,800. Their total debt is about \$150,000,000,000. Ours is more than \$250,000,000,000. I am sure these European countries do not understand that we have this large debt, and that our own economic structure is wobbling on shifting uncertain economic sands. There is no question but what there is a jittery condition existing on our economic front. I read in this act these words:

No assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States.

It is my considered judgment that this huge foreign-aid program, and our military spending is jeopardizing our economic stability. Prices in this country are down. Unemployment is rising. We may be facing more than just "disinflation." The handwriting is on the wall. It is time to stop, look, and listen, before we find ourselves bogged down in the morass and uncertain waters which will bring economic destruction.

To me it is a great hoax upon the American people, when we deal out our money to these Marshall-plan countries and let them make treaties as fast as they can to trade with Russia. Eighty-eight treaties since the close of World War II. We find our State Department has attempted to give the people the understanding that we have broken off negotiations with Russia and would send nothing which they could use in making war against us behind the iron curtain. That just is not true of the goods we send to Europe.

Mr. Chairman, it seems we ought to labor diligently to keep our democracy strong. It ought to be responsive to our needs, or we will find ourselves losing our freedoms. Certainly if we overextend ourselves and must levy higher taxes, which we must do if we continue with all of this spending orgy, it will mean certain depression in this country. It will bring unemployment and a disaster which none of us want. We cannot continue to dissipate our God-given resources in these unusual amounts. What if we do save Europe from communism and bankrupt our own Government and exhaust our natural resources? I am most apprehensive about the future economic stability of our own country. It is for that reason that I earnestly hope that the funds for the European recovery program can at least be cut in half. Should we find, within the next year, our assistance is bringing a deep and more serious impact on our economic stability, then our aid will cease. Our first duty is to ourselves and to future unborn generations who must pay for this program.

It is more important, Mr. Chairman, that the spending policy of our country be right rather than bipartisan. I know we want to have unity, but unity solely for the sake of unity can well be disastrous. The history of the world is strewn with the wreckage of countries that were supposed to be united, but in the wrong cause.

The propaganda which has been given to the country on this program makes my opposition more difficult. We who oppose this reckless spending of our resources will be branded as isolationists and smeared with all types of innuendoes and false accusations, but I submit, Mr. Chairman, that whenever loyal opposition is silenced, either by force, threats, or sundry smear techniques, or if it fails to speak, then the freedom of this country is lost. I have spoken because I have a sincere and earnest desire to do the right thing and I have come to the conclusion, after reading the hundreds of pages of debate in the Senate, that to continue this program on such a full scale will certainly bring us to the brink of economic disaster. If economic, spiritual, social, and political disaster comes, we lose much of our cherished freedoms. The folks at home and future generations who must bear this extra burden will wisely question the steps we are about to take.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. COX. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the money which the pending bill authorizes to be appropriated does not represent bounty that is to be heaped upon needy people; it is an investment in our own national security. We are simply undertaking to help needy people help themselves, to rebuild their economy, to make it possible for them to fulfill obligations that they have assumed under a solemn compact into which they have entered.

Mr. Chairman, on Monday of last week notice was given to all the world that liberty has made its last retreat before the assaults of Soviet Russia and to the peoples of participating countries I would pay a word of tribute.

What courage! What sublime courage do they display. Suffering adversities never before experienced, they do not despair. The gnawing pangs of misery have not broken their will to survive as free peoples. Living beneath the angry muzzles of Russian guns they are still brave. And here at a time when our own security is imperiled what a blessing it is—a blessing from heaven—that we are privileged to make common cause with them in the fight for the rights of the whole human family. To such an everlasting rock of character can we not afford to moor the destiny of our own Republic?

Mr. Chairman, we are engaged in important business. Let those who would advocate surrender, who would purchase the bare right to live at the expense of liberty, call this a war budget if they may. That is a familiar cry that has been coming from the Kremlin and its minions in every part of the world for a long time and it frightens no one.

If this is war; it is war for peace; war for freedom and for humanity. It is war for God and country and against the monster that would devour the soul of man.

Mr. Chairman, let us go forward in this noble task to which we have set our hands and look forward to the coming morning with its brilliant rays of gladness and of peace.

Mr. KEATING. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is my intention to support this legislation. I speak, as I am sure all of the Members on both sides realize, as a friend of the program. But I want to ask a few questions about certain features of the bill, and as an emphatic believer in the program I cannot refrain from voicing my objection to the manner in which this legislation is being handled, not by the Chairman presiding who has been eminently fair, but by those in control of this legislation on the majority side.

The amendment, for instance, submitted by my able colleague, the gentleman from New York [Mr. COUDERT], a few minutes ago, was deserving of far greater consideration by this Committee than was given to it. To shut off debate summarily in the manner adopted was in my judgment, an abuse of legislative power. I share entirely the views expressed yesterday by the gentleman from Wisconsin [Mr. KEEFE]. I know he is situated as I am. He intends to vote for this program.

Yet, Mr. Chairman, the people of the country expect us to consider both sides of this question. Let us not forget that the Members who oppose this program are just as patriotic, just as loyal Americans as those of us who favor it. When we allow ourselves in the heat of debate to lose sight of that fact we are faithless to the trust reposed in us by a great people. They expect us to give both sides every opportunity to express their views and to accord to this problem the careful and sincere consideration which this great piece of legislation deserves. Therefore, while agreeing with the majority members of the Foreign Affairs Committee in their objective, I condemn their tactics. After a little trip that my colleague, the gentleman from New York [Mr. RIEHLMAN], and myself made to Europe last summer, I was more convinced than ever that this program is working, that it is helping Europe, that it has made a significant contribution to the achievement of economic recovery in many of the countries of Europe. In my judgment, it is a controlling factor, probably the controlling factor, in stemming the westward sweep of communism across the continent of Europe. In both these respects, it is serving the best interests of our own people. That is necessarily so in a world that has become a parish. I believe, therefore, that the program deserves continuance. In considering it, however, it is a distinct disservice to ourselves, to those whom we represent, and indeed, to the countries benefited by the aid, to gloss over those respects in which it does not live up to expectations. These deficiencies should be brought out in the open and discussed

frankly and freely, in the interests of everyone.

No one can help Europe unless Europe helps itself. This self-help can come about only if the countries of Europe indicate an increasing readiness to subordinate age-old rivalries, and even national prestige, to a common effort based on economic and perhaps eventual political unification.

I have a strong impression that the nations involved must do a great deal more to assist in the achievement of their own recovery than they have done to date, if the results on the proposed target date in 1952 are to measure up to our expectations. It is somewhat disillusioning to note that in a recent survey of the situation made by the European Economic Cooperation Organization, it is estimated that there will still be a \$3,000,000,000 deficit when the books are closed in 1952, with no money to meet it. As a result, the secretary of the organization has warned that unless the European nations take definite and drastic steps to meet this situation, they may face, at the end of the life of the program, political and economic consequences resulting in catastrophe.

The leaders of these nations have, in many instances, either been unwilling or unable to impress upon their people the significance of the great changes which have come over their countries in this postwar world. Greater European economic and political unity is the only answer to this problem.

This feature was recognized when we enacted the bill last year, particularly in section 115, containing the undertakings to be entered into by the participating countries. We sought, under paragraph (b) (3) to bring about greater cooperation between the participating countries in stimulating an increasing interchange of goods and services among each other and with other countries, and in reducing barriers to trade.

As to this matter, may I ask either the chairman of the committee or the ranking minority member to enlighten us on what has been done, other than in the Benelux agreement, by these countries to improve that situation economically and to bring about a greater economic unity.

May I have a reply to that? What was the evidence before the committee on that subject, or is the record devoid of any evidence?

Mr. VORYS. Of course, the OEEC itself has become a much more operating organization, and the inter-European payment arrangement which is described, the additional grants arrangement, has stimulated about \$8,000,000 in trade, but the Benelux agreement has not yet been consummated. There is an Italian-French agreement which I believe has already been consummated.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on the section now under consideration do close.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. VORYS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. Mr. Chairman, I believe no change has been made in the bill since that motion was made the last time.

The CHAIRMAN. The gentleman from Ohio makes the point of order against the motion offered by the gentleman from Michigan that no change has been made in the bill since the last motion to strike the enacting clause was made. That is the case. Thus, the point of order is sustained.

The Clerk read as follows:

SEC. 9. (a) Paragraph (6) of section 115 (b) of such Economic Cooperation Act of 1948 is hereby amended by striking out the period following the words "grant basis" and inserting in lieu thereof a colon and the following: "Provided, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States-flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates."

(b) Section 115 of such act is amended by adding two new subsections, as follows:

"(h) Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

"(i) (1) The Administrator shall, to the greatest extent practicable, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources; and in furtherance of those objectives the Administrator shall, in addition to the local currency allocated pursuant to subsection (h), use such other means available to him under this title as he may deem appropriate.

"(2) In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed 20 years in any contract, and may provide for payments in advance of deliveries.

"(3) Nothing in this subsection shall be deemed to restrict or limit in any manner the authority now held by any agency of the United States Government in procuring or stimulating increased production of the ma-

terials referred to in paragraphs (1) and (2) in countries other than participating countries."

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Yesterday the gentleman from Michigan [Mr. Ford], replying to a statement made by the gentleman from Michigan [Mr. Sadowski] and to one which I had made, among other things said:

The European recovery program involves a calculated risk, but it is not a policy which in the past has been unquestionably a failure and which has led us to two disastrous wars, to the great detriment of the youth and future of this country.

That part of the statement of the gentleman from Michigan [Mr. Ford] which charges that the European recovery program is not a policy "which has led us to two disastrous wars" is accurate. The European recovery program, as everyone knows, came after—not before—those two disastrous wars to which he makes reference.

His statement carries a further implication. Permit me to repeat that statement, deleting words which are unnecessary to the point I am endeavoring to make. He said, and again I quote—deleting certain words:

The European recovery program * * * is not a policy which * * * has led us to two disastrous wars.

The implication in that statement is that, prior to those two wars, we were following a policy which led us into those wars.

The conclusion the gentleman makes is not borne out by the facts. Prior to World War I, this country, in the main, had adhered to the advice of Washington, who told us to avoid entanglements with foreign nations.

Just prior to World War I, we abandoned that policy and entered upon a policy of international meddling—we began to concern ourselves with the affairs of other nations, and we were propagandized into World War I, a war which we were told would end all wars. It did nothing of the kind.

We became involved in World War II because we continued to ignore Washington's advice; because we followed down the international road. Internationalism and the policies of the internationalists—not isolationism—is the policy which led us into World War I and World War II—wars which the gentleman correctly stated were, and I quote, "to the great detriment of the youth and future of this country."

Whatever may be the faults of the isolationists, whatever may be the failure of isolationism, neither World War I nor World War II can be charged to isolationists nor to the policy they advocated.

We went into both of those wars with our eyes open. We went in voluntarily. We went in, in spite of Washington's

advice. We went in because we had abandoned the policy of isolationism.

No one, neither the distinguished gentleman from Michigan [Mr. Ford] nor the world-renowned statesman of the other body, can change the facts.

We are still continuing to follow the internationalists, to adhere, to a certain degree at least, to the so-called bipartisan foreign policy which to date has brought us nothing but war, debt, and a commitment to furnish the munitions and the men for a third world war in which any one of the 12 signatory nations to the Atlantic Pact may involve us.

Early in the day the gentleman from Massachusetts [Mr. McCormack] stated in substance that we had become involved in two wars because of lack of foresight on the part of our leaders. It is not very often that I find myself in accord with the gentleman, but I think he is right about that one.

Either those statesmen who created the situation which caused us to become involved in World War I and World War II lacked foresight or they deliberately involved us in those two wars. I prefer to repudiate the second proposition; to think, rather, that they did not anticipate the results of their action. But the lack of foresight of which the gentleman complains was that of the Members of his own party and those who were willing to commit us to "a great adventure," "a great speculation," who now talk about "a calculated risk." Our involvement in those two wars was not due to the fact that we followed the policy of Washington and his advice to avoid foreign entanglements. We got into those two wars because we disregarded that advice. This recovery program to which the gentleman from Michigan [Mr. Ford] referred is part of the fruit of those two wars.

We are now reaping the harvest of those two wars, which were a prior harvest of internationalism. It would seem in all fairness as though those who advocate this policy of internationalism now, admitting that we have fought two disastrous wars and that we now have, as the gentleman from Ohio [Mr. Vorys], a member of the committee, yesterday stated, a program which will impair the economic stability of these United States—and I quote him: "Unquestionably this act last year impaired the economic stability of the United States by increasing inflationary pressures"—would now acknowledge the futility of their efforts, the unsoundness and the disastrous results of their policy of internationalism, and permit us to once more follow the advice of Washington.

A little later today the gentleman from Minnesota [Mr. O'Hara] spoke about this plan of Mr. Owen J. Roberts, Union Now. More than 7 years ago from the well of the House I exhibited a flag of Union Now. That was in January of 1942, when from Clarence Streit and others came the proposition that we appropriate a million dollars as a birthday gift to President Roosevelt, to be used to call a convention to draw up a constitution for a United States of the World—Union

Now—or a World Federation—whatever you want to call it.

The advocates of that movement at that time sent to every Member of Congress a request calling for an appropriation of a billion dollars to finance the international organization which it then advocated creating. At that time Mr. Roberts and his associates were advocating the hauling down of the Stars and Stripes and the raising of an international flag. They are still at it. They are persistent all right, they are still at it.

There is just one question I want to ask. What is the difference in the result to future generations—not the present, but to future generations—between the policy of the Communists who advocate the overthrow of the Government by force and the result of the policy advocated by Owen J. Roberts and his associates who favor Union Now and the formation of this world federation?

In the one case, the Communists, if successful, would have a revolution—that would be bad—we would not get that under the Roberts plan, but in the end the Communists, if successful, would by force wipe out our Government, make us a subject nation, establish communism and slavery, atheism, in the place of Christianity, freedom, and prosperity.

Under the Roberts plan, what would we get? Practically the same thing, insofar as our own form of government, our freedom, our prosperity, and our happiness were involved. The only difference would be that the Communists would force us to yield, while the outfit headed by Owen J. Roberts would seduce us into accepting a surrender of our sovereignty, into becoming part and parcel of a United States of the World—of Union Now—or of whatever high-sounding but deceptive title its advocates finally chose to call it.

In Union Now or whatever it is they advocate we would be but a part of the whole, subordinate to the will of our associates. We would furnish the money to them. We would supply them with not only the necessities of life, but with those things which would enable them to compete with us economically.

Yes, and worse than that, if we accept Union Now, or accept and implement the Atlantic Pact, we will pledge future generations of our young men to fight on foreign soil wherever, whenever, any one of the signatory nations becomes involved in a quarrel with its neighbor.

Make no mistake about the road on which we have set our feet. If we follow, if we do not repudiate the implementation of the Atlantic Pact, in the years to come we will find ourselves in war after war, and the only excuse offered is that we, the most powerful nation in all the world, are so fearful of our ability to defend ourselves that we must join in an alliance with quarrelsome, warlike, impoverished nations.

If world war III is late in coming, we may in the meantime find ourselves bled white, a victim of our own stupidity, our own generosity, our own unsound reasoning.

Later today, the gentleman from Pennsylvania [Mr. FULTON] stated that the votes against this bill, or perhaps it

was against some then pending amendment, would indicate the lack of strength of the isolationists.

It may be that the vote will indicate a lack of courage on the part of some isolationists, for the isolationists have been falsely charged with all of the ills which have come to this country since 1914.

But I would say to the gentleman from Pennsylvania [Mr. FULTON] at least give some of us credit for adherence to our convictions, for having the courage to voice the views which we believe most likely to give us future national security.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 10, line 16, strike out the period and insert a comma and the following: "and the total of such allocations, together with loans and guaranties made under section 111 of this act, shall not be less than 20 percent of the total amount of assistance furnished under this title."

Mr. VORYS. Mr. Chairman, I feel it my duty at least to give the House a chance to pass on this amendment which I offered in committee. I am a little surprised at my dear friend, our chairman, for scolding some of us for exercising our right as Members to vote on amendments to this bill. I was for ERP last year. I am for it this year, and I have certainly been supporting this legislation. I voted for this bill in committee with the distinct understanding that I would not forego my right to vote my convictions on any amendment on the floor. I offered amendments to cut the authorization in committee and naturally felt justified in voting for the Smith amendment when it came to the floor.

I offered this present amendment in committee and I feel I should call it to your attention now. Last year a \$1,000,000,000, or about one-fifth of the total for ERP was earmarked for loans and guaranties.

We have plenty of exports this year and if we could get paid for them, our problem would be far simpler. I think this principle of earmarking about 20 percent of this fund for pay-back money, instead of grant money, should be continued as a token recognition by the ERP countries of the drain upon our natural resources by this program and as a token of continuity of cooperation by those countries in the future when the United States has deficiencies in its own resources as a result of this program. This amendment would earmark 20 percent or about one billion dollars, \$300,000,000 is already earmarked for guaranties. We are told about \$200,000,000 in loans are planned and 5 percent, or roughly \$250,000,000 of the counterpart funds, the special local currency account, is earmarked by existing law and by the committee bill at the place where I have offered this amendment. Therefore, my amendment would require about \$250,000,000 more to be on some sort of repayable basis.

We were told that Europe is "loaned up." These countries, if you look at page 836 of the hearings, owe \$11,489,000,000 in the Western Hemisphere in dollar debts, including \$8,222,000,000 to the

United States Government. They owe \$1,638,000,000 to other countries outside of the Western Hemisphere, except for the United Kingdom, which owes about \$13,500,000 in sterling, and of course, their problem is the most acute. Dollar debt service in the European countries in 1955 is estimated at \$456,000,000 a year. Our dollar debt service this year is about \$5,000,000,000. We have made no post-Marshall plan trade arrangements with the ERP countries yet. Until we do, I feel they can at least arrange to pay us back 20 cents on the dollar after they have recovered. I present this amendment for your consideration and urge its adoption.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FULTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman from Ohio is deceptively simple. If we had countries who were able to pay and customers who were able to pay then we would want to receive something on account; but the purpose of ERP is to make up the deficiencies in payments that these countries cannot possibly make. The whole reason for this program is based upon the premise that there is approximately for the four-year period from 1948 to 1952 a \$17,000,000,000 to \$22,000,000,000 deficiency of dollars or dollar area, necessary goods and services which cannot be met either by their material wealth or by hard currency.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FULTON. Not at the moment; I will yield later if I can.

Unless we look at the problem from the practical point of view, that this is actually a balance-of-payments deficiency matter we do not see what is wrong with the Vorys amendment.

Under the present bill the ECA Administrator, Mr. Hoffman, has the discretion to negotiate for these strategic materials so they can be obtained in countries where they can be found, and of necessity under this program where the level of living is high enough for the country to continue its recovery and pay for a portion of our dollars in kind by strategic materials.

There are, however, certain countries, such as Italy, that are short of strategic materials but which have a great deficiency in their balance of payments. You will be putting a burden upon this program in such countries by raising this requirement to 20 percent. The 5-percent requirement under the present act for strategic materials and also administering expenses has not even been reached thus far. The Administrator has not even approximated the 5 percent which is in the present act.

In addition to that, our strategic-materials program is necessary immediately and a 20-percent program would require long time development admittedly. We cannot wait for 2 or 3 years to get the strategic materials under this program. They can be, and are being currently bought under separate statutory authority, using dollar-purchase money outside of this particular program.

This program is for the purpose of making up deficiencies that the European countries participating cannot possibly make up themselves. If we take away from them at this time a great proportion of the products and strategic materials they produce we further keep their economies from rising to the level where they will be self-sufficient. This will delay the successful completion of the ECA program.

Mr. Chairman, I now yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Mr. Chairman, I wish to ask how much has been borrowed from the World Bank by these countries.

Mr. FULTON. The over-all figure of the amount that has been borrowed from the World Bank is not part of this program. We are talking here about a deficiency that still remains after all the borrowings they can make from their citizens, the World Bank, and the Export-Import Bank.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York, a member of the committee.

Mr. JAVITS. The gentleman and the House may be interested in the fact as to the terms of the loans already made, showing what the National Advisory Council on International Monetary and Financial Problems thinks about that. The terms are for 35 years at 2½ percent interest, but there is no amortization until June 1952, and in some cases no amortization until June 1956 and not even interest on these loans until June 1952. We questioned the representative of the bank closely and learned that whereas there was a billion dollars available for that purpose it had not been put into loans because of the severity of the requirements; and they could only legitimately use \$200,000,000 this year. These facts have a very definite bearing on the necessity for this bill this year.

Mr. FULTON. Mr. Chairman, may I close by saying that if the Vorys amendment is voted into this bill we are practically reducing this ECA program by 15 percent, because these countries do not have the wherewithal or the strategic materials to supply the United States. We have an outside program that is buying strategic materials at the present time.

The condition of these countries is such that there could be no requirement of repayment of principal or payment of interest until 1952 after a survey of the practical problem, as the gentleman from New York correctly states. This 20 percent requirement would be imposing the practical burden of paying in kind.

We should not put these ECA countries in an impossible position when we know they cannot start new factories or new mines to produce strategic materials within this fiscal year for which we are providing, which expires on June 30, 1950. So the adoption of the amendment will mean simply a reduction of 15 percent in the ECA program. I therefore ask you to vote against the Vorys amendment at this time.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SHAFER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is extremely difficult for me to state all my thoughts regarding this European aid program in the short time allotted me.

I shall vote against this legislation because I personally think this entire program is economic folly. While it creates a period of synthetic prosperity in America it is bleeding us white to finance the socialistic and communistic governments of Europe. And it is putting those governments in a position to enslave us.

What do you who support this vast spending program think the French, Italians, and even the English will eventually do with the aid we are now giving them?

Put this down in your book. They will run us out of every market they choose to enter—we are feeling the effects of that now—and when we quit dishing up money to them, when we are bankrupt—as we are certain to be in the end—we will be easy prey for a combination that will only then laugh at our predicament.

As surely as there is a God in heaven, before the passing of another two generations of our people, our Government debt will be repudiated and we will eventually walk in the steps of Germany where it became necessary for the housewife to carry a basketful of currency to buy a loaf of bread. There can be no other outcome.

Some future generation, possibly the infants of today, will look back on our present tin-horn political era of financing and justly decide to refuse to further enslave themselves by paying for such a smelly dead horse. When this sorry day arrives our Government will fall in a heap and will be reborn in a bath of blood if, which is not improbable, we are not already swallowed up by those whom we are at the moment making strong while we grow weaker and weaker.

The really sad part of it is, Mr. Chairman, that a considerable portion of the tremendous amount of European aid we have given under this program has found its way into Russia, our greatest potential enemy whose leader, Joe Stalin, is quoted as having once said that America would spend itself into bankruptcy and he, or his successors, would then take over.

Mr. ELLSWORTH. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time for the purpose of reminding the Members of the House once more that the matter we now have under consideration is not an appropriation bill, it is not for the purpose of making a law to appropriate money from the Treasury. The bill under consideration is an authorization bill for the purpose of making law to permit the continuation of our program to aid European recovery. As has been stated by numerous other Members today, I feel we are in the midst of a program, an effort to do a job in Europe. We have embarked on that program and we cannot very well walk away from it now. For that reason I feel I must vote for the bill before us this afternoon.

I point out very clearly for the record, however, that in voting for this bill neither I nor any other Member of the House votes to appropriate a specific sum of money. We have had considerable discussion on the subject of the amount of money, the dollars, written into this authorization bill. I have carefully read the committee report on the subject, particularly that section of the report which deals with the financing of the program, and I find the committee has not given any consideration at all to the question whether or not the United States can afford the dollars mentioned in the report and in the bill. I can in all charity understand why the committee did not take that particular matter into consideration, because after all they were dealing with a bill having to do with an economic recovery program for Europe, they were dealing with the problems of foreign nations, they were operating as a Committee on Foreign Affairs. However, there must be, there will have to be, hearings conducted by the Appropriations Committee based not only upon the justification for the figures given in this report and in this bill but based upon the ability of the United States Treasury to pay out this figure or any other figure.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Montana.

Mr. MANSFIELD. Insofar as our own resources are concerned, there were committees set up in the beginning to look into that. There is a National Advisory Council which at the present time advises the ECA as to how far we can go in the light of our own resources or the resources we possess. The committee has looked into that and has taken it into consideration in connection with its study on this bill.

Mr. ELLSWORTH. I thank the gentleman, but the report does not deal with that subject. However, by the time the appropriations bill is before us, I feel certain there will have elapsed sufficient time for a full and complete consideration of all of the financial matters involved in this program and that we can have placed before us when the appropriation bill comes in, a statement of dollars and cents and items that will clearly show when the appropriation is made where the money is going and why, and also the reason a specific sum is necessary. In addition to that I hope the report of the Committee on Appropriations will indicate the reason for the belief that we can support such a program. As to this figure in the bill—this is my personal view; I criticize no committee member or no Member of the House—but I feel that the figure has not been scientifically arrived at. I only accept it and will only vote for this bill on the basis that the sum named is the maximum, and an amount beyond which we could not possibly go in the matter of European aid. On that basis as a ceiling, as a maximum, as pointed out by the gentleman from Minnesota, a member of the committee, I feel satisfied to vote for the bill, but the record, as he stated, and as I now state, must clearly show, and the people of the country must

clearly understand, that we are not today dealing with an appropriation item but only a maximum ceiling for the program.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to inform the gentleman that the chief counsel of the ECA before our committee officially advised us that they took the position that this would not be considered in any sense a commitment. They specifically asked us to go along with this higher authorization and then let the Committee on Appropriations scrutinize the whole program and come in with the proper figure. They expressed themselves frankly to that effect.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Oregon [Mr. ELLSWORTH], who has just addressed the Committee has spectacularized the fact that this bill is an authorization only and that no money whatever is appropriated. The gentleman is technically correct. All that is intended in this proposal is to carry out the policy established a year ago. This is a policy bill.

The Committee on Foreign Affairs has jurisdiction over foreign policy legislation, while the Appropriations Committee has jurisdiction over the appropriations part of the project. We all know that an appropriation to implement this law will be coming along very shortly. Generally speaking, when the Congress passes a law authorizing an activity on the part of the Government, it necessarily follows that adequate appropriations will be forthcoming. Too often a maximum amount named in an authorization bill proves to be the minimum amount of the appropriation. The maximum amount named in this bill is \$5,580,000,000. There has been extensive debate here and in the Senate as to whether this amount is a ceiling, a limitation or the amount intended to be spent. The House has ample assurance not only in the printed Foreign Affairs Committee report, but also from the members of the committee in open debate, that this maximum amount in no sense binds the Congress morally or officially to appropriate this maximum. In other words, by voting for this bill we place a limit above which no appropriation can be made. We are not committed to appropriate this ceiling.

Now, I am not so naive as to believe that the maximum amount will not be asked for when the President asks that this law be implemented; nevertheless, by voting for this bill we are not committed as to amount. I expect to vote for this bill, and reserve the right to vote for only such appropriations under it as I feel are absolutely essential to carry out the purposes.

When the 1948 ECA Act, for which I voted, was before the Congress, I said in debate:

Mr. Speaker, to vote for or against this proposal is no easy decision, because no one has the absolute answer. The seriousness of our

present international relations cannot be overestimated. A minor incident without significance ordinarily might, in these troublesome times, very easily plunge us into a great third world war. We all want to prevent this. We all want to do that which we conscientiously believe is most likely to prevent war. There is plausibility on either side of the argument and whatever position we take may be wrong. In short, it is a chance, and a terrible chance. If we pass this legislation it may not accomplish its purpose. On the other hand, the risk is so great that we cannot afford to take the chance, and not pass it. We may be damned if we do, but we are more likely to be damned if we do not.

Mr. Chairman, that is exactly the way I feel today. I am persuaded that in the over-all effort this law has been well administered. Of course, in an undertaking of this size mistakes will be made. Everybody seems to be agreed that there has been marvelous recovery in Europe where this aid has been given. There are those who feel that European recovery has already reached that stage where no further assistance on our part is required. Personally, I am not convinced that this is the case. If this project is not to be continued temporarily, then I believe the money we have already invested will be of no avail, and that the safety of our country will be even more imperiled than it was a year ago. Be it remembered that we are not here embarking upon a new and different policy. We are simply attempting to complete that which we started to accomplish a year ago in the original authorization. It has been asserted by numerous speakers that appropriating money for this purpose amounts to "pouring that money into a rat hole." Certainly if we stop now that will be true so far as money already spent is concerned.

In 1948, the House by an overwhelming vote passed the original ECA law and, in my opinion, the majority will be even greater when the roll is called on this bill. To me the die has been cast. Our Government is committed and our safety and protection demand affirmative action today.

Mr. Chairman, many figures and statistics have been placed in the RECORD throughout this debate. Too often these figures are assembled and quoted by those who do not properly evaluate their meaning and their relationships. The April 15 edition of the United States News and World Report, which came to my desk this morning, contains an article prepared by the research bureau of that publication, which boils down much of the argument made on both sides of the pending question so far as appropriations, costs, expenditures, risks, and objectives are concerned. This is an unbiased statement coming from a reliable, nonpartisan source and is thought-provoking and pictures the enormity of the problem now confronting our country and the world. This article makes one stop, look, and listen.

When one reads the article, he wonders how long our economy will permit our present rate of spending. At the same time, he wonders what the alternative is. It seems to me that our course has been charted and we cannot change in the middle of the stream. I therefore shall reluctantly vote for this extension.

Pursuant to permission given to me by the House, I am including this United States News article, which reads:

TWENTY-FOUR BILLIONS TO STOP RUSSIA—TAXPAYERS' BURDEN STILL RISING—OFFICIALS WONDER HOW MUCH UNITED STATES CAN AFFORD

Cost of the cold war is going higher. United States spending in the year ahead will top \$11,000,000,000.

Marshall-plan aid, the Berlin air lift, help for Greece and Turkey, are part of current bill.

Lend-lease to arm Europe will be added. So will bigger defense program at home. Cutting price of the cold war is not in sight.

Cold war with Russia, in the year that will start July 1, is scheduled to cost United States taxpayers approximately \$11,000,000,000. Actual cost before the year is over is more likely to be higher than this figure, rather than lower.

The cold war will be 3 years old by mid-1950. In those 3 years, on the basis of plans approved and those projected, cost to this country will total about \$24,000,000,000. That's a total expenditure of about \$1 for each \$14 spent in World War II during the 4 years the United States was active in the fighting.

Trend of cold-war costs in this period is sharply upward, rather than downward. That cost trend is expected to accelerate under a proposal now advanced with State Department backing. Gen. Omar N. Bradley, Army Chief of Staff, gave expression to the proposal that a line be established for defense of the borders of western Europe. This proposal is being interpreted as involving probable maintenance of United States armed forces on a considerable scale within Germany for an indefinite period. It would be in addition to lend-lease revival, soon to be proposed.

Costs of the cold war, even before counting any cost of a sizable United States Army in Europe, are measured in billions a year and are growing. The chart on this page shows the year-by-year rise in outgo for cold-war purposes as now spent or projected.

In 1948, the fiscal year that ended last June, outgo for cold-war purposes amounted to \$4,498,000,000. Most of that expenditure was for the economic strengthening and relief of United States friends in western Europe, the rest for continued occupation costs that are high largely because of differences with Russia.

In 1949, the present fiscal year that ends June 30, cold-war costs are up to \$7,700,000,000. Included are increases in spending by the United States armed forces, whose expansion is directly related to cold war. Military aid to Greece and Turkey also is included. So are the dollars being spent on Berlin's air lift. Occupation costs for United States are up because of tense relations with Russia, not down, as anticipated. Largest expenditure, however, is for Marshall plan aid to bolster nations that are on the United States side in the cold war.

In 1950, the year that starts July 1, costs as now being outlined will rise to an estimated \$11,601,000,000. Big increase is in new outlays for this country's expanded armed forces. To that is added the start of lend-lease shipments of weapons to Atlantic Pact nations in the United States sphere of Europe.

Added up, these costs to date come to \$23,799,000,000 before the latest plan for a firm military defense of western Europe's border is outlined in detail. Another increase could be added if Congress steps up lend-lease plans in line with new requests by this country's cold-war allies. How far these costs will rise in years that follow is uncertain at this stage. No predictions are being made beyond mid 1950.

Cold-war spending, in 3 years, has spread to cover a wide range of activities, but can be focused in these few fields.

Military outlays caused directly by differences with Russia show the biggest dollar increase. After World War II, the United States military budget dropped to \$10,651,000,000 by fiscal 1948. Defense planners estimated that they could get this cost down to \$7,000,000,000 as a postwar level. But then came the start of cold war and a new "get tough" policy aimed at containing Russia. This was the Truman doctrine. The trend toward demobilizing United States strength was reversed. Military spending increased \$1,029,000,000 in the fiscal year 1949. This increase was related directly to efforts to contain Russia. For the year starting next July, these efforts are to bring another increase, with the military budget set to rise \$3,610,000,000 above the 1948 level.

Aid abroad is accounting for even more of the cold war's dollar cost. Outlays for building up western Europe against the spread of Russia's Communist fifth column amounted to \$4,498,000,000 in fiscal year 1948. Marshall plan aid, superimposed when cold war was intensified in Europe, raises current outlays for aid abroad to \$6,671,000,000. This outgo is to be only slightly less, at a planned \$6,191,000,000, for the year starting next July.

Military aid now is being added to the United States bill for cold war. Arms shipments to Greece and Turkey are being made at the rate of about \$350,000,000 this year. Lend-lease, as planned at this time, is to raise the cost of such aid to about \$1,800,000,000 for the year starting in July. That's for a start. Then, if full-scale lend-lease gets underway, military aid may rise sharply in years ahead.

Within these totals are hidden dozens of cold-war programs that are scheduled to increase in cost under present plans. The Berlin air lift, for example, is financed out of Air Force, Navy, and Army funds running to hundreds of millions, and is slated to expand for a bigger and bigger load. Stock piling of war materials under pressure of the cold war, is increasing in cost from about \$99,000,000 last year to \$350,000,000 this year, and to a planned \$525,000,000 for the year ahead. Aircraft commitments already made assure rising outlays for buying new military planes in years ahead.

What it all means is that the United States is undertaking to become the arsenal of the western world. More and more of the Government budget—and the productive capacity of the country—is being devoted to containing Russia through military and other aid programs.

Direct spending on the cold war now is scheduled to increase to a point where it will take \$1 of every \$4 in the national budget for the year starting next July 1. The trend is toward funneling an even larger portion of United States funds into this channel, as lend-lease and air-power plans are developed and presented as a relatively cheap way of avoiding a hot war later on.

But the ability of the country to continue and enlarge military programs and, at the same time, keep a healthy civilian economy in operation is beginning to be questioned. Edwin G. Nourse, Chairman of the President's Council of Economic Advisers, raised the question in a speech before a military-sponsored group. His doubts are being echoed rather loudly in the United States Senate.

The cost of past wars and safeguards against a new war, in fact, represent \$3 out of every \$4 that the Federal Government spends. The next budget year calls for a total outlay of \$41,900,000,000. Of this total, \$5,500,000,000 goes for interest on the war debt and another \$5,500,000,000 to veterans. Then comes \$10,600,000,000 for "normal" military outlays. On top of this are the cold-war costs of \$11,600,000,000. The total comes

to \$33,200,000,000 or more than three-fourths of the budget.

Result is that spending for all normal peacetime functions of Government represents only about \$9,000,000,000 of a planned \$42,000,000,000 budget for the year ahead. This is only about 50 percent more than a prewar New Deal budget for civilian operations, while the total budget is six times as large.

Questions now being asked involve the ability of the country to afford these costs. Government officials frequently mention the civilian outlays that ought to be made to build up the country, but these projects have to be curtailed to make room for the cold war within a manageable budget.

Public-school systems, for example, are in disrepair and should expand to care for the increased number of children. One official estimate puts the need for new school buildings alone at \$10,500,000,000.

The Nation's highways also need improvement and expansion. Planners would like to build a new 40,000-mile national interstate highway system that would by-pass large cities and relieve traffic congestion. But only 1,500 miles of this system have been built. Eventual cost of expanding national highways and improving existing roads is put at \$50,000,000,000.

Then there are reclamation projects, river-basin developments, soil-conservation and forestry programs that the Administration would like to undertake. These are all costly, long-range programs that are being held back.

Cities and counties need new waterworks and sewerage systems to care for wartime and postwar growth, both inside city limits and in suburbs. States and cities also want more recreational areas, more health centers and hospitals. Many of these projects, too, have to be held back because of the effort required to build up the military strength of this country and its allies.

This civilian program, however, is being forced to take a back seat while the country builds its strength against a potential thrust from Russia. If an accord with Russia could be made, the Federal budget probably could be trimmed to around \$30,000,000,000 a year and still leave room for many peacetime projects.

The trend, however, is in the other direction, toward more spending for cold-war programs in the period ahead. Even if lend-lease outlays are balanced by cutting Marshall plan and Army-Navy-Air Force funds, defense spending appears certain to increase in the coming year. And in years ahead, barring an unexpected agreement with Soviet Russia, these costs are likely to continue to climb.

Mr. KEE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. CASE of South Dakota. Mr. Chairman, reserving the right to object, I may say that I desire to offer an amendment, or, at least, to discuss a paragraph of the present act which has not been brought up, and that deals with reparations from the three western zones of Germany.

Mr. KEE. I have no disposition to foreclose the offering of amendments.

Mr. CASE of South Dakota. Mr. Chairman, this amendment would have to be offered to this section if I offer the amendment. I would like to interrogate the chairman a little bit about the progress that was made on that provision of the act which calls for agreements be-

tween the countries to whom reparations are due. I hesitate to agree to this if I am going to be shut off with 2 or 3 minutes on a possible amendment. I may not offer the amendment; that will depend on what the chairman tells me. If the chairman will confine his request to the pending amendment, I shall certainly have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

Mr. CASE of South Dakota. Mr. Chairman, I am constrained to object.

Mr. KEE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 27 minutes.

The motion was agreed to.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that my amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(The Clerk again read the Vorys amendment.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 10, after line 7, insert a new paragraph, as follows:

"(b) Paragraph (f) of section 115 of such act is amended by striking out the period and adding, 'Provided, That in the absence of such agreement from any country so concerned, the Administrator shall withhold from it allotments from funds appropriated under the authority of this act.'"

Mr. CASE of South Dakota. Mr. Chairman, paragraph (f), section 115, of the present act is found on page 72 of the committee report. It reads:

(f) The Administrator will request the Secretary of State to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

My amendment seeks to implement that language.

Older Members of the House may recall that a year or so ago we had a select committee on foreign aid. It was my privilege to serve on that committee, as chairman of the subcommittee that was assigned to Germany and Austria. One of the recommendations which that committee made was that the dismantling program, the reparations program, should be reexamined in the light of the program to put western Europe on its feet and get it off the back of United States taxpayers. Growing out of that, I think, and as a result of the efforts of the gentleman from Ohio [Mr. VORYS], a very able member of that subcommittee, the Congress last year wrote into the ECA Act the paragraph I have just read.

The Congress also adopted a resolution of inquiry, which I introduced, directing the State Department to report as to what was happening under the dismantling program, to determine if modi-

fying reparations might contribute to European recovery by using German plants where they were.

Recall the situation set up at Potsdam. Russia got all the reparations in the Russian zone, 100 percent of them. She got all of East Prussia; she got control of all the industrial potential in Silesia assigned to Poland. On top of that Russia was to get 25 percent of the reparations out of the three western zones. The satellite countries got another 14 percent. Only the remainder of the dismantled plants was to be distributed among the other countries.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Georgia.

Mr. COX. I have been opposed to amending the pending resolution, but I am convinced that this is one amendment the Committee ought to accept, and I hope will accept.

Mr. CASE of South Dakota. I appreciate the remarks of the gentleman, who was a member of the same committee and saw this situation in Germany, where it had been agreed to tear down and send to Russia 25 percent of the reparations equipment in the western zones.

So, the ECA Act last year said that the Secretary of State should attempt to get agreements to leave in Germany what would contribute to European recovery. And it is commonly known that Mr. Humphrey was appointed to go over there and make a survey to see what should and could be done.

Informally, some of us hear that Mr. Humphrey recommended that at least 150 of the 167 plants scheduled for dismantling be retained as a part of the European recovery program. But no definite results have come to public attention.

Thus far in the debate I have heard no allusions to this matter. I have not heard the chairman of the committee state what had been accomplished by the Humphrey survey. Can the chairman give us any information at this time?

Such information would let us know whether the paragraph mentioned needs implementation by language similar to that suggested by the amendment or whether progress is being made on the agreements requested last year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I will not take 3 minutes. I have seen juries before, lots of them, and I do not like the looks of this one.

I used to play football on a small college team one time, and on defense I played right end. One of the things I was cautioned never to do was to be sucked in on the end, and let Wisconsin or Michigan run around us. I want to tell you this afternoon that you are going to get sucked in—the whole bunch of you. While we are here bleeding ourselves white to pick up money for England and

the rest of Europe, England at this very moment at London is negotiating a trade treaty with Russia. Now, how do you like that? Do you think you are getting sucked in? I just want to tell you that, because I know how you are going to vote. Go ahead and vote that way. I am not excusing myself. I am not talking against this bill and then saying "Yes, but in the final analysis, I will vote for it." By the eternal, I will not! I will vote against the bill. I am against it from start to finish. When I got permission to strike out the last two words, the only thing I was sorry about was that I could not strike out the whole thing. You are afraid of communism. That is what you are building up this big defense fund for. You are afraid of communism, but you are building it instead of keeping it out of this country. Communism never grows unless the people are hungry and distressed and homeless and clothesless. You will bring this country to that condition someday if you keep on depleting our natural resources and our funds and the lives of our people. Then you will have communism here. You do not have it here now and you never will have it unless you bring distress to America. I just want to tell you that because I know how you are going to vote and I think you are wrong.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 9, line 21, after the words "SEC. 9 (a)" insert the following: "Section 115 (b) (1) of such act is hereby amended by inserting after the figure (1) the following: 'withholding any assistance under this act, where it appears that any participating country is impairing in whole or in part its economic recovery by reason of the expenditure of any portion of its funds, commodities, or services in the maintenance or subsidization of any dependent country, which naturally is, or should be, an integral part of some other participating country, until such time as such participating country shall sever its control of, and refrain further from maintaining or subsidizing such dependent country; (2), and by renumbering accordingly the subsequent paragraphs of section 115 (b).'"

Mr. FOGARTY. Mr. Chairman, the purpose of this amendment is to make sure that no country which is receiving aid under the Marshall plan will dissipate that aid by any uneconomic use thereof or by the uneconomic expenditure of its own funds. In endeavoring to restore the economic stability of the countries of Europe it is important that we make sure that our funds are being properly employed where they will do the most good and where they will promote the fundamental purposes of the European recovery program.

The particular situation, which I have in mind, is the situation in Northern Ireland, where the Government of Great Britain is annually expending huge sums of money in maintaining an uneconomic political unit, which is naturally a part of the rest of Ireland, and which by any and every viewpoint should be reunited with the rest of Ireland. This partition of Ireland was made some 27 years ago, for the first time, not because of any natural land bar-

riers or normal division of this section of the island from the rest of the country, but solely to make it possible for the British to maintain a section of the country under its control. Ever since then, Great Britain has had to subsidize the government of Northern Ireland in order to continue this government in the six-county area.

Whenever the border is removed in Ireland, it will react for the benefit of both the north as well as the south and make it possible for the country as a whole to reconstruct the economy so as to create a self-sustaining nation. Moreover a new era of good will between Great Britain and Ireland would begin, once this last item of dispute between the countries shall have been eliminated.

In addition, by the adoption of this amendment we will be putting into effect in a practical way the stated purposes of the original act, which sets forth in its declaration of policy the following: "The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships," and so on. This amendment will clearly indicate that it is the desire of the American people that individual liberty, free institutions, and genuine independence of the peoples and countries of Europe shall be maintained and withal a sound economic condition prevail. In the case of Ireland it would mean the granting of freedom from foreign control or influence as well as the establishment of better economic conditions; the twofold purpose of this legislation.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. MANSFIELD. May I say to the distinguished gentleman from Rhode Island that I offered this amendment in committee where it received very sympathetic consideration but was, unfortunately, defeated. I am delighted that the gentleman has offered it on the floor today and I assure him I will be most happy to do what I can to help in its passage.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. ROONEY. I wish to commend the gentleman on the stand that he takes in regard to this matter. I shall support his amendment.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. JAVITS. I would like to express the same point of view that the gentleman takes with respect to the unification of Ireland.

Mr. FOGARTY. I thank the gentleman.

Wheresoever a similar condition may exist or may hereafter be created, this amendment would provide for the withholding of Marshall-plan funds until the freedom and independence of the people or nation were reestablished. Certainly it is not our intent that American funds being spent in Europe should be used to

continue the suppression of any people, nor to deny independence to any country, however small the area, which may be involved. Neither do we desire that any portion of our funds be used in maintaining a government contrary to the wishes of the people, which is an economic expense, and in the case of Northern Ireland, which will continue to be an uneconomic unit, so long as it is separated from the rest of the national unit, which should include the area of the entire island. No serious objection can be raised to this amendment and so I trust that it will meet with the approval of the Members.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 56, noes 80.

So the amendment was rejected.

The CHAIRMAN. The gentleman from California [Mr. HOLIFIELD] is recognized for 3 minutes.

Mr. HOLIFIELD. Mr. Chairman, during the past year our country has been cooperating with 16 European nations in a peacetime program designed to free western Europe from political and economic bondage.

A year ago unrest in Europe threatened the survival of Democratic nations. The Congress authorized the Economic Cooperation Administration in the spirit of bipartisan cooperation, in the fervent hope that the helping hand of dollars and material could contribute toward rapid European recovery.

The testimony given before the Foreign Affairs Committee by Mr. Hoffman and his aides is convincing evidence that the aid we have given has been justified by the accomplishments of the nations concerned.

A new unity of purpose among European nations as they create new life for their governments and peoples is evident.

Economic systems have been strengthened. Production of agricultural and industrial commodities has been built up to prewar levels in many countries. Within 1 year alone factory and mine output has been increased 14 percent.

As business conditions and agricultural conditions improve, the people of Europe are beginning to rebuild shattered cities and shattered careers.

Communists who sought to take advantage of Europe's misfortune have been turned away by the voters of France and Italy. A line against communism has been established and is being held.

To insure that this progress will have an opportunity to become permanent, our country must continue its participation in Europe's development. Within the next few years, the nations of Europe must successfully stabilize their domestic economies, extend their participation in world trade, and protect their peoples against totalitarian infiltration. Our aid in strengthening the United Nations and our participation in the Atlantic pact, along with continued material assistance, are essential.

A slow-down in material assistance through Economic Cooperation Administration would endanger our entire in-

vestment in peace. Machinery and raw materials, which can be supplied only by this country, are required. For the purchase of these goods a supply of dollars must be made available. European nations have not yet been able to develop an export trade sufficient to supply their import needs.

I gave my wholehearted support to creation of the Economic Cooperation Administration a year ago, and I shall vote for its continuation today. By assisting others, we are helping ourselves to continue the Democratic way of life and to ward off the perils of economic collapse and communism.

I want to congratulate the distinguished members of the Committee on Foreign Affairs for the careful review they have made of the conduct of the Economic Cooperation Administration and for the fairness of the legislation they have brought before this body. Our vote today should be a token of our appreciation of the devoted service of the late Sol Bloom, for many years the respected chairman of the Foreign Relations Committee, whose wisdom and foresight were instrumental in the creation of this program.

I hope the Members of the House and Senate will give an overwhelming vote of confidence to the continuation of this cooperative undertaking, without crippling it by restrictive amendments or reluctance to grant adequate appropriations for its administration.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. O'SULLIVAN] for 3 minutes.

Mr. O'SULLIVAN. Mr. Chairman, I am sorry that in an effort to bring about unity in Europe we bring about greater discord in the House of Representatives.

This legislative measure, House bill 3748, seeks to bring about an extension of the European recovery program. At first blush it appears to be a recovery and rehabilitation program for certain named nations, yet in truth and in fact it goes far beyond such humanitarian purposes, and very rightly so. It will aid the United States of America, not only to be helpful to right-thinking and right-acting war-torn and devastated countries, but it will, with the aid of an appropriation bill, put these countries in a position to, in turn, be helpful to the United States of America and the rest of the free world.

We are engaged today in a cold war with the most hideous, antisocial, and ungrateful nation in the world, the name of which, in my opinion, no healthy, decent tongue, should run the risk of uttering for fear of becoming diseased and prostituted. It is Satan's blood-child, if the Devil ever had a child. To it, appreciation and gratitude are unknown words.

When I think of how the United States of America came to its rescue during the last war when it had been, so to speak, baffled and beaten and backward reeled by the German armies from barren meads and stubble fields, and was all but prostrated and conquered—the United States of America came to its rescue with money, goods, and every other necessity, and saved the day for what now proves to be the greatest and

most sinister ingrate known in history. This ingrate has in the past sought to extend its pernicious influences into other war-torn and devastated lands whose needs are so critical now, and have been for months past. The only way that this ungrateful nation would give to others aid and assistance in their days of sorrow and distress was if they, too, accepted the yoke of communism and passed under it, not in good old Roman style, with their shirttails pulled out, but naked of all love of God and man and each and every tent of religion and all that religion stands for.

The Marshall plan has done great good to date and should be continued even though it is a costly one. By appropriating this money under the present bill we may save many lives, not only in Europe, but in many other parts of the world, including these United States. We should always remember that we and every other nation in this program may accumulate more money, but we cannot, by any means now known, restore lost lives. The old axiomatic statement is still true: we may get more money but we cannot get another life for those who have given—or will be called upon to give—their lives, even though they died for the greatest and most worthy cause in the world.

Let us think sensibly and with a practical mind as we act upon this bill and proposed amendments, and evaluate it in an over-all forward-looking way. Let us think of it not with cold-war eyes but with hot-war vision. This is a time for preparation—preparation for free countries about to be trussed up in the iron ring of communism. Each of us must have a sense of responsibility and work to present the best front we can to the menace of communism in Europe, and right here at home also.

I refuse to be led by the specious arguments of a certain brother Congressman from New York and some of the smart congressional associates of mine who should have better sense than to follow, unwittingly, I hope, the way of the Communist serpent which goeth basely upon the belly and not upon the feet.

We should vote each and every future amendment down and pass this legislation intact. If I am in error in my votes and doings on this bill and the amendments thereto, I know that I have erred on the side of humanity and patriotism, and not on the side of communism and degradation.

The CHAIRMAN. The gentleman from New York [Mr. KEATING] is recognized for 3 minutes.

Mr. KEATING. Mr. Chairman, in response to the inquiry which I made a few moments ago about expediting the movement of goods in Europe, I have been furnished with a great volume which will require a good bit of night reading to be able to digest it. I appreciate the assistance. Yet we are going to vote on this bill in a few moments and should have all the help we can get from the committee at this time.

I should like to inquire also about the movement of people between various countries in Europe. Certainly the greatest problem that Italy faces, for in-

stance, is the problem of overpopulation. I am delighted to find that a provision has been inserted in the bill which permits ships to be made available to Italy for the movement of Italian emigrants to various destinations.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. KEATING. Only if the gentleman from Connecticut will please answer my question; and that question is: What provision is in the bill and what evidence has been presented to your committee relating to paragraph 115 (e) of the bill under which the Administrator is to encourage arrangements between the participating countries looking toward the largest practicable utilization of manpower available in any of these countries? That language was not written in there just because the House had nothing else to do a year ago. It had a definite purpose. What has been done? What does the Administrator tell you has been done in the implementation of that provision?

I am very happy to yield to my distinguished friend from Connecticut or to the able gentleman from Ohio for the answer.

Mr. VORYS. Time is limited; if the gentleman desires a rather full statement he will find it in the so-called watchdog committee report, which I shall be glad to furnish.

Mr. KEATING. In other words, may I assume that the committee has addressed itself to that problem, and the Administrator has furnished the committee a satisfactory explanation of what has been done along those lines?

Mr. VORYS. That is correct.

Mr. LODGE. I may say to the gentleman offhand that arrangements have been made by the De Gasperi government for the emigration of more than 200,000 Italians during the year 1949. They have available shipping for 162,000, and the purpose of the shipping clause is to provide transportation facilities for the 40,000 remaining.

Mr. KEATING. As I say, I am very glad that the committee has incorporated this provision relating to Italy in the bill. That, however, is only part of the problem, even so far as Italy is concerned.

There are over 2,000,000 unemployed in Italy, whereas across the border in France, there is a shortage in agricultural manpower of roughly 1,000,000. Through the elimination of immigration barriers and assimilation of populations, it is essential to the over-all economic recovery of western Europe that in such cases plans be made to correct this disequilibrium of population. The necessity for such action must be impressed upon those responsible for determining policy in the countries we are trying to help.

There are a number of other questions which I desire to ask about this program, which time will not permit. Under the limitation of debate which has unfortunately been imposed, I shall be forced to seek light elsewhere.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Ohio [Mr. JENKINS] is recognized.

Mr. JENKINS. Mr. Chairman, I am sorry that the amendments seeking to

reduce the total of this bill were not passed.

It has been demonstrated in the debate that a reduction of at least a billion dollars could be made without in any way hampering the program.

This is a tremendously large sum that is being carried forward that can be used, and this also proves that the transportation of commodities has not been so rapid but that we can easily meet the full program of demands as they come forward.

I voted for the amendment offered by the gentleman from Florida and the amendment offered by the distinguished gentleman from Wisconsin [Mr. SMITH].

I shall confidently expect the Appropriations Committee to safeguard the best interests of the American people by making no appropriations that have not been justified completely.

I expect to vote for this legislation. I voted for it last year.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 3 minutes.

Mr. BIEMILLER. Mr. Chairman, it has seemed to me many times in the course of this debate that we have lost sight of the fundamental things about which we are talking. The Marshall plan is an essential part of our bipartisan foreign policy. It is a part which has the support of almost every intelligent person in this country. It has that support because we almost all believe that the way to stop the spread of communism in Europe is to put the democratic nations back on their feet and give them strength to resist the Communist undermining of their institutions.

There are still a handful of die-hards who believe in the outworn theories of isolation. Giant planes and the atom bomb have made isolationism as outworn as the bow and arrow. We have to fight communism with different weapons today, and the results indicate that the Marshall plan is the way to do it.

We have ample testimony from our leaders both in the Democratic and Republican ranks, from our business leaders, from our labor leaders, that the Marshall plan has been the effective way of stopping the growth of communism in Europe. To pretend otherwise is to shut our eyes to the facts, as some prefer to do.

There are none so blind as those who will not see.

Mr. Chairman, I say that those who really want to do something about stopping communism and not just talk about it will vote to continue the Marshall plan when the vote comes in the House in a few minutes today.

However, we have had Members such as the gentleman from Michigan come on this floor quite recently and talk about the Marshall plan subsidizing Communist governments. Of all the tripe I have heard uttered today that is the prize remark. There is not a single Communist government receiving any Marshall plan funds. Any one who has taken the care to follow the working of the Marshall plan knows that full well.

To me that is the last cry of the isolationists. That is an attempt to hide the failure of the bankrupt policy of

isolationism which some Americans still follow to this very day. It is the cry of those who like to raise red herrings but who want to do nothing about fighting communism.

We are working closely with the democratic nations of western Europe. We have recently joined them in a great defensive alliance against the aggression of Stalin—we have signed the Atlantic Pact.

Americans believe passionately in freedom. We respect the dignity of man. We are ready to defend those who believe in liberty and fight Communist totalitarianism.

The Russians have been picking off one country at a time in their drive against western democracy. Only the Marshall plan has stopped them in their tracks.

And yet Members of this House come down into the well and make speeches urging us to stop our aid to the European democracies. I say that wittingly or unwittingly they are giving hope to the grand design of Stalin—they propose to leave Europe shattered; weak and defenseless against the Communist hordes.

I am voting for this bill because I am convinced it is one of our best weapons against the schemes of Stalin.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, as the debate closes, the time for rhetoric has probably gone, but a few figures may be important before we vote.

There has been a great deal of talk in the House today about how well the European countries are doing. If Members will turn to page 11 of this book entitled "A Report on Recovery Progress and United States Aid," a great many copies of which are still available, they will find the consumption of the following things by the people of Europe today as compared with prewar, indicating their present standard of living: Bread grains, 90 percent; meat, 65 percent; fats and oils, 74 percent; sugar, 81 percent; textiles, 80 percent.

That is a very considerable reduction from what was already a meager standard of living before the war.

Second, the annual income of the United States this year is likely to be somewhere in the neighborhood of \$250,000,000,000. Yet we are told that an expenditure of \$5,000,000,000 for the purpose of reforming the economy of the most vigorous industrial area of the world—an area critically important to international peace and economic prosperity—is going to bankrupt us or bleed us white. It just does not make sense.

The CHAIRMAN. All time has expired on this section. The Clerk will read.

The Clerk read as follows:

SEC. 10. (a) The first sentence of section 117 (c) of such Act is hereby amended by striking out the period and inserting in lieu thereof a colon and the following: "Provided, That the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply

to shipments made by individuals to individuals through the mails."

(b) Section 117 (d) of such act is hereby amended by striking out "section 6 of the act of July 2, 1940 (54 Stat. 714), as amended," and inserting in lieu thereof "the Export Control Act of 1949."

(c) Section 117 of such Act is amended by adding a new subsection to read as follows:

"(e) Whenever the Administrator shall determine that shipping capacity available to Italy is inadequate for such emigration from Italy as may be desirable to further the purposes of this title, the Administrator shall request the United States Maritime Commission to make available to Italy vessels capable of engaging in such service for the purpose of transporting emigrants from Italy to destinations other than the United States, and shall specify the terms and conditions under which such vessels shall thus be made available, and the United States Maritime Commission thereupon shall, notwithstanding any other provisions of law and without reimbursement by the Administrator, make such vessels available to Italy in accordance with such terms and conditions: *Provided*, That the total number of such vessels made available for such purpose shall not at any one time exceed ten: *Provided further*, That title to each such vessel owned by the United States Government shall remain in the United States: *And provided further*, That the terms and conditions under which such vessels are made available to Italy shall obligate Italy to return the vessels forthwith upon demand of the President, and in any event not later than June 30, 1952."

Mr. HALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time only because I would like to get some information about the construction which is to be accorded to this section. I think probably a member of the committee can answer my inquiry. I understand that it is necessary in Italy to have transportation available for the emigration, which is probably essential to the Italian economy. But is it contemplated that the vessels capable of engaging in this transportation service referred to in line 17 shall be vessels presently owned by the Maritime Commission? Can someone inform me on that point?

Mr. LODGE. I believe it is contemplated to use vessels presently owned by the Maritime Commission.

Mr. HALE. Are some particular vessels in contemplation?

Mr. LODGE. I am told that it is the C-4's that are in contemplation.

Mr. HALE. There would be no objection, as far as the bill is concerned, as I understand it, to an acquisition of vessels by the Maritime Commission for that purpose, is that correct?

Mr. LODGE. There is nothing to prevent the Maritime Commission from acquiring other vessels.

Mr. HALE. I thank the gentleman.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, 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. 3748) to amend the Economic Cooperation Act of 1948, pursuant to House Resolution 169, 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.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CLEVINGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CLEVINGER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CLEVINGER moves to recommit the bill to the Committee on Foreign Affairs.

Mr. KEE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. KEE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 355, nays 49, not voting 28, as follows:

[Roll No. 75]

YEAS—355

Abbott	Carlyle	Fellows
Abernethy	Carnahan	Fenton
Addonizio	Carroll	Fisher
Albert	Case, N. J.	Flood
Allen, Calif.	Case, S. Dak.	Fogarty
Andersen	Cavalcante	Forand
H. Carl	Celler	Ford
Anderson, Calif.	Chatham	Frazier
Andresen	Chelf	Fugate
August H.	Chesney	Fulton
Andrews	Chipfield	Furcolo
Angell	Christopher	Garmatz
Arends	Chudoff	Gary
Aspinall	Clemente	Gathings
Auchincloss	Coffey	Gavin
Bailey	Cole, Kans.	Gillette
Barrett, Pa.	Cole, N. Y.	Golden
Barrett, Wyo.	Colmer	Goodwin
Bates, Ky.	Combs	Gordon
Bates, Mass.	Cooly	Gore
Battle	Cooper	Gorski, Ill.
Beall	Corbett	Gorski, N. Y.
Backworth	Cotton	Gossett
Bennett, Fla.	Coudert	Graham
Bentzen	Cox	Granahan
Biemiller	Crook	Granger
Blackney	Crosser	Grant
Bland	Cunningham	Green
Blatnik	Dague	Gregory
Boggs, Del.	Davenport	Gwinn
Boggs, La.	Davis, N. Y.	Hale
Bolling	Davis, Ga.	Hall
Bolton, Md.	Davis, Tenn.	Edwin Arthur
Bolton, Ohio	Davis, Wis.	Hall
Bonnar	Dawson	Leonard W.
Bosone	Deane	Halleck
Boykin	DeGraffenried	Harden
Bramblett	Delaney	Hardy
Breen	Denton	Hare
Brehm	D'Ewart	Harris
Brooks	Dingell	Harrison
Brown, Ga.	Dolinger	Hart
Brown, Ohio	Dolliver	Harvey
Bryson	Donchue	Havenner
Buchanan	Doughton	Hays, Ark.
Buckley, Ill.	Douglas	Hays, Ohio
Buckley, N. Y.	Doyle	Hebert
Burke	Durham	Hedrick
Burleson	Eaton	Heffernan
Burnside	Eberharter	Heller
Burton	Ellsworth	Herlong
Byrne, N. Y.	Engel, Mich.	Hertel
Byrnes, Wis.	Engle, Calif.	Heslton
Camp	Evins	Hill
Canfield	Fallon	Hinshaw
Cannon	Feighan	Hobbs

Hoeven	Marsalis	Rooney
Holifield	Marshall	Sabath
Holmes	Martin, Mass.	Sadlak
Hope	Morrow	St. George
Horan	Meyer	Sasser
Howell	Michener	Scott, Hardie
Huber	Miles	Scott,
Irving	Miller, Calif.	Hugh D., Jr.
Jackson, Calif.	Miller, Md.	Scrivner
Jackson, Wash.	Mills	Scudder
James	Mitchell	Sheppard
Javits	Monroney	Sikes
Jenkins	Morgan	Simpson, Ill.
Jennings	Moulder	Simpson, Pa.
Jensen	Multer	Sims
Johnson	Murdock	Smathers
Jones, Mo.	Murphy	Smith, Va.
Jones, N. C.	Murray, Tenn.	Smith, Wis.
Judd	Murray, Wis.	Spence
Karst	Nelson	Staggers
Karsten	Nicholson	Stanley
Kean	Nixon	Steed
Keating	Noiland	Stigler
Kee	Norblad	Stockman
Keefe	Norrell	Sullivan
Kelley	Norton	Sutton
Kennedy	O'Brien, Ill.	Tackett
Keogh	O'Brien, Mich.	Talle
Kerr	O'Hara, Ill.	Tauriello
Kilburn	O'Neill	Taylor
Kilday	O'Sullivan	Teague
King	O'Toole	Thomas, Tex.
Kirwan	Pace	Thornberry
Klein	Patten	Tollefson
Kruse	Patterson	Towe
Kunkel	Perkins	Trimble
Lanham	Peterson	Underwood
Latham	Pfeifer	Van Zandt
LeCompte	Joseph L.	Velde
LeFevre	Pfeiffer	Vinson
Lesinski	William L.	Vorys
Lichtenwalter	Phillbin	Wadsworth
Lind	Phillips, Calif.	Wagner
Linehan	Phillips, Tenn.	Walter
Lodge	Pickett	Weichel
Lovre	Piumley	Welch, Calif.
Lucas	Poage	Welch, Mo.
Lynch	Polk	Wheeler
McCarthy	Potter	Whitten
McConnell	Preston	Whittington
McCormack	Price	Wickersham
McCulloch	Priest	Wier
McDonough	Quinn	Wigglesworth
McGrath	Rabaut	Wilson, Okla.
McGuire	Ramsay	Wilson, Tex.
McKinnon	Redden	Winstead
McMillan, S. C.	Rees	Withrow
McMillen, Ill.	Rhodes	Wolcott
McSweeney	Ribicoff	Wolverton
Mack, Ill.	Richards	Woodhouse
Mack, Wash.	Riehman	Worley
Madden	Rivers	Yates
Magee	Rodino	Young
Mahon	Rogers, Fla.	Zablocki
Mansfield	Rogers, Mass.	

NAYS—49

Allen, Ill.	Jonas	Sadowski
Barden	Larcade	Sanborn
Bennett, Mich.	Lemke	Secrest
Bishop	McGregor	Shafer
Burdick	Macy	Short
Church	Marcantonio	Smith, Kans.
Clevenger	Martin, Iowa	Stefan
Crawford	Mason	Taber
Curtis	Miller, Nebr.	Vursell
Dondero	Morris	Werdell
Gross	O'Hara, Minn.	White, Calif.
Hagen	O'Konski	Williams
Hand	Powell	Willis
Hoffman, Ill.	Rankin	Wilson, Ind.
Hoffman, Mich.	Reed, Ill.	Woodruff
Hull	Reed, N. Y.	
Jenison	Rich	

NOT VOTING—28

Allen, La.	Kearney	Regan
Baring	Kearns	Smith, Ohio
Bulwinkle	Lane	Thomas, N. J.
Elliott	Lyle	Thompson
Elston	Morrison	Walsh
Fernandez	Morton	Whitaker
Gamble	Passman	White, Idaho
Gilmer	Patman	Wood
Jacobs	Poulson	
Jones, Ala.	Rains	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Alabama for, with Mr. Passman against.

Mr. Rains for, with Mr. Allen of Louisiana against.

General pairs until further notice:

Mr. Thompson with Mr. Gamble.
Mr. Wood with Mr. Elston.
Mr. Jacobs with Mr. Poulson.
Mr. Morrison with Mr. Smith of Ohio.
Mr. Walsh with Mr. Kearney.
Mr. Whitaker with Mr. Kearns.
Mr. Gilmer with Mr. Morton.

Mr. WERDEL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1209) to amend the Economic Cooperation Act of 1948, strike out all after the enacting clause, and insert in lieu thereof the bill H. R. 3748, as just passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the fifth sentence of section 102 (a) of the Economic Cooperation Act of 1948 is amended by inserting after "United States" where it appears therein the first time "to encourage the unification of Europe, and."

Sec. 2. (a) The second sentence of section 104 (e) of the Economic Cooperation Act of 1948 is hereby amended by striking out "\$10,000 per annum" and inserting in lieu thereof "the highest rate authorized by such act."

(b) Section 104 of such act is amended by adding at the end thereof a new subsection as follows:

"(g) There shall be in the Administration a Special Assistant to the Administrator. It shall be the duty of such Special Assistant to formulate methods to assist American small business in securing equitable participation, insofar as practicable, in the furnishing of commodities and services for the procurement with funds appropriated pursuant to this act. Such Special Assistant shall receive his instructions from the Administrator and shall report to the Administrator quarterly on the performance of the duties assigned to him."

Sec. 3. Section 108 of such act is hereby amended by adding at the end thereof the following new paragraph:

"There shall be a Deputy United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. The Deputy United States Special Representative shall perform such functions as the United States Special Representative shall designate, and shall be Acting United States Special Representative during the absence or disability of the United States Special Representative or in the event of a vacancy in the office of the United States Special Representative."

Sec. 4. The last sentence of section 109 (a) of such act is hereby amended by striking out the period and inserting in lieu thereof a semicolon and the following: "and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 4, within the meaning of the Act of August

13, 1946 (60 Stat. 999), or compensation and allowances in accordance with section 110 (a) of this title, as the Administrator shall determine to be necessary or appropriate."

Sec. 5. Section 111 (a) (2) of such act is amended by inserting before the period at the end thereof "for United States flag vessels."

Sec. 6. (a) The first proviso of section 111 (b) (3) of such act is hereby amended by striking out "in the first year after the date of the enactment of this act does not exceed \$15,000,000" and inserting in lieu thereof "made in any fiscal year does not exceed \$10,000,000."

(b) The last two sentences of such section 111 (b) (3) are hereby amended to read as follows: "The total amount of the guaranties made under this paragraph (3) shall not exceed \$300,000,000, and as such guaranties are made the authority to realize funds from the sale of notes for the purpose of extending assistance on credit terms through allocating funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section shall be accordingly reduced. After the amount of notes sold for the purpose of extending assistance on credit terms through allocation of funds to the Export-Import Bank of Washington under paragraph (2) of subsection (c) of this section and the amount of guaranties made reach in the aggregate \$1,000,000,000, any further guaranty made by the Administrator shall create an obligation against funds appropriated under authority of this title and the Administrator shall notify the Secretary of the Treasury of the issuance of such guaranty and of the maximum liability thereunder, and the Secretary of the Treasury shall then set aside on the books of the Treasury from the funds appropriated under this title an amount equal to the maximum liability under such guaranty as stated in such notification, which amount shall be available for expenditure to discharge liability under such guaranty, by the Administrator or by an agency designated by him, until such time as the liability under such guaranty shall have been discharged or shall expire. Any payments made to discharge liabilities under guaranties issued under paragraph (3) of this subsection shall be paid out of fees collected under subparagraph (1) of paragraph (3) of this subsection as long as such fees are available, and thereafter shall be paid either out of funds realized from the sale of notes which shall be issued under authority of paragraph (2) of subsection (c) of this section or out of funds appropriated under authority of this title and set aside on the books of the Treasury as hereinabove provided."

Sec. 7. (a) Section 112 (c) of such act is amended by striking out "25 percent"; and by adding at the end thereof "15 percent"; and by adding at the end thereof the following new sentence: "The amounts of corn and corn grits, corn meal, and corn flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States corn used to produce the corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title shall not be less than 15 percent of the aggregate of the unprocessed corn and corn in the form of corn grits, corn meal, and corn flour procured in the United States for transfer by grant to such countries under this title."

(b) Section 112 of such act is hereby amended by adding at the end thereof the following new subsection:

"(i) No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of

the Commodity Credit Corporation pursuant to price support programs required by law) at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment."

(c) Section 112 (d) of such act is hereby amended by adding after the words "any agricultural commodity, or product thereof" the following: "or class, type, or specification thereof."

Sec. 8. (a) The first sentence of section 114 (c) of such act is hereby amended by striking out the period and inserting in lieu thereof a colon and the following: "Provided, further, That in addition to the amount heretofore authorized and appropriated there are hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed \$1,150,000,000 for the period April 3, 1949, through June 30, 1949, and not to exceed \$4,280,000,000 for the fiscal year ending June 30, 1950: *Provided further,* That in addition to the foregoing any balance, unobligated as of June 30, 1949, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1950, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year. To enable the Administrator to finance such transfers of capital goods items, or of commodities and services allocated to projects, as may not be made by June 30, 1950, the Administrator is authorized prior to such date to obligate the United States to make expenditures after such date in an aggregate amount not to exceed \$150,000,000, which amount shall be in addition to the amounts above authorized."

(b) The last sentence of such section 114 (c) is hereby amended to read as follows: "The authorizations in this title are limited to the periods indicated in order that the Congress may pass on any subsequent authorizations."

Sec. 9. Section 114 of such act is hereby amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding the provisions of any other law, until such time as an appropriation additional to that made by title I of the Foreign Aid Appropriation Act, 1949 (Public Law 793, Eightieth Congress), shall be made pursuant to subsection (c) of this section for the period April 3, 1949, through June 30, 1949, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$750,000,000 to carry out the provisions of this title, in such manner, at such times, and in such amounts as the Administrator shall request, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this title."

Sec. 10. (a) Section 115 (b) (6) of such act is hereby amended by striking out the period following the words "grant basis" and inserting in lieu thereof a colon and the following: "Provided, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such

transportation exceed the cost of such transportation at world market rates."

(b) Such section 115 (b) (6) is further amended by inserting after "or for such other expenditures as may be consistent with" the words "the declaration of policy contained in section 102 and".

(c) Section 115 of such act is hereby amended by adding at the end thereof the following new subsections:

"(h) Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

"(i) (1) The Administrator shall, to the greatest extent practicable, without detriment to the European recovery program, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources; and in furtherance of those objectives the Administrator shall, in addition to the local currency allocated pursuant to subsection (h), use such other means available to him under this title as he may deem appropriate.

"(2) In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchase of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed 20 years in any contract, and may provide for payments in advance of deliveries.

"(3) Nothing in this subsection shall be deemed to restrict or limit in any manner the authority now held by any agency of the United States Government in procuring or stimulating increased production of the materials referred to in paragraphs (1) and (2) in countries other than participating countries."

(d) Section 115 (d) of such act is amended to read as follows:

"(d) The Administrator shall encourage each participating country to insure, by an effective follow-up system, that efficient use is made of the commodities, facilities, and services furnished under this title. In order further to insure that each participating country makes efficient use of such commodities, facilities, and services, and of its own resources, the Administrator shall encourage the joint organization of the participating countries referred to in subsection (b) of this section to observe and review the operation of such follow-up systems."

SEC. 11. (a) The first sentence of section 117 (c) of such act is hereby amended by striking out the period at the end thereof and inserting a colon and the following: "Provided, That the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals through the mails."

(b) Section 117 of such act is amended by adding at the end thereof a new subsection as follows:

"(e) Whenever the Administrator shall determine that the shipping capacity available

to Italy is inadequate for such emigration from Italy as may be desirable to further the purposes of this title, the United States Maritime Commission shall, notwithstanding any other provision of law and without reimbursement by the Administrator, make available to Italy, under such terms and conditions as may be determined by the Administrator, not more than 10 vessels capable of engaging in such service, for the purpose of transporting emigrants from Italy to parts of the world other than the United States: *Provided*, That title to any such vessels which are owned by the United States Government shall remain in the United States, and any or all of such vessels shall be returned forthwith upon demand of the President, and in any event not later than June 30, 1952."

SEC. 12. (a) Sections 105 (c) and 117 (d) of such act are amended by striking out "section 6 of the act of July 2, 1940 (54 Stat. 714), as amended" and inserting in lieu thereof "the Export Control Act of 1949."

(b) Section 112 (g) of such act is amended by striking out "section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto" and inserting in lieu thereof "the Export Control Act of 1949."

(c) That section 112 is hereby amended by adding at the end thereof the following new subsection:

"(j) The Administrator shall, in providing assistance in the procurement of commodities in the United States, make available United States dollars for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II. In the event any participating country directly or indirectly prevents United States companies from competing for marine insurance on commodities procured in the United States with funds from the Economic Cooperation Administration, the Administrator shall require that all marine insurance on such commodities procured with such funds, and shipped to such countries shall be insured with companies authorized to do a marine insurance business in the United States."

SEC. 13. An amount, equal to any balance, unobligated as of April 2, 1949, or subsequently released from obligation, of funds appropriated by Public Law 793, approved June 28, 1948, for the purposes of the China Aid Act of 1948 is hereby made available to the President for obligation through February 15, 1950, for assistance to areas in China which he may deem to be not under Communist domination, to be furnished in such manner and on such terms and conditions as he may determine without regard to the foregoing provisions of this act.

SEC. 14. The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, as far as is practicable, that at least 50 percent of the gross tonnage of commodities procured out of funds made available under this title and transported to or from the United States on ocean vessels, computed separately for dry bulk carriers, dry cargo liner and tanker services, is so transported on United States flag vessels to the extent such vessels are available at market rates for United States flag vessels; and, in the administration of this provision, the Administrator shall, insofar as practicable and consistent with the purposes of this title, endeavor to secure a fair and reasonable participation by United States flag ships in cargoes by geographic area.

SEC. 15. Section 112 of such act is hereby amended by adding at the end thereof the following new subsection:

"(j) No funds authorized for the purposes of this title shall be used for the payment of charges incurred after 60 days after the effective date of this amendment for charter

hire, freight or passenger charges, or for any other purpose, to, on behalf of, or for the account of any vessel documented under the laws of any foreign country not a participating country unless, in the case of individuals the owner or owners of such vessel is a national of the country, and in the case of a corporation a majority of the voting power or controlling interest is vested in nationals of the country, under whose laws such vessel is documented. In administering this provision the Administrator may rely on the certificate of the owner of any vessel as to the nationality of such owner if an individual and as to the nationality of the controlling interest or majority stock ownership in the case of a corporation."

SEC. 16. The second sentence of section 118 of such act is amended by inserting before the period at the end thereof "or (3) the provision of such assistance would be inconsistent with the obligations of the United States under the Charter of the United Nations to refrain from giving assistance to any State against which the United Nations is taking preventative or enforcement action."

No funds authorized for the purposes of this act shall be allocated to or expended for any foreign government for the purpose of expenditures for the advertising of foreign products in this country nor for advertising foreign travel in this country.

With the following amendment:

Strike out all after the enacting clause and insert "That the fourth and fifth sentences of section 102 (a) of the Economic Cooperation Act of 1948 are hereby amended to read as follows: 'Mindful of the advantages which the United States has enjoyed through the existence of a large domestic market with no internal trade barriers, and believing that similar advantages can accrue to the countries of Europe, it is declared to be the policy of the people of the United States to encourage these countries through their joint organization to exert sustained common efforts to achieve speedily that economic cooperation in Europe which is essential for lasting peace and prosperity. It is further declared to be the policy of the people of the United States to encourage the unification and federation of Europe, and to sustain and strengthen principles of individual liberty, free institutions, and genuine independence in Europe through assistance to those countries of Europe which participate in a joint recovery program based upon self-help and mutual cooperation: *Provided*, That no assistance to the participating countries herein contemplated shall seriously impair the economic stability of the United States'."

"SEC. 2. The second sentence of section 104 (e) of such act is hereby amended by striking out '\$10,000 per annum' and inserting in lieu thereof 'the highest rate authorized by such act.'"

"SEC. 3. The first sentence of section 105 (c) of such Economic Cooperation Act of 1948 is hereby amended by striking out 'section 6 of the act of July 2, 1940 (54 Stat. 714), as amended,' and inserting in lieu thereof 'the Export Control Act of 1949.'"

"SEC. 4. Section 108 of such Economic Cooperation Act of 1948 is hereby amended by adding at the end thereof the following new sentences: 'There shall be a Deputy United States Special Representative in Europe who shall (a) be appointed by the President, by and with the advice and consent of the Senate, (b) be entitled to receive the same compensation and allowances as a chief of mission, class 3, within the meaning of the act of August 13, 1946 (60 Stat. 999), and (c) have the rank of ambassador extraordinary and plenipotentiary. The Deputy United States Special Representative shall perform such functions as the United States Special Representative shall designate, and shall be Acting United States Special Representative during the absence or disability of the United

States Special Representative or in the event of a vacancy in the office of United States Special Representative.

"Sec. 5. The last sentence of section 109 (a) of such act is hereby amended by striking out the period and inserting in lieu thereof a semicolon and the following: 'and the chief of the special mission shall be entitled to receive the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the act of August 13, 1946 (60 Stat. 999), or compensation and allowances in accordance with section 110 (a) of this title, as the Administrator shall determine to be necessary or appropriate.'

"Sec. 6. (a) Paragraph (2) of section 111 (a) of such Economic Cooperation Act of 1948 is hereby amended by striking out the final period and inserting in lieu thereof 'for United States flag vessels, not to exceed a reasonable differential above current world market rates.'

"(b) Paragraph (3) of section 111 (b) of such act is hereby amended in the following particulars:

"(1) By inserting after 'projects' a comma and the following: 'including expansion, modernization, or development of existing enterprises' and a comma;

"(2) By inserting after 'media' the following: 'consistent with the national interests of the United States';

"(3) By striking out 'in the first year after the date of the enactment of this act' and inserting in lieu thereof 'made in any fiscal year';

"(4) By amending subparagraph (i) thereof to read as follows:

"(i) the guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator plus actual earnings or profits on said project to the extent provided by such guaranty';

"(5) By inserting after subparagraph (iii) thereof the following new subparagraphs:

"(iv) as used in this paragraph, the term 'investment' includes the furnishing of capital goods items and related services, for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950; and

"(v) the guaranty to any person shall be limited to assuring the following: (1) the transfer into United States dollars of other currencies, or credits in such currencies received by such person as earnings or profits from the approved investment, as repayment or return thereof, in whole or in part, or as compensation for the sale or disposition of all or any part thereof; and (2) compensation in United States dollars for loss of all or any part of the approved investment, which shall be found by the Administrator to have been lost to such person 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. When any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, or assets on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith.

"(6) By amending the next to last sentence thereof to read as follows: 'The total amount of the guaranties made under this paragraph (3) shall not exceed \$300,000,000: *Provided*, That any funds allocated to a guaranty and remaining after all liability of

the United States assumed in connection therewith has been released, discharged, or otherwise terminated, shall be available for allocation to other guaranties, the foregoing limitation notwithstanding.'

"(c) Paragraph (2) of section 111 (c) of such act is hereby amended in the following particulars:

"(1) By amending the second sentence thereof to read as follows: 'In addition to the amount of notes above authorized, the Administrator is authorized, for the purpose of carrying out the provisions of paragraph (3) of subsection (b) of this section, to issue notes from time to time for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate \$300,000,000 less any amount allocated prior to April 3, 1949, for such purpose, until all liabilities arising under guaranties made pursuant to this authorization have expired or been discharged.'

"(2) By striking out the first two words, 'Such notes' in the second sentence thereof and inserting 'The notes hereinabove, authorized';

"(3) By inserting after 'Washington' in the sixth sentence thereof 'for assistance on credit terms'.

"Sec. 7. (a) Section 112 (a) of such act is hereby amended by adding the following new paragraph:

"The Administrator shall prescribe such regulations with respect to, and impose such conditions on, procurement in the United States under this title as will secure to 'small business' in the United States, especially the producers, a fair and substantial share of the production and business resulting from any such procurement. For the purpose of this paragraph, 'small business' shall include any small-business enterprise, and only such, if (1) its position in the trade or industry of which it is a part is not dominant, (2) the number of the employees does not exceed 500, except that the Administrator shall, where appropriate, specify a smaller number for any particular trade or industry, or subdivision thereof, and (3) it is independently owned and operated.'

"(b) Section 112 (c) of such act is hereby repealed.

"(c) Section 112 (g) of such act is hereby amended by striking out 'section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto,' and 'section 6 of the act of July 2, 1940, as amended,' and inserting in lieu thereof 'the Export Control Act of 1949.'

"(d) Section 112 (h) of such Economic Cooperation Act of 1948 is hereby amended by striking out the period, inserting in lieu thereof a comma, and adding 'and, insofar as practicable, make available or cause to be made available to suppliers in the United States reasonable information, as far in advance as possible, of purchases proposed to be financed with funds authorized under this title.'

"(e) Section 112 of such act is hereby amended by adding at the end thereof the following new subsection:

"(i) No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to price-support programs required by law) at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment.'

"Sec. 8. (a) Section 114 (c) of such act is amended in the following particulars:

"(1) By striking out the period at the end of the first sentence thereof and inserting in lieu thereof the following: '*Provided further*, That, in addition to the amount above authorized to be appropriated, there are hereby authorized to be appropriated for

carrying out the provisions and accomplishing the purposes of this title not to exceed \$1,100,000,000 for the period April 3, 1949, through June 30, 1949, and not to exceed \$4,280,000,000 for the fiscal year ending June 30, 1950: *Provided further*, That, in addition to the foregoing, any balance, unobligated as of June 30, 1949, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1950, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year.'

"(2) By amending the last sentence of such section 114 (c) to read as follows: 'The authorizations in this title are limited to the period ending June 30, 1950, in order that the Congress may pass on any subsequent authorizations.'

"(b) Section 114 of such act is hereby amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding the provisions of any other law, until such time as an appropriation additional to that made by title I of the Foreign Aid Appropriation Act, 1949 (Public Law 793, 80th Cong.), shall be made pursuant to subsection (c) of this section the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$1,000,000,000 to carry out the provisions of this title, in such manner, at such times, and in such amounts as the Administrator shall request, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.'

"Sec. 9. (a) Paragraph (6) of section 115 (b) of such Economic Cooperation Act of 1948 is hereby amended by striking out the period following the words 'grant basis' and inserting in lieu thereof a colon and the following: '*Provided*, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates.'

"(b) Section 115 of such act is amended by adding two new subsections as follows:

"(h) Not less than 5 percent of each special local currency account established pursuant to paragraph (6) of subsection (b) of this section shall be allocated to the use of the United States Government for expenditure for materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources or for other local currency requirements of the United States.

"(i) (1) The Administrator shall, to the greatest extent practicable, initiate projects for and assist the appropriate agencies of the United States Government in procuring and stimulating increased production in participating countries of materials which are required by the United States as a result of deficiencies or potential deficiencies in its own resources; and in furtherance of those objectives the Administrator shall, in addition to the local currency allocated pursuant to subsection (h), use such other means available to him under this title as he may deem appropriate.

"(2) In furtherance of such objectives and within the limits of the appropriations and contract authorizations of the Bureau of

Federal Supply to procure strategic and critical materials, the Administrator, with the approval of the Director of such Bureau, shall enter into contracts in the name of the United States for the account of such Bureau for the purchases of strategic and critical materials in any participating country. Such contracts may provide for deliveries over definite periods, but not to exceed 20 years in any contract, and may provide for payments in advance of deliveries.

"(3) Nothing in this subsection shall be deemed to restrict or limit in any manner the authority now held by any agency of the United States Government in procuring or stimulating increased production of the materials referred to in paragraphs (1) and (2) in countries other than participating countries."

"SEC. 10. (a) The first sentence of section 117 (c) of such act is hereby amended by striking out the period and inserting in lieu thereof a colon and the following: 'Provided, That the Administrator shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to any participating foreign country, regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals through the mails.'

"(b) Section 117 (d) of such act is hereby amended by striking out 'section 6 of the act of July 2, 1940 (54 Stat. 714), as amended,' and inserting in lieu thereof 'the Export Control Act of 1949.'

"(c) Section 117 of such act is amended by adding a new subsection to read as follows:

"(e) Whenever the Administrator shall determine that shipping capacity available to Italy is inadequate for such emigration from Italy as may be desirable to further the purposes of this title, the Administrator shall request the United States Maritime Commission to make available to Italy vessels capable of engaging in such service for the purpose of transporting emigrants from Italy to destinations other than the United States, and shall specify the terms and conditions under which such vessels shall thus be made available, and the United States Maritime Commission thereupon shall, notwithstanding any other provisions of law and without reimbursement by the Administrator, make such vessels available to Italy in accordance with such terms and conditions: *Provided*, That the total number of such vessels made available for such purpose shall not at any one time exceed 10: *Provided further*, That title to each such vessel owned by the United States Government shall remain in the United States: *And provided further*, That the terms and conditions under which such vessels are made available to Italy shall obligate Italy to return the vessels forthwith upon demand of the President, and in any event not later than June 30, 1952."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings whereby the House bill was passed will be vacated.

There was no objection.

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1209), to amend the Economic Cooperation Act of 1948, with House amendment thereto, insist on the House amendment and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West

Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KEE, RICHARDS, JOSEPH L. PFEIFER, EATON, and VORYS.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ESTABLISHMENT OF LONG-RANGE PROVING GROUND FOR GUIDED MISSILES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1741) to authorize the establishment of a joint long-ranging proving ground for guided missiles, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BROOKS, RIVERS, PHILBIN, COLE of New York, and ANDERSON of California.

EXTENSION OF REMARKS

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD following the remarks of the gentleman from Wisconsin [Mr. KEEFE], and include an article appearing in the Christian Science Monitor.

Mr. TABER asked and was given permission to extend his remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD in four instances and include extraneous matter in each one.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. KLEIN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include an editorial.

Mr. HOLIFIELD and Mr. WALTER, asked and were given permission to extend their remarks in the RECORD.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include a statement by Mr. PATMAN.

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include newspaper material.

SPECIAL ORDER GRANTED

Mr. POWELL asked and was given permission to address the House for 20 minutes tomorrow following any special orders heretofore entered.

EXTENSION OF REMARKS AT THIS POINT IN THE RECORD

Mr. MCGUIRE. 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 Connecticut?

There was no objection.

Mr. MCGUIRE. Mr. Speaker, the following résumé while treating one of Connecticut's most famous native sons is to some extent prompted by a recent occurrence on February 20, 1949, in Boston. It is said that on that date at Symphony Hall 300 women mobbed Ferruccio Tagliavini.

In nearby Roxbury an overflow crowd of about 500 at a Communist-sponsored freedom rally cheered as Henry Winston, one of the Red leaders who is now on trial in New York spoke of his indictment as being contrary to all State and Federal laws.

Simultaneously at hallowed Faneuil Hall, where liberty saw birth, the statistics show that 43 people clapped rather politely at the annual Washington-Lincoln birthday celebration where a local senior class president spoke in tribute to the Nation's first President. Public officials gasped their shocked reaction and observed that people are becoming less and less interested in the great heroes who made this country possible. In sympathy with this justified remark, the following is submitted:

It seems only fitting and proper that on this 12th day of April 1949 we should commemorate the birthday of Lyman Hall, son of the Honorable John Hall and Mary Street. John Hall came from Coventry, England, and after a sojourn in Boston and New Haven settled down at Wallingford, Conn., which is also my home town. It was in this village that on the 12th day of April, 1724, Lyman Hall was born.

He was graduated from Yale College in 1747 and entered upon the study of theology under the guidance of his uncle, Rev. Samuel Hall. Shortly thereafter he abandoned the idea of becoming a minister of the Gospel and applied himself to the acquisition of a medical education. He was admitted to the degree of doctor of medicine, married Mary Osborne and commenced the practice of this noble profession in Wallingford.

A body of Puritans from Massachusetts who desired to encourage the foundation of churches and the promotion of religion in the southern plantations had removed to Dorchester which is not far above Charleston in South Carolina. It was shortly thereafter in his twenty-eighth year of age that Lyman Hall abandoned his home in Wallingford, and cast his lot among the Puritan dwellers in South Carolina.

About 1756, Dr. Hall moved to the Midway settlement in Georgia, which was located along the Savannah and Darien Highway. This road connected the northern and southern confines of the province. Here, Dr. Hall found ample employment for his best professional skill and endeared himself to the community by his unremitting exertions to counteract the pernicious influences of the diseases which were rampant in that locality. It was at Midway that the fires of resistance to the dominion of England were kindled. Lyman Hall was a protagonist of this movement and by his fiery exhortations and determined and

inexhaustible energy added stout fuel to the flames. On the 21st of March, 1775, Dr. Lyman Hall was appointed as a delegate to represent his community in the Continental Congress. This was in direct recognition of his prominent, persistent services on behalf of the revolutionary movement. It is interesting to note that when he departed for the Congress he carried with him as a present from his constituents, to those suffering patriots in Massachusetts, a hundred and sixty barrels of rice and 50 pounds sterling.

Dr. Hall was successively reappointed a Member of the Continental Congress from Georgia and upon the fall of Savannah which occurred in December 1778 and the capture of Sunbury, the entire coast region of Georgia was passed into the possession of the King's forces. They overran, plundered, and exacted the most onerous tribute of the conquered territory and its people. In the melee which followed, Dr. Hall's residence in Sunbury and his rice plantation were despoiled. It was at that time that he removed his family to the North where they resided until the evacuation of Savannah in 1782. His services as a Member of the Continental Congress were possibly not as conspicuous as those rendered by some of the other delegates, but it may nevertheless be fairly claimed that he was a regular, earnest, and intelligent delegate and admirably discharged the important duties which devolved upon him, including the signing of the Declaration of Independence.

Upon his return to Georgia Dr. Hall made his home at Savannah. His fortune had been shattered so he resumed the practice of his profession. It was there while quietly employed that he was, in January 1783, elected to be the Governor of Georgia. His acknowledgment of the honor which had been conferred upon him was expressed in a brief address which is a matter of record and it may be observed that Governor Hall, by his early and wise suggestions contained therein, sounded the keynote and paved the way for the foundation and maintenance of the University of Georgia.

After finishing his term of service he resumed the practice of medicine in Savannah and apparently prospered. He accumulated a small fortune and purchased a fine plantation on the Savannah River, not far from Shell Bluff. It was at this place that he died on the 19th of October 1790, in the 67th year of his age, leaving his widow Mary, and a son John, both of whom died shortly thereafter. His remains have since been removed and placed at Augusta, Ga. They are beneath the monument erected by patriotic citizens in front of the courthouse in honor of the signers of the Declaration of Independence from Georgia. Subsequent to the removal of his remains to Augusta, authorities of Wallingford, Conn., were sent the marble slab which had been inserted in front of the brick wall, wherein his remains had so long rested. The slab is still very care-

fully preserved and bears the following as part of its inscription:

To those so mourned in death, so loved in life,

The childless parent and the widowed wife
With tears inscribes this monumental stone,
That holds his ashes and expects her own.

NATIONAL MILITARY ESTABLISHMENT APPROPRIATION BILL, 1950

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes and pending that motion, Mr. Speaker, I ask unanimous consent that general debate run throughout the day, or until such time as we may make other arrangements, the time to be equally divided and controlled by the gentleman from Michigan [Mr. ENGEL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4146, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent (at the request of Mr. MAHON), the first reading of the bill was dispensed with.

Mr. MAHON. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, I am shocked and disturbed when I consider the vast sums we are spending and preparing to spend for national defense. Undoubtedly, most Americans must have a similar reaction. I wish we could find some way to avoid these huge outlays. It is imperative that we do everything in our power to prevent the desperation and horror which another war would bring to our homes and to the homes of our neighbors. There seems to be no road for us to follow except the road of anxiety and sacrifice. We have no other course open to us with so many ominous signs on the horizon of our world. We would be faithless to our trust if we failed to prepare for trouble and thereby seek to avoid it.

Today we have before us the appropriation bill for the National Military Establishment. This is the biggest appropriation bill of this session of Congress and, in all probability, the most important. Without it, the Army, Navy, and Air Force would not be in existence after July 1.

For the first time in history, insofar as I know, a subcommittee of five members of the House Committee on Appropriations was assigned the responsi-

bility of handling the appropriation bill for the Army, Navy, and Air Force. This is a long step forward in the unification of our armed services. We cannot have unification at the Pentagon Building if we do not have it on Capitol Hill.

The present change in procedure has brought great responsibility. We were given what might be called an almost impossible assignment. I hope the country and the Congress will be tolerant of any mistakes we have made and support us in our efforts to help make unification really work out in practice.

We have done our best. As chairman of the subcommittee, I have had the fullest cooperation from the other members of the subcommittee. We worked together as a team.

I should like to identify for the record the members of the subcommittee. The gentleman from California [Mr. SHEPPARD], vice chairman of the subcommittee, who sat on my right during all committee hearings, was formerly chairman of the Subcommittee on Appropriations for the Navy. Next on my right was the gentleman from Florida [Mr. SIKES], who served for years on the great Committee on Armed Services. On my left was the gentleman from Michigan [Mr. ENGEL], who for many years was on the Subcommittee on Appropriations for the Army and Air Force, and who formerly was chairman of that subcommittee. Next on my left was the gentleman from Vermont [Mr. PLUMLEY], who has long been a member of the Appropriations Committee and who was formerly chairman of the Subcommittee on Naval Appropriations. To these gentlemen, in my judgment, the Congress owes a debt of gratitude. They have character, ability, and experience. They gave their energies completely over a period of weeks to the drafting of the bill before us. I wish to pay public tribute to each of them.

The gentleman from Missouri [Mr. CANNON], chairman of the full committee, frequently attended our sessions and was invaluable to us in the final drafting of the bill. Mr. Robert Lambert, our executive clerk, did a masterful and prodigious job in making it possible to get the bill to the floor promptly and in proper order.

If war comes soon, we are appropriating too little. If we have miscalculated the dangers, if the threat of war is just a deceptive mirage on the horizon, we are appropriating too much.

The likelihood of the outbreak of war in the near future was a pertinent subject of inquiry by our committee. Among those with whom we discussed this subject were Secretary of Defense Louis Johnson and former Secretary James Forrestal, Secretaries Royall, Sullivan, and Symington, Gen. Omar Bradley, Admiral Denfeld, General Vandenberg, General Wedemeyer, General of the Armies Dwight D. Eisenhower. These men did not predict an early outbreak of war, but they agreed that some unpredictable development might throw us suddenly into conflict. This, however, was not anticipated.

If potential enemies have any fear that this country is bent upon an aggressive attack upon any nation, their fears should be completely dispelled by the fact that no military leader in America with whom our committee has been in contact during the 11 weeks of preparation for this measure has made the remotest suggestion that we should launch an unprovoked attack upon any country on earth. The fine quality of patriotism which is characteristic of our military leaders—some of whom in peacetime are often maligned—should be an inspiration to the American people and the world.

I would have no part in deceiving the people of this country. The bill before us does not prepare this country for the immediate outbreak of war. A minimum of \$50,000,000,000 would be required for that purpose. The Joint Chiefs of Staff have estimated that \$30,000,000,000 would be required to place the country even in semireadiness for war. In other words, if every tax dollar that the Government collects this year were spent for military purposes the funds would not be adequate for full mobilization. No military man before us recommended complete preparation for war. Nothing would please a potential enemy better than to have us bankrupt our country and destroy our economy by maintaining over a period of years complete readiness for armed conflict. Such a course would not only destroy our economy, but it would also probably destroy our democracy, destroy the essential natural resources of the country, and perhaps lead to a military dictatorship.

Our country proceeds on the theory that our best interests are promoted by taking certain calculated risks.

That is what the military people say, and I think we are compelled to agree with them in that statement.

The bill before us provides that our entire military force in all its phases for the coming fiscal year will consist of 4,753,100 officers and enlisted men and women. Of this number, 1,644,300 will be in the regular service, 399,500 will be in the National Guard and the Air National Guard, and 2,709,300 will be in the Organized Reserves. Of those in the Organized Reserves, 579,388 will be in drill-pay status.

The bill provides the Army, Navy, and Air Force in cash appropriations for new obligations during the coming year and in funds to liquidate contracts authorized by previous Congresses the total sum of \$13,080,115,800. The bill provides new contract authorizations by the armed services, principally for aircraft, in the total sum of \$2,636,301,000, making a total in cash and contract authority in the sum of \$15,716,416,800. These figures do not include \$189,000,000 which is provided for the Office of the Secretary of Defense and which includes retirement pay for all the services and a total of \$3,700,000 provided for the National Security Council and the National Security Resources Board.

In cash appropriations the bill exceeds the President's budget by \$53,497,100. In contract authorizations the bill ex-

ceeds the President's budget by \$577,755,000. Many reductions were made in the budget, but there is an over-all increase of the budget in the bill which is brought about by the action of the committee in providing for additional aircraft and expansion of the Air Force.

However, of course, if one wants to consider other budget estimates which are pending before the Committee, such as the budget estimate for universal Military training and the budget estimate for additional housing and pay increases for the military services—if that \$830,000,000 should be considered and the UMT should be considered, it could then be said that this bill before us is about \$1,000,000,000 above the budget. But those requests were not actually before our subcommittee. However, I can say confidently that the sum total of military appropriations for this session will not be above the President's budget estimate. In the bill before us many reductions were made in the budget, but of course we have this over-all increase which has been brought about by the further implementation of the Air Force in our effort to make real that which we have voted for on paper—the so-called 70-group air program.

The sums referred to, huge as they are, do not account for all that Congress is being called upon this year to provide for national defense.

To those who expect to offer amendments, if any, to increase the appropriations in this bill, let me point out that in addition to \$16,000,000,000 provided in this bill for national defense, which is a huge sum of money, vast additional sums are being provided for national defense, or will be provided. We are being called upon to appropriate about \$4,900,000,000 for the European recovery and so-called foreign aid. Members who support that program will do so because they regard it simply as a national-defense program. Is not the \$792,000,000 we are called upon to provide for atomic energy also national defense? Add to the amount in this bill the sums requested for European recovery, atomic energy, and the \$525,000,000 requested for the stock piling of strategic materials and the \$830,000,000 budget estimate for military housing and additional pay, and the \$1,000,000,000 in the budget for Government and relief in Army occupied areas, and you have the colossal sum of about \$23,000,000,000 for national defense for the fiscal year 1950. These who say that this Government is being niggardly in providing funds for national defense have not opened their eyes to the facts.

It has been said that Congress is making the same mistake in reducing national defense spending following World War II as was made after World War I. That is not correct. Let us take a look at the record. On the fourth year after the First World War Congress provided for expenditure for national defense in all phases the total sum of about \$600,000,000. On the fourth year after the Second World War Congress is being called upon to provide about \$23,000,000,000 for all phases of national defense.

This year we will appropriate for national defense more than 3,000 percent above the sum that was expended for national defense 4 years after World War I.

I do not speak boastfully of these huge figures. I speak of them in humility and with grave concern for the economic and military security of our Nation. Let no one speak lightly of the tremendous sums which the Eighty-first Congress is providing for national defense. The taxpayer deserves to be remembered for the burdens which he bears, and he must take consolation in the thought that these expenditures are being proposed in the name of national security and the peace and happiness of the people of America and the world—in short, the object of this bill is to help prevent world war III.

UNIFICATION

I should now like to speak briefly about unification. Before speaking of particular details and further figures, these comments would be in order: Men who have been saturated with interdepartmental jealousies and rivalries for a lifetime cannot easily unify their efforts, particularly in peacetime. Here is one of the great difficulties: Unification often involves the giving up of offices and prerogatives which present incumbents have. If you consolidate three branches of a portion of the military establishment, at least two men who are heads of individual branches will lose prestige and position. Men do not often surrender power and position voluntarily.

Probably we shall never have unification until West Point and Annapolis have been converted into national defense academies. I believe Congress should give serious consideration to such action. Personally, I think it ought to be done; and I think all military personnel, as far as that is concerned, on shore duty, should be in the same uniform. No such attempt, of course, is being made in this bill.

The present set-up of our National Defense Establishment is very defective in the following general respect: The Joint Chiefs of Staff, made up of the Chiefs of Staff of the Army, Navy, and Air Force, and a representative of the President, function on a basis of unanimity; all decisions must be unanimous. This results in each service having, in effect, the veto power; each service can insist on getting what it wants or blocking action by failure to agree. This approaches the veto power which exists in the United Nations Security Council. In Joint Chiefs of Staff, the Army has a veto; the Navy, if it does not get what it wants, can veto action; and so can the Air Force by failure to agree. Hence, in peacetime one is compelled to take the recommendation of the Joint Chiefs of Staff with a grain of salt, so to speak. Each service is angling for prestige, a place in the sun, a larger slice of the national defense dollar. During the war there was glory, and money, and manpower sufficient for all; but the peacetime situation is entirely different.

Military people are notoriously lacking in economy-mindedness. This is un-

derstandable in time of war when victory with the smallest loss in human life is the objective; there is no time to count dollars then. But in peacetime we cannot afford to bankrupt the country or squander our dwindling resources; that would be the road to national insecurity and the possible loss of the next war if one should come. General Eisenhower and many others in varying phraseology made clear this point.

It would be hard to prove that unification has thus far saved much money; some minor savings have been achieved. There is, however, much evidence that as we go along the savings can be tremendous. There is much evidence that efficiency is being promoted, a factor which should not be discounted.

We, as a committee, have insisted on the promotion of efficiency and economy; and in this bill we have tried to make progress in that direction. We realize that one of the most important things that needs to be done in this country is to hammer into the heads of the military people the necessity for economy. We have assurances of cooperation. We hope those assurances will materialize. Too many officers in varying echelons of the service seem to have no real comprehension of the necessity for the conservation of money and resources.

If some of our reductions seem rather severe I would point to the testimony of the new Secretary of Defense, Col. Louis Johnson, who definitely says that he feels economies can and will be achieved. Certainly there is room for economy in every branch of the National Military Establishment.

ARMY

Now, I should like to discuss briefly the Army situation.

When one thinks of that grand soldier, Gen. Omar Bradley, the Army Chief of Staff, and the traditions and accomplishments of the Army, he has no disposition to discount the importance of the United States Army.

The bill provides the Army with an appropriation of \$4,481,834,200. We reduced the budget request by \$123,000,000, which is less than one-half the reduction which was made by Congress in the bill last year.

But the entire appropriation for the Army as carried in the bill is less than the appropriation for the Army last year, but it is the judgment of the committee that if properly expended the huge sum provided will be reasonably adequate.

We provide the budget estimate in strength of the Army, 677,000 men. We do not reduce research and development.

As a matter of fact, we do not reduce research and development at any point in the bill. We provide \$500,000,000, which is the most important money in this bill, for research and development in all its phases. Aside from any other factor, this action may contribute more toward our security in years to come perhaps than anything else we do.

We provide the budget estimate for the National Guard. The Guard is making excellent progress and is rapidly taking its rightful and important place in the national defense picture. We provided the budget estimate for the ROTC and

the organized reserves. The Navy is doing an outstanding job with the Naval Reserve program, but this cannot be said of the Army and the Air Force. We hope that the hearings held and the funds provided will give real impetus and direction to the Army and Air Force Reserve programs. The fact is that prior to March 25, 1948, the Army and the Air Force did not have authority to provide drill pay for the organized Reserves. This made real progress very difficult.

The Committee on Armed Services, headed by our distinguished friend, the gentleman from Georgia [Mr. VINSON], performed a real service to the country in securing the passage of legislation to provide for drill pay.

In the fiscal year 1950, we expect to have in the Army organized Reserves 714,000 officers and enlisted men; 350,000 in the National Guard, and 677,000 in the Regular Army, making a total of 1,741,300 officers and enlisted men.

NAVY

Mr. Chairman, I should now like to discuss briefly the Navy part of this bill.

The bill provides the Navy with \$4,375,327,600 in cash appropriations and \$643,546,000 in contract authorizations, principally for aircraft, making a total of \$5,018,873,600. This figure is a net of \$32,698,400 below the budget estimate. Percentagewise the reduction below the budget figure is negligible. It would be a sad commentary upon the ingenuity of the Navy to say that economies could not be placed into operation sufficient to effect this reduction.

We made no reductions in the budget figures for Navy air power. The bill provides in excess of \$1,000,000,000 in cash and \$576,000,000 in contract authorizations for the Navy air arm. Roughly speaking, it can be said that 45 percent of the entire Navy budget will directly or indirectly be expended for air power.

The Navy always does a superb job in war. It is doing a good job during this postwar period. Admiral Conolly, commander of our naval forces in the eastern Atlantic and Mediterranean waters, gave us a first-hand report of operations in that critical area of the world. There is no doubt about the fact that the Navy exerts a great influence for stability and peace throughout the world. It can almost be said that for practical purposes the American Navy is the only navy in the world.

The bill before us provides for the maintenance of a navy of 731 ships and 527,000 officers and enlisted men, marines included, for the approaching fiscal year. Whenever I speak of the Navy I speak of the marines who are an important part of the Naval Establishment.

When the war ended we were in the midst of a \$22,000,000,000 ship-construction program which had been in operation throughout the war. In May 1946 Congress enacted legislation which provided for the revision and readjustment of the entire construction program. It was determined that a limited number of vessels then under construction should be completed. Of the wartime program, 13 ships are yet to be completed.

This bill provides \$108,000,000 for the continuation of the wartime shipbuild-

ing program. The entire wartime program will be approximately completed during the coming fiscal year.

Since May 1946 Congress has provided total or partial funds for the construction of 15 new ships and the conversion of 33 ships. This is in addition to the wartime program.

The big \$189,000,000 supercarrier upon which about \$9,000,000 has already been spent and \$156,000,000 obligated is included in the new program. This carrier had already been authorized by Congress prior to the creation of the subcommittee having direct responsibility for this bill. It is scheduled for completion in 1952.

The bill before us today provides for one additional new ship, an auxiliary mine sweeper prototype. The bill also provides for the conversion of six destroyers to destroyer escorts.

In the field of research and development the bill provides the Navy with the budget estimate of \$203,000,000. The committee regards preparation for antisubmarine warfare to be a matter of the greatest importance, and substantial sums are provided in order that the program may continue on a high priority basis. Of necessity much of our hearing on that subject had to be omitted from the printed record.

Among the 731 ships to be operated during fiscal 1950 are the following: 1 battleship, the *Missouri*, which is being operated principally as a training ship with frequent rotation of personnel; 8 heavy carriers; 11 escort and light carriers; 18 cruisers; 170 destroyers and destroyer escorts; 80 submarines; 99 mine craft and patrol craft; 84 amphibious craft; and 260 auxiliary vessels.

AIR FORCE

I come now to a discussion of the Air Force part of the bill. There would have been no Pearl Harbor in 1941 if we had been prepared to strike a quick and deadly blow at the vitals of Japan and Germany. We greatly diminish the likelihood of world war III when we prepare ourselves to strike a quick and deadly blow at the very heart of the potential enemy. The greatest deterrent to crime, we are told, is the certainty of immediate apprehension and quick punishment. Probable punishment in the dim and distant future is at best a mild deterrent.

Aggressor nations attack because they think they can somehow eventually get away with it. Under modern conditions they can be made to pause and reflect only with the assurance that at the very outbreak of war they will be confronted with quick and immediate devastation—devastation from the borders of their country to the population and industrial centers in the interior.

The only force under heaven that can now deliver the quick and devastating blow is the United States Air Force. So I say without hesitation that our first line of defense is the Air Force. The Air Force can carry the battle immediately into the far interior of the enemy homeland. It is also our best defensive weapon. It is our shield as well as our spear. It must be of modern design and in a state of readiness.

More cautious officials would probably not make the statements I am making. They might be restrained by the thought, "But what will the Navy and the Army say to that." My reply is that the object of our national defense program is not to make the generals and the admirals happy—and I have the sincerest admiration and respect for many of them—but to make the country secure. The people are not the servants of the Army, Navy, and Air Force; the Army, Navy, and Air Force are the servants of the people.

At times I have thought that some individuals are avoiding an expression of their true views as to the national defense problem because they fear they will offend Army, Navy, or Air Force officials, hoping always to have the plaudits of all three services, fearing to offend. But when we are spending billions of dollars, and when the future and the destiny of the Nation is at stake, we cannot temporize. We must meet issues head-on when the moment comes to meet them.

These individuals want to be all things to all people. When they give 50 cents to the Air Force they want to give a half dollar each to the Army and the Navy. They would buy an airplane for the Air Force, a ship for the Navy, and a tank for the Army—make everybody happy and call it a day. There is a danger in this philosophy. There is no place for log rolling and the throwing of dice for national defense. This idea of trying to split the national defense pie into three equal pieces is nonsense. Courage is demanded if we are to face our national defense requirements in a forthright and effective manner. Let us have an end to this pussyfooting on the subject and face the facts.

When Winston Churchill spoke in Boston a few days ago he was not speaking from a background of inexperience when he said:

For good or ill, air mastery is today the supreme expression of military power, and fleets and armies, however necessary, must accept a subordinate rank. This is a memorable milestone in the march of man.

I hasten to say that in my judgment the Army and the Navy are vitally important in our national-defense structure. That viewpoint is confirmed by the fact that the bill before us carries about \$9,000,000,000 for these agencies.

I part company completely with those who say that in the event of future war the Army and Navy will not have important roles. I also part company with those who say that world war III, if it comes, will be fought like World War II. Those who prepare for the possibility of world war III with the pattern of World War II in mind invite disaster as did the French who with their Maginot Line prepared for World War II on the basis of techniques used in World War I.

We must shake ourselves out of any complacency that would lead us into any such error.

Air power, and I am referring to Army and Navy air, was a negligible factor in the First World War; it was decisive in the Second World War; it will be in-

comparably more decisive if there is a third world war.

We put the emphasis of air power in this bill. Those who look backward are inviting disillusionment and disaster.

The people have already faced the facts as to the significance of air power. This committee has faced the facts in the preparation of this bill by giving the very highest priority to the Air Force. We made no exception of the Air Force in providing certain reductions and mandatory economies in the utilization of civilian personnel and in certain other fields as shown in the committee report. Yet, here was the situation. Last year in an appropriations bill we added funds looking toward a 70-group-air-force program. This year the House has approved the legislative basis for a 70-group air force. The action in each instance was taken by roll call vote and was practically unanimous. In view of the convictions of the members of the committee as to the importance of air power to our security and in view of the legislation which all members of the subcommittee had supported last year and this year, and in view of the action of Congress, it was felt that steps should be taken immediately to make another definite approach toward the accomplishment of the so-called 70-group program. We took the necessary step.

Briefly, here is the broad outline of what the bill provides for. The total cash in the bill for new obligations and for the liquidation of contract authorizations provided for by previous Congresses is \$4,222,954,000. In new contract authorizations the bill provides for \$1,992,755,000, for which no appropriations will be required until next year. This will provide for an Air Force of 440,000 officers and enlisted men, and for the procurement of about 2,600 military aircraft.

We have provided for an expansion and acceleration of the Air Force program over the program submitted by the budget in the sum of approximately \$851,000,000. In other words, we take into account reductions which we made in certain categories such as civilian personnel and we apply those savings to the accelerated program looking toward a 70-group air force. The total increase for the Air Force above the budget is approximately \$800,000,000.

The total increase for additional air groups is \$851,000,000, of which \$209,000,000 is in cash and \$642,000,000 is in contract authorization. Roughly speaking, the bill provides for 58 air groups, as compared with the budget request for 48 groups.

That generally covers the broad outline of what the committee did. Our hearings consist of 3,000 pages in 4 volumes. The report, prepared largely by our able clerk, Mr. Lambert, is exceptionally illuminating. I realize that it is impossible at this time to go into every detail of the military program, but I have tried to cover the high spots.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the able gentleman from Georgia.

Mr. VINSON. I congratulate the distinguished gentleman from Texas on the splendid statement he has made. It is to be regretted that 435 Members did not have an opportunity to listen to him. I agree wholeheartedly with what he has had to say with reference to the importance of air. I agree that air, and in speaking of air I mean the air for both the Army and Navy, is necessary as our first line of defense. In view of the gentleman's position, and so important is air in future warfare, I am at a loss to understand how he can reconcile his views with the act of the committee in reducing naval aviation to the extent it has been reduced in the bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I yield myself five additional minutes.

The Navy aviation was not reduced below the budget estimate. The committee gave Navy aviation something over a billion and a half dollars, which is the exact fund requested. Mr. Sullivan, the Secretary of the Navy, in his statement before the committee said that he stood foursquare behind the President's budget with respect to all the features in the bill. So we did not cut the air arm of the Navy.

Mr. VINSON. That is true. The gentleman's defense is that we have not done anything contrary to the budget recommendations and that he has carried out exactly what the budget recommended. But as a matter of fact, the budget—and you followed what the budget recommended—has reduced naval aviation under what the 1949 bill provided by some 3,000 planes.

Mr. MAHON. Yes, but every time that we give a dollar to one service, we cannot necessarily give a dollar to another service.

Mr. VINSON. I thoroughly agree with the gentleman that it should not be parceled out like a piece of cake, but the gentleman has based his case on the importance of aviation.

Mr. MAHON. That is correct.

Mr. VINSON. I agree thoroughly with the gentleman, but at the same time his acts do not follow his conclusions because he comes to the House with a bill reducing naval aviation below the 1949 budget by some 3,000 planes. On the other hand, he turns around and says that we can only have 7,700 planes and only permit 840 planes to be procured. Now, the life of a plane is only 6 years, and therefore the effect of your action is to cut naval aviation down to 4,000 planes in 6 years.

Mr. MAHON. The Navy at present has 14,000 planes. This bill provides in excess of 800 planes. The committee—or at least speaking for myself—felt that that was as far as we should go at this time. When we had men before us who were qualified to speak with respect to these matters, I was confirmed in the judgment I have expressed.

Mr. VINSON. If the gentleman will yield further, so that the small number of the committee who are present can get this picture, may I say that the plan for 1949 for the Air Force and the Navy

is 30,886 planes. In the 1950 budget you have only planned for 25,600 planes. And this bill that you are now advocating proposes a reduction of 4,786 planes over-all. That is what the effect of this is.

Mr. MAHON. Some of our older planes, of course, are deteriorating. We still have a considerable backlog of planes. We are appropriating \$500,000,000 for research and development. I think certainly it could be said that we have done a great deal in undertaking to provide for the Air Force.

Mr. VINSON. As a matter of fact, the only complaint I have about your bill is in reference to naval aviation. I compliment the committee on the splendid work that it has done. Of course, it has cut the Army personnel some 37,000. But I am not going to argue about that. As a matter of fact you have reduced the total naval appropriations under the 1949 budget by \$573,000,000. That is correct, is it not? The bill which was brought out by the distinguished gentlemen last year in that "No-good Congress," as it was classified by the President, carried \$573,000,000 more for national defense for the Navy than this bill carries today.

Mr. MAHON. I believe that all the Members on the floor, as well as I realize the ardent support which the Navy has had from the gentleman from Georgia through the years. He was formerly a chairman of the great Committee on Naval Affairs. He made a great record and I pay him tribute. But I say that in this bill we give the Navy 527,000 men. We give them 360,000 civilian personnel. We give them \$5,000,000,000. I say under the circumstances that is as much as can be justified at this time.

Mr. VINSON. Does not the gentleman recognize that the conditions in the world today are more unsettled and that we have greater obligations upon the Government than we did last year when the committee and the Congress appropriated \$573,000,000 more than the budget that you are recommending to appropriate this year?

Mr. MAHON. I would not necessarily say that conditions are more tense now than they were last year. I think perhaps at the time of the beginning of the Berlin airlift conditions were more tense, but I say to you that we are providing in this bill \$16,000,000,000. We have just voted for \$5,000,000,000 for national defense through the European recovery program. We have yet to come before us a billion dollar request for the cost of the occupation of Germany and Japan, a half billion dollars in budget estimates for stock-piling of strategic materials, and \$830,000,000 for increases in pay in the Army and for housing, all of which will require additional appropriations. Twenty-three billion dollars are being provided this year for national defense. In my judgment, this probably is as far as we are able to go.

Mr. VINSON. It may be true that \$23,000,000,000 may be as far as we should go, but it should be allocated where you will get the greatest results from the expenditure—that is the point. It is not the total amount that you spend, but how you spend it.

Mr. MAHON. The gentleman is correct and that is the reason we wrote this bill up as we did, so the money could be provided the Air Force, our highest priority in national defense.

Mr. VINSON. I would like to say to the gentleman that it would do us a great deal more good for the defense of this country to take a portion of the money that we have just authorized for foreign aid and instead of going to Europe with it, to fortify our own armed services.

Mr. MAHON. Both the gentleman and I, I believe, voted for the bill on the ground of national defense. Did the gentleman vote against the bill?

Mr. VINSON. No; I voted for the bill, but I certainly hope the Committee on Appropriations, in making this over-all survey, as to what is going to be done with the \$23,000,000,000 will do two things—reduce the authorization and add something to the defense of this country and provide at least the same amount which was provided last year for the air force of the Navy. That is the sensible thing to do.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. TABER. Mr. Chairman, it seems to me, from looking at the actual figures, that the committee has increased the appropriation for the Bureau of Aeronautics of the Navy from \$588,000,000 to \$1,042,121,000, and they have also added a contract authorization for \$643,000,000. Now, that is more than the contract authorization was last year. Thus, over-all, you have given the Navy an increase instead of a decrease.

Mr. MAHON. I thank the gentleman for his contribution.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. SHEPPARD. May I suggest this to the Chairman in closing his comment, \$418,000,000 goes to discharge obligations incurred in the last fiscal year and is not in the category that you refer to, Mr. Chairman.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. McSWEENEY. Mr. Chairman, the gentleman from Texas has given us new hope. I have resented very much the fact that production has been channeled more and more into lines of defense, but I must say that the straightforward presentation of the gentleman has given me solace in this matter and I am glad to go along with him.

Mr. MAHON. I thank the gentleman.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. HOLIFIELD. I wish to thank the gentleman for his very able presentation of this complex bill, but I wish to ask the gentleman a couple of questions. In the deliberations which the gentleman's committee engaged in to arrive at these amendments, did you take into consideration the potential destructive power of atomic energy in arriving at these figures, particularly for the armed forces,

the military, so-called, infantry, and so forth, and the naval forces?

Mr. MAHON. The committee—at least I speak for myself—we took into consideration all of these factors. We realize that we are going through a very dangerous and unpredictable period. We felt that in view of the fact that we possessed the atomic bomb, in view of the fact that we could level many of the population centers of this globe, almost overnight, we did not want to go beyond \$16,000,000,000 in this bill for military purposes.

Mr. HOLIFIELD. That is the point to which I am addressing my remarks. Notwithstanding the fact that within the last 3 years we have developed a force which is so destructive that it minimizes all previous destructive forces which we have been able to apply in a military way, yet we do not find ourselves in a position, apparently, to take advantage of those advancements by reducing the over-all military budget. Here we see, notwithstanding the advancement in science and technology and the increased ability to destroy, to defend, and to engage in offensive warfare, we do not seem to be taking that into consideration in the setting of the over-all budget.

Mr. MAHON. This, of course, is the first budget that we have handled for the National Military Establishment in one all-inclusive bill. Nobody can say with complete finality just what the next war is going to be like. We have tried to go along with the best plans for defense that could be offered. We may be wrong, but we would rather be wrong on the side of liberality than on the side of niggardliness.

Mr. HOLIFIELD. I am not criticizing the gentleman or his committee.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. I yield myself five additional minutes.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield further?

Mr. MAHON. I yield.

Mr. HOLIFIELD. I am asking for information and with very sincere regard for the gentleman's efforts. We on the Atomic Energy Committee are interested in this question from that angle. I realize that the only purpose of our committee is to provide the means for our national forces to defend our country. I wonder just how much information has been given to the gentleman's committee as to how much destructive force is now in the hands of our people as a result of atomic energy? I realize, of course, that that is a secret, and I am not asking that it be made public at this time; certainly, I would be the last one to ask that. But I say that if we have 10 bombs a certain effect can be achieved in offensive warfare; if we have a hundred bombs a certain other effect can be achieved. It is absolutely necessary, it seems to me, in appropriating this money that the committee that has the responsibility of making the appropriations and sustaining our national defense know a little more than I think they do know about this matter.

Mr. MAHON. I think it would not be appropriate for me to comment on the

floor of the House in regard to what we know about atomic energy.

Mr. HOLIFIELD. I am not asking for details; I am just asking the gentleman if he has what he considers adequate knowledge to fit this into the over-all defense plans, and if his Committee has considered it in relationship to defense, or are they going ahead on the old basis of providing the old weapons of warfare without regard to these new weapons that technology has brought to us?

Mr. MAHON. We are not looking backward. We are trying to take advantage of new developments.

I thank the gentleman for his contribution.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. VAN ZANDT. Is it not a fact when spokesmen for the armed forces come before your committee they come fully prepared to give the committee the results of their years and years of experience involving the employment of the atom bomb in time of war?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman from Texas has given us a magnificent, comprehensive, clear exposition not only of this bill, but he has also made a speech which we would all do well, I think, to cut out and put in our memory books. I want to congratulate him on his seriousness, his diligence, his application to his work, and the thoroughness with which he has gone into this problem; it is simply astounding. For the benefit of the gentleman from California, who might not have heard all of the gentleman's remarks, do not forget that the gentleman from Texas at the beginning of his speech said that perhaps the \$500,000,000 we are spending on scientific research and technological development is the best money that we could invest.

Mr. MAHON. I thank the gentleman for his very generous references.

Mr. ENGEL of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, the presence of the gentleman from Missouri and his remarks taken in connection with the tribute he paid to the gentleman from Texas reminds me of an occasion some years ago when the gentleman from Missouri and I were assigned to address a mass meeting of some 6,000 Republicans. The gentleman from Missouri preceded me and, with his usual evangelistic eloquence, for 30 minutes he talked to that group of Republicans mostly. At the end he said, "And shall we not follow Lincoln?"

The people all got up and they cheered. The presiding officer had difficulty in even getting a chance to introduce me. As I got up I said, and the gentleman from Missouri will bear me out, "Sure, we will follow Abraham Lincoln, but who in the world wants to follow DEWEY SHORT?"

That is a matter of record and I cannot deny it if I were to be interrogated

for the truth. So today I am here before you feeling somewhat as I did that night and would ask, "Who would like to take my place to follow the eminent chairman of our subcommittee?"

Before I begin my remarks on this bill, Mr. Chairman, I want to take a moment to pay tribute to the chairman of the subcommittee, the gentleman—and I use the term in full appreciation of its meaning—from Texas [Mr. MAHON]. He has had an unprecedented burden involving the enactment of appropriations for all the branches of the armed services under the National Security Act in one bill and on consolidated basis for the first time. He has been fair. He has been calm. He has sought the light and he stands before you today with a clear conscience because he, as has every member of the subcommittee, made every endeavor to bring to this House a bill embracing the requirements for a balanced national defense. He is well informed. He has our complete confidence because of his outstanding ability and his demonstrated qualification for the leadership he has exemplified.

Mr. Chairman, last year the Subcommittee on Appropriations for the Navy of the Eightieth Congress, of which I had the appreciated honor to be the chairman, recommended, the full Appropriations Committee adopted, and the House approved a bill appropriating \$4,920,000,000 for the Navy.

The appropriation, Mr. Chairman, was for a Navy to be, as of June 30, 1949, of 50,100 officers, 409,900 enlisted men, which, in other words, comprised a total manpower strength for the Navy of 460,000 plus some 30,000 1-year enlistees, as I remember it.

This appropriation so made by our committee would also have assured a Marine Corps of not less than 92,000 officers and enlisted men, plus some 6,000 1-year enlistees and others. Right here I might say I am absolutely for and always will be for the maintenance and sustaining of the Marine Corps as such.

My subcommittee proposed, and the full committee approved, and the Congress endorsed the proposition that by the end of this fiscal year the Navy should have 777 active ships and around 8,000 regular operating craft. We also endeavored to assure the country that the Navy would for the fiscal year be able to procure in aircraft some six hundred and sixty-odd fighters, around 400 attack planes, and somewhere near 90 patrol planes, together with 8 troop carrier planes, and 1 lighter-than-air craft. And then there were some 57 others, totaling, as I recall it, around 1,200 aircraft.

Now, Mr. Chairman, the world situation then, as we saw it, demanded such action as we took for necessary preparation that not again should this country ever be found unprepared.

Now this Subcommittee on Appropriations for the Navy, and the full committee, and the House were in accord with the proposition, also, that the Navy should have for its use for research and development and to pay for the program the sum of \$110,000,000 in order to permit a continuing program theretofore

originated to make one prototype aircraft per year. I still say that was sensible.

And so I might go on, Mr. Chairman, but I summarize by saying that the actions taken by the committee of which I had the honor to be chairman were the result of very long and very careful consideration by men on that committee who had had long experience and who had very carefully thought out the possible and the reasonable and the necessary program.

Therefore, Mr. Chairman, I say that the international situation today is decidedly worse and more chaotic and definitely more uncertain than as of a year ago today, or thereabout, when the report to which I refer was adopted. Despite all that is said by all parties connected with this so-called cold war, every man in this House knows down to his shoes that the situation is definitely worse and more critical than as of a year ago.

Why undertake to fool ourselves when we absolutely know the people cannot be fooled?

Within the last year we have lost the right of ingress and egress into and from Berlin. Just think of it, you red-blooded Americans. We have had to initiate "Operations Vittles" in Berlin with its daily hazard of a military incident, because Russia has said so. Moreover, since the program was started last year the United States has, may I say, established the North Atlantic Pact. This greatly increases our military liability throughout the world for our defense.

Our situation in the Far East in view of the events which have taken place and the Russian communistic potential control of Asia through China is a threat to our God-given destiny which we cannot dissolve, nor absolve, nor deny, nor repudiate.

Whether we like it or not we have to take on the white man's burden or be buried with the others who have never had the intestinal fortitude to fight for the right.

If the burden of our responsibility is so great as obviously it is, why do we not wake up and assume it?

Despite all these facts and my personal ratiocinations, it is nevertheless a fact that the President and the isolationists and pacifists, could they have their way, would reduce our opportunities for defense 2.4 percent in funds, which means that instead of 633,500 in the Navy we would have 543,544, which is 89,000 fewer. God knows we will need all we can have or get if I see what I think I see ahead.

The President's program cut that of my subcommittee by 45 active ships and by 2,433 regular operating aircraft. It would cut my committee's Navy procurement program by 30 percent so that in fiscal year 1950 the Navy would procure 380 less aircraft than my committee thought necessary last year. The construction program, did the President have his way, would be cut by 62.4 percent and he would reduce the other military requirements of the Navy, for development and research included, by 13.1 percent.

Now to reduce this all to dollars, the President undertakes to cut the program

which my committee outlined to the tune of \$573,000,000, despite the fact that all costs will be considerably higher than at the time we arrived at the figures in the 1949 budget.

Necessarily I am not for the President's budget.

I shall support the bill as reported by the Armed Services Subcommittee, but I do wish it to be understood that I do not take back a single thing I said or did or that my subcommittee said or did with respect to the Navy and its needs for appropriations. To do so would be to stultify myself and to repudiate the action of my subcommittee.

The proposals we made last year should be forwarded. They should not be so drastically cut as the President's budget proposes. However, a part of a loaf is better than none, and I have gone along with the Armed Services Subcommittee, justifying my conscientious thinking in the matter by getting what I could toward the end which I seek to obtain.

There is one other thing, and I think it is fair and only right for me to say it, that while from certain standpoints the alleged unification of the services, Army, Navy, and Air, if accomplished as planned, is desirable, yet it will be the most expensive experiment on military lines, as a preliminary program, into which this Government ever entered.

We must still have an Army and Navy and an Air Force. In order to develop themselves they must be independent, one of the other. There must be no interference, one with the other, except when the time comes when there must be a unified direction of their activities. That is when unification means what it ought to mean.

Any attempt to coalesce and to coagulate the services and to destroy their individuality preliminary thereto is a mistake.

FIGURES

The figures before the House today indicate a total of \$15,900,000,000 for the National Military Establishment for the fiscal year 1950. Whether it is enough or not, or too much, I do not presume to say.

This represents an increase over the President's request of approximately \$650,000,000, which is roughly accounted for as providing an additional \$800,000,000 for the Air Force and reducing both the Army and the Navy in a combined sum of approximately \$150,000,000.

I am a great believer in air power. However, I likewise have strong convictions relative to the fact that a balanced force is necessary to wage successful warfare even in these advanced days of push-button tactics. My record is the proof of the foregoing.

I do not hold to the theory that in the event of armed conflict it will only be necessary to dispatch a large fleet of bombers to destroy in a matter of days the enemy that threatens us.

Based on my many years of experience with military matters, I feel strongly that the part of the Army and Navy in lending the necessary support, holding bases, and keeping the shipping lanes

open will be as vital in any future war as history has indicated it has been in all past wars. That cannot be successfully disputed.

The House some weeks ago almost unanimously passed a bill providing for 70 groups of air power for the United States Air Force. This figure of 70 groups has been much publicized, and I feel that it has created an impression in the minds of the public that this relates to total air strength of the country.

I would like to invite the attention of the House to the fact that Naval Air has 22 powerful groups, and our Reserve and National Guard units have likewise substantial air power; in fact, under this bill, there will be a total of approximately 140 groups of air power in fiscal year 1950. Not too many, may I say.

However, I lament the fact that the publicity that has swept the country has prompted the Congress to increase Air Force strength and thus unbalance the careful deliberations of the Joint Chiefs of Staff and the great military and civilian minds that comprise our National Military Establishment.

It is not my intention to offer amendments to this bill. I do feel it is my responsibility to invite the attention of the House to the fact that the bill is indeed providing for an unbalanced force. I likewise strongly urge that the new Secretary of Defense take strong steps to carry forward his responsibility for integration and combination of the three services to stop the internal bickering and foot racing that are so apparent at this time.

I am particularly interested in the matter of proper intelligence coverage. It is of serious concern to me. I am sure it is to every Member of this House as we are approving expenditures of such astronomical figures that it threatens our very economy. Certainly we should and must have adequate national defense, but the degree to which we can subordinate our civilian economy to it is one that should receive serious consideration by this great body.

Presumably, adequate national defense provides that we must keep ahead of any serious competitor in matters military. This brings us, then, to the basic fact that in order to keep ahead of a serious competitor we must of necessity have knowledge of their progress. It may well be that we are a generation ahead of any serious competitor, and in such event we are needlessly and extravagantly burdening our economy and our taxpayers with debt and taxation. On the other hand, we may conceivably be behind a prospective enemy in military matters, and in such event perhaps the sums we appropriate are niggardly or at least inadequate.

My point is that I have serious doubt that we have any real, accurate information, and a proper emphasis on real intelligence may save us millions of dollars and millions of lives. That we should lay more emphasis on adequate appropriations for research and for intelligence has been the burden of my conviction over the years in which I have served on the Military Affairs Committee and on

the Subcommittee on Appropriations for the Navy.

As for me, I propose to err on the side of adequacy in order that never again may we be found so ill and inadequately prepared as we were prior to our entering both the First and Second World Wars.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PLUMLEY. I yield to the gentleman from Missouri.

Mr. SHORT. I take it from the gentleman's remarks that he agrees with the distinguished chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], that we perhaps could take a few hundred million or a billion and a half from the ECA program and give it to our Naval Air Service.

Mr. PLUMLEY. Maybe so.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, although there has been some criticism leveled at this Subcommittee on Military Appropriations, I think the entire House should appreciate the tedious task it has had to perform. To me, having been on the appropriations subcommittees for both the Army and the Air Force, and the Navy, for 2 years, it seems almost a miracle that these 5 men could consider so many intimate and crucial and important details in this period of just a few weeks.

I wish, however, it might have been possible for them to have time to wait until the Hoover report on the armed services had come in. It might have given them some information that would have enabled them to delve into some of the reported extravagance and waste. Had I been sitting on this committee I undoubtedly would not have agreed with all the items. I am not on that committee. It is not my responsibility, it is theirs, and taking everything into consideration they are to be commended rather than condemned.

As a matter of tribute to and confidence in this committee one thing should be done without very much delay, and certainly before the hearings begin next year. This committee should be given adequate experienced help. I say that for a good reason. Every time any admiral heading one of the Navy bureaus or any general heading one of the departments of the Army or Air Force comes before this committee he is always backed up by a big staff of experts, never less than 5 and sometimes as many as 15.

What did this committee have to work with to help them except their own experience, their common sense, and their knowledge of affairs relating to the Army, the Navy, and the Air Force? They had one committee clerk—and a good one—and one minority clerk—and he is a good clerk. There were these seven men pitting their judgment and their knowledge and their skill, their insight, and their vision, against this great array that comes up before them one after the other. These men have no opportunity to rest in between innings or rounds. They have to be in there every day all day from early morning until

late at night. It is a grueling job. It is a tedious job. In some people's minds it is a thankless job.

Tomorrow when we are reading the bill under the 5-minute rule I expect to offer an amendment, an amendment which, to me, is fundamental in principle.

My proposal is simply this: On page 70 an amendment will be offered that no part of the money appropriated for the Air Force shall be spent for blue uniforms. I expect now to get some help from the chairman of the subcommittee on this amendment in view of the fact that he just stated, a few minutes ago, he thought it was a good idea for all military personnel on duty on shore to wear the same uniforms. I am with him on that. We have been talking about unification. An additional type of uniform will be triplication or quadruplication, and it will divide the services more than ever before. Not only that, but it will complicate the matter of supplies. If we get into any serious difficulty and we have to move our troops in large numbers to various places, we are going to have enough trouble getting supplies to our men, without adding to the difficulties of the quartermaster. From all indications the Air Force is now going to have its own quartermaster corps, its own engineer corps, and its own medical corps, and several other items that will rather make for division rather than unification. But here is the picture. You have a difficult time now in getting supplies of uniforms to the Army and the Air Force.

Incidentally, I do not know why they should feel so bad about wearing that o. d. uniform. It has had an honorable history and a noble tradition. I wore that uniform for nearly 20 years and I was not the least bit ashamed of it. I stood out here during the Army Day parade and at the time of the inauguration and saw the Air Force wearing the o. d. uniform. I thought they looked mighty fine in it. Talking about this blue uniform, after all I have heard about it in the way of a build-up, to me it was a big disappointment. It lacked color and snap. I saw the young noncom walking down through the Capitol wearing that sample uniform, and it did not cause one single solitary eye, male or female, to turn. As I say, my proposal is not in derogation of this branch of the service. I am proud of them. I still remember the great exploits of the Air Force during the last World War. I recall the magnificent job they are doing in Berlin. I know many of these men, both enlisted men and officers—officers incidentally who will have to dig down in the pockets of their present o. d.'s to purchase the future blues. I have the greatest admiration for the job they have done, and the positions they hold, and I have the greatest respect for the future which they must face. Many of them are really personal friends, friendships I cherish. So, it is not a question of taking anything away from them. Rather it is an attempt on my part to do what we have been talking about doing, and that is to get unification. When summer comes you will see the men in

the Navy wearing o. d.'s. The Army will be wearing o. d.'s, so why should not the Air Force wear them? Why should you not have more unification, instead of more diversification.

Take the position of the Quartermaster General, for example. He has enough trouble to furnish o. d. uniforms and o. d. shirts and o. d. socks, and in some cases, o. d. underwear, and tan shoes, and caps with the tan visors. Now you bring on this new uniform, and what do you have? The Quartermaster will have a pipe line for o. d. supplies. Over here you will have to duplicate that for blue uniforms, blue shirts, blue caps, black shoes, and caps with black visors. All of them have to be handled separately and labeled separately and stenciled separately and have separate supply lines. Nobody can tell us how much more it is going to cost for these duplicating services. It is bound to cost more money.

I remember the discussion last year. I have read as much of the hearings as I could in the short time that they have been available. Last year there was some discussion as to the additional cost. It was admitted then that these new uniforms would cost two and one-half million dollars extra. There seems to be some change in that position now in that with new plans, they claim they can produce this uniform for practically the same amount that they can produce the o. d. uniform. Nobody could tell, including the Quartermaster General, just how much more it would cost to keep the double supply line going. You have a matter of something like 9 months in which you must fill the pipe line up to the troops. In other words, you have got to build up your backlog of your incoming supplies, plus your depot supplies, plus your warehouse supplies, before the clothing can ever get to the troops. It takes something like 9 to 15 months to make these uniforms and move them to the point where these men will be wearing them. I understand, based upon that statement that the Air Force is going into blue uniforms in September of 1950.

Let us wait until we get some of these more urgent problems out of the way. Last year the Air Force said they had to have them because of morale. This year they do not even mention morale, they just say they want them. I will say this for Mr. Symington, the Secretary of the Air Force, while I do not agree with him on this thing I admire his stick-to-itiveness. He was determined to get blue uniforms. Last year he appeared before us and wanted blue uniforms. Congress voted 2 to 1 against them. He has kept right on working; he did not take "no" for an answer; you must admire somebody who keeps right on going for the goal like that and getting this close to achieving it.

The one big item that must be discussed in this connection, of course, is the matter of overcoats. Overcoats, of course, cost considerable money. The Army is going into a new type of overcoat, which has several features including a zipper lining, which means that eventually there are going to be a great number of the old-type wool overcoats

on hand. I notice that it anticipates that the Air Force will give its overcoat orders in blue. This means that gradually the Army will have to absorb all the excess o. d. uniforms, overcoats, and shirts. Now, where is the Army going to be except holding the sack when in the winter of 1950 they want to go into the new overcoat with the zipper lining and they find the Air Force in blue uniforms, blue overcoats; they will still have to wear out the supply of the old o. d. overcoats, which have very little to recommend them, including looks, warmth, or wearability.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. HORAN. I understand the time was when they had trouble with recruitments. This would seem to be an accentuation in the wrong direction.

Mr. SCRIVNER. That was true last year when the Air Force talked about morale. They tried to tell us they had to have these blue uniforms to build up morale to get more recruits in the Air Force. I was not aware that they were having trouble getting recruits for the Air Force, but I was aware they were having trouble getting recruits in the Ground Forces where the man has nothing to look forward to except long hours, mud, and short meals. He did not have the inspiration of looking forward after his tour of duty to a rest spell in warm barracks, white sheets, and good meals. He had to stay on his belly in that mud and take it. There is where the lack of morale was.

A new impetus was given to recruitment last year—selective service—for men faced with the draft preferred to enlist. There is no present problem in morale; as a matter of fact, all of the services have had to put quotas on recruitments, whether it is the Air Force, the Ground Forces, or the Navy. If there is any place where lack of morale is to be expected, it is in the Ground Forces; if there is any place where they might need the stimulation of new uniforms, it is in the Ground Forces. Those are the men who do not have the glamor or thrill of being up where they can look down on the rest of their fellow men.

As I say, it is not that I have any lack of regard or lack of respect or lack of admiration for these men in the Air Force that I make this proposal, but it is a matter of principle, logic, and economy. If we are going to have unification, let us have it and let us cut out the duplication and increased expense of adding lines of supplies and the increased difficulties of getting these uniforms and these pieces of equipment. With the men of the Air Force in blue you will have to have two lines of supplies in shirts, socks, shoes, caps, overcoats, and everything else rather than one line of supplies which would call for simplification in the maintenance of the supply of uniforms.

I would like to know what the new Secretary of Defense thinks about this

proposal. A letter of inquiry to him about it has not yet been replied to.

With the demand for planes, let us forget new-fangled uniforms.

Mr. Chairman, I yield back the balance of my time.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, it has been a distinct privilege for me to serve on this subcommittee, a privilege which I shall long count one of the greatest I have received. I am deeply appreciative of the excellent work done by the chairman of the subcommittee and the masterful way in which he has carried through an extremely difficult task to the present moment. I am also deeply appreciative of the fine work and of the universal courtesy and helpfulness and kindness shown me by the other members on the subcommittee on both sides of the aisle.

Today we are talking about funds for the armed services. No one on this side of the Atlantic actually thinks we are going to be in war during the coming year. That is fine as long as we do not actually get into war. No one thought Pearl Harbor was coming. The next time—if we are asleep—there will be many Pearl Harbors and they will be right in our midst. They will not be on an outpost and, as you have been told countless times, there will not be time to get ready for war after the first blow falls.

Today we are neither at peace nor at war. Peace treaties have not been negotiated with Germany, with Japan, with Austria, but that is not the main threat that we are concerned about. It is not necessary that I name that threat.

The United Nations does not have the means to enforce peace. A new pact, the North Atlantic Pact, has been signed and there is talk of providing arms for the signatories of the North Atlantic Pact. But the arming of the signatory powers is not an overnight transition; it is not something that can be accomplished tomorrow so that we will feel the effect this year, and be able to relax where our own defense security is concerned. Today the nations of the North Atlantic Pact do not have the sinews of war. They do not have the means with which to protect themselves or us.

Today we must depend primarily on ourselves. That is going to be true through all the coming year. We are building toward the day when part of the load can be carried by someone else, but it is not here now.

So, Mr. Chairman, we are talking about the biggest cost item in our Government, the armed forces. This is a manifold operation and one that is so big it is difficult to conceive what it encompasses—1,644,000 men in uniform, nearly 1,000,000 civilian employees. Had you realized that? Nearly a million civilian employees in addition to one and two-thirds millions of men in uniform, plus the National Guard, plus the Reserves.

Yes, it is a big organization. Sometimes it is a wasteful organization, sometimes it is an inefficient organization, subject to human weaknesses just as any

other agency of government or just as any other individual. It has weaknesses which should be corrected. This committee has made recommendation after recommendation in the report before you which, if followed out, will go far toward correcting many of those weaknesses. But, on the whole, Mr. Chairman, it is a great organization, which carries on the wartime traditions of the armed services, and we can be proud of it.

Now, Mr. Chairman, the armed services will cost us \$13,000,000,000 in cash and nearly \$3,000,000,000 in contract authorizations for the fiscal year 1950. Even at that great cost we cannot maintain the full mobilization that is necessary for certain protection of the peace, but the economy of the country could not stand much more than we are putting into arms at the present time. Hence, we must attempt to secure the strongest possible force offensively and defensively, that we can get for the money.

It will not be enough simply to have men in uniform; not enough to have even 1,640,000 of them in uniform. Those men must be trained, they must be equipped, they must be kept ready for the next war, not the last one.

It is not enough to have weapons that are as good as any in the world. Our weapons must be the best, because our forces are smaller and only by giving them the best of weapons can we even the great discrepancy in the size of world armed forces.

And we must have, Mr. Chairman, a balanced force. I have followed, as you have, the stories of push-button warfare, of 30-day wars, and I think back to the stories about the Jap fleet and how we were going to smash it in 3 months. I recall the long years and the lives and the cost that it took to smash that inferior Jap fleet. I do not want us to fall into that kind of thinking again.

No, Mr. Chairman, I see but one possibility of a war quickly ended, should war come to us. That would be if we were to strike the first blow, follow it through with other telling blows, and have the job done before the enemy could get his balance. But, we do not fight that way. We never have and we never shall. We will wait until war strikes, if strike it must, and then try to get our balance back and carry the fight to the enemy. And I subscribe to that policy, for we are seekers after peace.

Mr. Chairman, if we must have a balanced force, the first requirement is for a long-range striking force, a force that can retaliate an aggressor's blow with a counterstroke into the very heart of the enemy country; a force which an aggressor knows can destroy his plants and his cities and ruin his productiveness. Such a force can act as a greater deterrent to a willful aggressor than all the treaties ever written.

But, such a long-range striking force of air power is not enough, Mr. Chairman. Such a force can strike the blows to cripple, but it cannot seize and hold the enemy's land. Only the Army, which fights if it must in snow and mud, on short rations and with inadequate equipment—only the Army has the troops which must be called upon to move

swiftly and surely into those vital bases which fringe our own country and without which we would not have the stepping stones essential to carrying on war. Only the Army has the men necessary to maintain a foothold on foreign bases, without which long months of costly preparation and bloody assault, as at Normandy and Iwo and Okinawa, would be necessary in the event of war. Only the Army can finally occupy the enemy homeland and stamp out continuing resistance.

There are other sides to welfare.

There is the unbelievable task of transportation; transportation of men and matériel to overseas bases; transportation of strategic materials from overseas to our own country; strategic materials which go into the manufacture of weapons, without which our plants could not operate a month. Such transportation is so enormous in scope that it must be carried on by land and sea. An incredible number of planes would be required for such an operation, and if we had the planes there would be no possible way of providing sufficient gasoline to fly them.

Then there is the additional place of the Navy as an agent of warfare, an agency which carried the fight in the Pacific, and which is prepared to carry the fight anywhere in the world today. The American Navy rides the far-flung waters of the world and it can be maintained definitely there. The Navy also refuels itself during operations. It does not have to come home for food and fuel. It is prepared to stay in enemy waters as long as necessary and to strike forces and bases anywhere anytime from close proximity. It gives protection from those dread raiders the submarines. It carries on mine and countermine warfare—all of greater importance than is commonly known.

Mr. Chairman, I hope this House will not forget that the Navy has carrier-based planes which can deliver the biggest bomb load, carry the greatest stock of munitions of any fighter planes in the world today. I hope, too, that this House will remember the Navy is prepared to deliver atomic bombs if it is called upon to do so.

Yes, Mr. Chairman, we must have a balanced force, a balanced force with primary emphasis placed on a long-range striking force which can, if required, deliver through air power the immediate paralyzing blows so essential to modern warfare. That is what we seek to provide in the bill that the committee has reported to you today.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Will the gentleman explain why the Navy was cut so much in its aviation and in other respects? I fail to understand. Does the gentleman think it is because they came last in the consideration?

Mr. SIKES. I do not think that is the reason for the heavy cut taken by the Navy. I think in large measure the people downtown attempted to achieve equal parts of the pie for all the services. If that were true, the Navy, because of its

great far-flung operations and the tremendous air and surface fleets over which it has supervision, was cut correspondingly more than the other services. Definitely, it was my feeling when we were scanning the budget recommendations that the Navy already had taken a greater proportionate cut than any other of the services.

Mrs. ROGERS of Massachusetts. Then the Congress can restore to the Navy or give to the Navy some of the money it needs?

Mr. SIKES. The Congress certainly is within its rights in restoring funds it feels are essential for this very important arm of the service.

Mrs. ROGERS of Massachusetts. I speak with feeling, because I went to the Navy Department some time before Pearl Harbor and talked to the three high-ranking members of the Navy at that time. Then came Pearl Harbor. Two of those men spoke to me after Pearl Harbor about the conversation we had. I have the same very strong feeling today that if we do not give to the Navy what it needs for its Navy air and otherwise we will regret it the rest of our lives. If I live, I am going to continue that fight no matter what it costs me in any way.

Mr. SIKES. If the distinguished gentlewoman has studied what the future holds for naval air under the present budget she has double reason for apprehension. I know she speaks from fact. Naval air faces a very dangerous future unless we do implement the funds that are provided in this budget for aircraft procurement.

Mrs. ROGERS of Massachusetts. There are hundreds in the country that feel just as the gentleman does.

Mr. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Massachusetts.

Mr. KENNEDY. Was much attention paid to the development of a cargo fleet? We are wearing ours out in the air lift in Berlin. In case of war we would be drastically behind in building up a cargo fleet which could be of use to all three services.

Mr. SIKES. The gentleman is entirely correct in his apprehension about the future of our air cargo fleet. We are wearing out that fleet very rapidly in the Berlin airlift. I am glad to say to the gentleman that under the bill as it is now before us, cargo-plane procurement will be implemented. Additional cargo planes will be provided to replace those that are being worn out.

Mr. KENNEDY. As the gentleman knows, in the airlift with a few exceptions, we are using the C-46's and C-47's and DC-4's, which are not really adapted to carrying cargo in the most efficient manner.

Mr. SIKES. We are wearing them out so rapidly that it is going to be extremely difficult to produce others fast enough to meet our pressing requirements, but we shall attempt it.

Mr. LARCADE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Louisiana.

Mr. LARCADE. I wonder if my colleague heard a radio broadcast last night by one of the commentators giving information released by Great Britain about the new fleet of jet planes and bombers.

Mr. SIKES. I did not hear the broadcast. It is known that Great Britain has long been a leader in the development of jet aircraft. I am afraid, however, that the number of such aircraft in Britain remains disturbingly small. The ones she has are very good.

Mr. LARCADE. Certainly we should let no nation get ahead of our country in that respect.

Mr. SIKES. I agree fully.

Mr. MAHON. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, as I listened to the able presentation of this appropriation bill by the gentleman from Texas [Mr. MAHON], I, for one, wish to record my strong support of its provisions. It is tragic that so few of the Members of the House are on the floor at this time to have the privilege of this debate. I trust they will read the RECORD.

As I listened to the gentleman from Texas speak about other factors in our economy that enter into national defense, I am thinking of the great hospital program as conceived and carried out under the Hospital Construction Act. Under this program we propose to develop a healthy Nation. It is just as much a part of national defense to have a healthy Nation as it is to provide for ships, tanks, and airplanes.

And, Mr. Chairman, to implement this great hospital program, another phase of national defense, I have introduced for appropriate reference a bill to amend the Hospital Survey and Construction Act—title VI of the Public Health Service Act—to extend its duration and increase its authorized appropriations for the construction, maintenance, and operation of hospitals, and for other purposes.

WHAT THE ACT PROVIDES

A great step was taken toward the goal of adequate hospital and health services for the people when the Hospital and Survey Construction Act was passed on October 13, 1946—Public Law 725, Seventy-ninth Congress. It established a pattern of cooperation between Federal Government, the State, and local communities whereby democratic means could be used to advance one of the most important ends of a democracy—the promotion of the health of all the people. Local initiative and participation, State responsibility and, I am sure, Federal guidance and assistance were all insured by the provisions of this act.

An allocation of \$3,000,000 was made to the States on a population basis in order that they might survey their existing hospital facilities and determine the areas of greatest need for the construction of new hospitals. A priority was given to rural areas where the need is greater than in the cities. The law authorized the appropriation by the Federal Government of \$75,000,000 a year for

5 years, beginning with the fiscal year ending on July 1, 1947, the funds to be allotted to the States upon a population and per capita income basis. Federal funds constituted one-third of the cost of survey and construction, while non-Federal funds were to make up the other two-thirds. The Surgeon General of the Public Health Service, assisted by a Federal Hospital Council, was given the responsibility for administering the Federal aspects of this program, but each participating State set up a single agency and advisory council to carry out the decentralized tasks of its own program.

Before explaining the reasons for the amendments which I am offering to the Hospital Survey and Construction Act, I should like to report on the accomplishments which have been made thus far throughout the Nation, and to tell, if I may, of our experience with the program in my own State of North Carolina.

In discussing the national accomplishments I cannot but pause to pay my high tribute to Dr. V. M. Hoge, Medical Director and Chief, Division of Hospital Facilities of the United States Public Health Service who has performed so masterfully in carrying out the intent of Congress under the hospital construction program. Dr. Hoge is highly respected by the various State agencies cooperating in the program. The Nation is most fortunate in having the services of this able Administrator to direct this far-reaching hospital program.

NATIONAL ACCOMPLISHMENTS

One of the best features of the act was the requirement that each State should make a comprehensive survey of community needs on the basis of which to develop a long-range plan for hospital construction and service. This must be done before Federal funds can be allotted to any construction project. As a result, State plans have been submitted—except for Nevada—which enable us to plan wisely for future development on the basis of comprehensive and reliable facts.

Only 11 States had enforceable minimum standards for hospital maintenance and operation before August 1946, when the act was passed. But a year and a half later, only Nevada and the Virgin Islands did not have the enabling legislation. The act provides:

If any State, prior to July 1, 1948, has not enacted legislation providing that compliance with minimum standards of maintenance and operation shall be required in the case of hospitals which shall have received Federal aid under this title, such State shall not be entitled to any further allotments.

In order to be eligible to participate in the program, 41 States or Territories—Alaska, Hawaii, Puerto Rico, and the Virgin Islands are included in the program—had to pass laws enforcing minimum standards of maintaining and operating hospitals. Through the cooperation of the Hospital Facilities Division of the Public Health Service, the American Hospital Association, and the Council of State Governments, a model statute was drafted which facilitated the passage of legislation providing for the establishment of standards for all hospitals.

Meanwhile, an amendment to Public Law 725, passed by the Eightieth Congress, provides that States may be eligible for the program if legislation on minimum standards and operation of hospitals is passed subsequent to July 1, 1948.

It is usually the case that the State agency in charge of enforcing minimum standards is also the one which administers the hospital survey and construction program. Thus, I think we may say that the action taken by Congress on this problem of providing hospitals for the people had the almost immediate effect of raising standards throughout the country, or at least making us realize what standards we have to meet in order to provide adequate hospital care for all the people.

The Division of Hospital Facilities in the Public Health Service has made a report as of December 31, 1948, on the construction projects which have been approved by the Surgeon General. The estimated total cost of the 643 initial project applications amounts to more than \$366,000,000, of which the Federal share is nearly \$107,000,000. This will provide a total of 31,633 beds. A break-

down of these approved projects indicates that 496 were for new general hospitals or additions, alterations, or replacements; while 29 were for mental hospitals, 18 for tuberculosis, 11 for chronic disease, 82 for health centers, 3 for nurses' homes, and 4 for health department laboratories. New facilities number 355, or four-fifths, of the general hospital applications.

The distribution of these projects seems to me to be of great significance. Towns of less than 5,000 population have been allocated 2 out of every 3 of the new general hospital projects. It is reported that 146 new general hospitals are in towns of less than 2,500 persons; 94 in communities of 2,500 to 4,999, 57 in communities of 5,000 to 9,999, 38 in communities of 10,000 to 24,999, 4 in cities of 25,000 to 49,000, and 16 in cities of 50,000 or more persons. Rural areas were granted 305 out of the 496 general hospital projects while 143 projects were granted in intermediate and 48 in base areas. For the record I should like to insert a table showing the status of construction projects as of December 31, 1948:

Table showing status of construction projects under the Hospital Survey and Construction Act, as of Dec. 31, 1948

State or Territory	Combined allotments, fiscal years 1948 and 1949	Project No.	Approved Federal share	Balance available	Proposed 1950 allotment
Alabama.....	\$5,576,423	13	\$3,912,412	\$1,664,011	\$2,690,543
Arizona.....	894,848	2	180,916	713,932	443,109
Arkansas.....	3,933,134	16	2,491,570	1,441,564	1,966,552
California.....	4,077,527	17	3,209,243	868,284	2,121,367
Colorado.....	1,292,530	6	983,981	308,549	635,878
Connecticut.....	843,745	6	789,593	53,752	422,222
Delaware.....	200,000	1	152,353	47,647	100,000
District of Columbia.....	573,378			573,378	275,268
Florida.....	2,941,706	14	2,839,221	102,485	1,481,446
Georgia.....	5,767,535	33	3,860,719	1,906,816	2,791,307
Idaho.....	593,509	5	514,897	78,612	300,347
Illinois.....	5,533,047	15	4,758,995	774,052	2,764,357
Indiana.....	3,480,448	18	3,840,476	(360,028)	1,754,093
Iowa.....	2,734,378	15	1,788,580	945,798	1,393,932
Kansas.....	1,905,477	14	1,579,895	325,582	972,758
Kentucky.....	5,148,052	21	4,102,390	1,045,662	2,560,957
Louisiana.....	4,254,357	12	2,320,555	1,933,802	2,099,507
Maine.....	921,577	4	591,493	330,084	467,139
Maryland.....	\$1,696,964	3	\$640,296	\$1,056,668	\$827,301
Massachusetts.....	3,216,356	8	1,878,068	1,338,288	1,622,561
Michigan.....	4,344,664	14	3,896,503	448,161	2,174,668
Minnesota.....	3,379,048	11	1,721,251	1,657,797	1,725,122
Mississippi.....	4,671,494	59	3,889,288	782,206	2,270,043
Missouri.....	4,574,137	7	2,841,058	1,733,079	2,293,924
Montana.....	455,667	6	420,712	34,955	224,137
Nebraska.....	1,366,837	12	890,375	476,462	682,443
Nevada.....	103,000			100,000	100,000
New Hampshire.....	709,770	1	299,450	410,320	367,648
New Jersey.....	2,640,607	7	1,945,294	695,313	1,328,053
New Mexico.....	914,694	8	864,795	49,899	457,632
New York.....	5,971,406	31	5,260,871	710,535	3,029,743
North Carolina.....	6,842,502	21	3,357,645	3,484,857	3,413,486
North Dakota.....	596,002	4	293,190	302,812	287,845
Ohio.....	5,400,035	18	4,479,231	920,804	2,715,846
Oklahoma.....	3,369,443	28	2,268,538	1,100,905	1,730,437
Oregon.....	995,176	5	592,834	402,342	534,815
Pennsylvania.....	9,239,734	20	6,382,315	2,857,419	4,692,355
Rhode Island.....	547,822	3	488,489	59,333	267,856
South Carolina.....	3,898,336	45	1,968,835	1,929,501	1,923,581
South Dakota.....	713,690	7	549,765	163,925	353,873
Tennessee.....	5,287,125	17	3,759,319	1,527,806	2,616,055
Texas.....	9,701,704	51	8,497,063	1,204,641	4,865,137
Utah.....	718,863	5	528,836	190,027	354,023
Vermont.....	441,641	4	422,804	18,837	227,131
Virginia.....	4,323,087	14	3,677,354	645,733	2,114,928
Washington.....	1,065,625	9	563,896	501,729	553,979
West Virginia.....	3,083,339	2	1,066,190	2,017,149	1,529,058
Wisconsin.....	3,231,294	8	2,321,144	910,150	1,610,133
Wyoming.....	291,735	2	200,000	91,735	146,879
Alaska.....	200,000	1	199,692	308	100,000
Hawaii.....	484,626	1	385,043	99,583	261,868
Puerto Rico.....	4,787,470	2	2,743,203	2,044,267	2,327,387
Virgin Islands.....	62,036			62,036	29,271
Total.....	150,000,000	646	107,211,036	42,788,964	75,000,000

Let me say here that we cannot commend too highly the work which has been done by Dr. V. M. Hoge, Medical Director, Chief of the Division of Hos-

pital Facilities of the Public Health Service, for the efficient manner in which he and the members of his staff put this program into operation. Dr. Hoge

has carried on the successful administration of the Federal aspects of this hospital program with a minimum of funds considering the great needs which are evident throughout the country.

ACCOMPLISHMENTS IN NORTH CAROLINA

The hospital resources and needs of North Carolina were studied by a State hospital and medical care commission which was composed of 60 members appointed by the late Governor and Senator J. Melville Broughton in 1944. This commission drafted the hospital legislation which created the North Carolina Medical Care Commission of 20 members, all of whom are appointed by the governor for the purpose of administering the cooperative State and Federal hospital program. The commission was authorized to make contributions by the State amounting to \$350,000 annually for aiding indigent patients, to conduct a survey and devise a plan for the State hospital program, to assist in financing hospital construction under this plan, and to expand the medical school at the University of North Carolina, Durham, into a standard 4-year medical school. The commission is also responsible for licensing hospitals which receive assistance from State and Federal funds.

North Carolina has been very fortunate in the membership of the medical care commission, the State hospital advisory council, and the administrative staff of the commission. Their splendid teamwork has resulted in real achievements in health facilities for our State. The 20 members of the commission are James H. Clark, chairman; Clarence Poe, vice chairman; J. W. Bean; Paul B. Bisette; Franklin J. Blythe; J. Street Brewer; William M. Coppridge; Don S. Elias; Sample B. Forbus; G. Fred Hale; Fred C. Hubbard; B. Everett Jordan; J. W. R. Norton; W. S. Rankin; Mrs. Dillard Reynolds; William M. Rich; William B. Rodman, Jr.; C. E. Rozzelle; Miss Flora Wakefield; and Ellen D. Winston. The commission has the benefit of an advisory council composed of Claude F. Gaddy, chairman; R. E. Earp; James P. Richardson; George Watts Hill; and David A. Young. The administrative staff is headed by the executive secretary, Dr. John A. Ferrell. Other staff experts include Bruce K. Jones, architect-construction engineer; H. E. Hamilton, hospital administrator; J. Minetree Pyne and Thomas R. Howerston, assistant hospital administrators; and James A. Weathers, Jr., administrative assistant.

As a basis for participating in this program, the hospital resources of North Carolina were surveyed in 1946. It was found that 33 counties had no hospital facilities, that 5 other counties had only 5 to 20 beds available in private doctors' clinics, that the other 62 counties had hospitals but not enough beds. Some of the larger urbanized counties, however, had from 2 to 8 hospitals.

The North Carolina Medical Care Commission submitted its hospital plan which was approved by the Surgeon General on July 7, 1947. Each county was designated as a hospital service area with

some of the counties being divided into two areas. Altogether 102 hospital service areas and 8 regional centers were created for planning and administrative purposes. Federal funds for construction were allocated in the amount of \$3,429,016 for July 1, 1947, to June 30, 1948, and for the succeeding year in the amount of \$3,413,486. These amounts are keyed to population estimates made by the United States Census Bureau.

Since Federal funds represent approximately one-third of the cost of the program, the other two-thirds must be met with State and local money.

There are three ways in which the communities may raise the funds with which to finance their two-thirds share of the cost of hospital construction: they may organize a drive and raise the money by subscription; they may authorize a bond issue by means of a popular referendum; or they may receive State aid toward their share.

In North Carolina the local communities are responding in a way to prove that the program is receiving the active support of the people. In Scotland County—a small rural county of about

13,000 whites and 13,000 Negroes—they raised in 1946 through personal subscriptions \$315,000 to build a community hospital. About \$25,000 of this amount was donated by the Negroes in the county. In another county—Montgomery—the people voted a bond issue for hospital construction on a day when they had the worst weather that had been recorded for many years. With a total registration of 1,782, there were 1,269 people who voted for that bond issue which was a tax upon themselves. One precinct voted 91.3 percent in favor of the hospital. Altogether 13 North Carolina counties have voted for bonds, with supporting tax levies, of \$3,365,000 since December 1, 1945. The State of North Carolina appropriated \$6,250,000 for the biennium to end June 30, 1949, so that combined Federal, State, and local funds exceed \$10,000,000 a year for the construction of hospitals. North Carolina is mentioned by national authorities as one of the States which has made greatest progress during the past 4 years in the development of hospital facilities. The record for 2 years of hospital construction in North Carolina is given below:

Record for 2 years of hospital construction in North Carolina, local general hospitals, July 1, 1947, to June 30, 1949

(The North Carolina Medical Care Commission, Raleigh, N. C.)

Town	County	Size		Ownership	Estimated total cost
		Acres	Beds		
Pelhaven	Beaufort	1½	20	NPA	\$123,462
Scotland Neck	Halifax	4	20	County	160,000
Ahoskie	Hertford	4	42	NPA	139,653
Do.	do.			do.	106,546
Troy	Montgomery	6¾	40	County	480,000
Laurinburg	Scotland	6	100	NPA	1,200,000
Clinton	Sampson	10	100	County	1,200,000
Louisburg	Franklin	8	50	do.	600,000
Siler City	Chatham	5	50	NPA	600,000
Roxboro	Person	10	60	do.	720,000
Albemarle	Stanly	12	100	do.	1,200,000
Lenoir	Caldwell	6	100	do.	1,200,000
Sparta	Alleghany	3	20	do.	160,000
Taylorsville	Alexander	5	23	do.	184,000
Bryson City	Swain	1	20	do.	160,000
Plymouth	Washington	3	23	County	184,000
Smithfield	Johnston	35	100	do.	1,200,000
Warrenton	Warren	10	35	do.	350,000
Greenville	Pitt	17½	120	do.	1,440,000
North Wilkesboro	Wilkes	15	100	City	1,200,000
Burlington	Alamance	10	100	County	1,200,000
High Point	Guilford	3½	100	NPA	1,200,000
Total					15,007,661
In addition to aid for local hospital projects, the Commission has provided in Federal funds approximately one-third the cost of a spastic hospital, and for expansion of State-owned mental and tuberculosis hospitals. The aggregate total cost for the 2-year period approximates					\$ 5,519,845
Grand total					20,527,506

¹ Project on contract for amount shown; others are estimated.

² Roanoke-Chowan Hospital, Inc., Ahoskie, N. C.

³ Roanoke-Chowan Hospital, Inc., nurses' home, Ahoskie, N. C.

⁴ One-third of this \$5,519,845, or about \$1,839,948 was to have been United States funds. The appropriation bill now pending in the legislature contemplates financing State-owned hospitals entirely with State funds and allowing the Commission to apply all United States funds to local hospitals and health-center projects, except about \$550,000 of United States funds already tied up in contracts.

These examples from my own State may be duplicated throughout the country. They indicate that the people are working hard to raise their share of the funds essential to construct adequate hospitals for America.

The required standards of construction of hospitals under this program are near the minimum which may be approved by the United States Public Health Service. Although these standards are the minimum approvable for Federal aid, nevertheless they are high in comparison to those which were previ-

ously acceptable in many States. Even so, North Carolina found that several desirable features had to be eliminated which would have been included if building costs had not risen. However, the new hospitals which have been authorized by the commission will be more modern, spacious, and fireproof than those now being used in the State. Hospital beds are usually called unacceptable if they are fire hazards, poorly planned, or poorly located.

Up to January 1, 1949, the commission was able to approve 21 local general hos-

pital projects; 13 of these are in counties which do not have hospitals, 6 are in counties where less than a third of their needs are being met, and 2 are in counties where less than one-half of their needs are met. Even so, there are 31 areas which have no hospitals at all and 5 other areas which have no acceptable hospital beds. The need for beds is very great in the chronic, mental, and nervous, and tuberculosis hospitals.

This leads me to an account of the problems encountered in carrying out this program, and to an explanation of the amendments I am offering to the original act, which I think will help to meet these problems.

In the first place, the program has been seriously limited beyond our original expectations because of the increase in the cost of construction. Before 1946 we had 129 hospitals in 67 of our 100 North Carolina counties, and the beds in these hospitals cost about \$3,000 to \$4,000 per bed, sometimes less than that. When our commission drew up estimates for the 1947 legislature, they were based upon the figure of \$6,000 to \$7,000 per bed, but when construction started toward the end of that year, it was found that the cost would be from \$11,000 to \$12,000 per bed if we were to meet the standards set up by the United States Public Health Service. You can see from this that the actual number of new beds is only about half as many as we had expected to build.

The commission reports that during the first two years they allocated about one-third of Federal funds to State-owned hospital projects. Now the commission has asked the State to finance entirely all State-owned hospital projects in order that we may have more money for building local general hospitals. If the 1949 legislature approves of this request, it will be possible to build about 300 more local general hospital beds. However, the commission points out that—

Even if this is done, the hospital program contemplated by the 5-year Hill-Burton law will not be completed during the 5-year period. In fact, several 5-year periods will be necessary. Some of the Federal authorities have estimated that only one-eighth of an adequate Nation-wide hospital system will be completed during the first 5-year period.

Another problem we have to face is that the counties which need hospital facilities the most are usually those which have few people and little money, and they can hardly meet two-thirds of the expense of building a hospital. Certainly it is true that there are many areas where hospitals are urgently needed, but where there is no real way that a hospital could be maintained on a financially sound basis even if it were built. This raises the whole problem of maintenance and operation of hospitals in areas which have the highest priority as far as need is concerned.

Federal Law 725 provides that hospitals which receive aid must guarantee against an operating deficit during the first two-year period, effective when patients are admitted. When the Commission grants aid it can do so only by taking account of first, construction cost; and, second, the dates when counties having a high pri-

ority are able to support their hospital applications by necessary local funds. You can readily realize the problem which arises when a new hospital is nearing completion. Personnel must be found in advance—a hospital administrator, nursing, medical, and technical staff—who are able to take care of the health needs of patients. All supplies must be bought and be on hand—drugs, chemicals, anesthetics, dressings, and foods. All these things require a large outlay of money considerably in advance of the time when the hospital begins to earn money. Timing has to be almost perfect to prevent a deficit.

Publicly owned hospitals can only be equipped by raising funds authorized by special elections on bonds and a tax levy. Fourteen North Carolina counties—up to January 1, 1949—have held successful elections for this purpose. In the case of a nonprofit hospital the county commissioners have sometimes given a guarantee against an operating deficit. But there are many places where it is difficult or impossible to make arrangements for the maintenance and operation of needed hospitals.

Another difficulty which is encountered, and not only in North Carolina, but throughout the country, is the shortage of personnel to staff hospitals. As new hospitals are built, the shortage will be increased unless steps are taken to train more doctors and nurses. The problem is more acute in the rural areas than in the cities, and this situation will have to be met by a definite program to recruit and train personnel. Of course, by providing the hospitals we are making it possible to distribute the available medical personnel. I understand that a condition of "no hospitals" and a condition of "no doctors" are parts of the same situation—that doctors do not want to practice in places where there are no hospitals. If we can get adequate and well-distributed hospitals we shall be taking one of the important steps toward meeting our national health problem.

But we shall also have to devise a program which will increase the number of

doctors and nurses. I plan within the next few days to introduce a bill designed to deal with the urgent problem of training more people in the health field. I am not discouraged by the fact that it will take anywhere from 3 to 10 years to make a dent in the shortage of medical personnel—if it is going to take that long, there is all the more reason why we should get started with it right away.

NATIONAL PICTURE

In a report to the President on the Nation's health—September 1948—the Federal Security Administrator, Oscar R. Ewing, analyzes our need for hospital beds and points out that if the Federal contribution of \$75,000,000 a year is fully matched with \$150,000,000 of local funds, only one-eighth of the Nation's needs would be met by 1951. This means that we would be 40 years behind and would not meet the needs of 1946 until 1986.

According to this report—

The three basic problems of meeting our hospital needs must be discussed together, since the solutions of all three are interdependent. These are the three: Quantity—making sure there are enough beds; distribution—making sure hospitals are everywhere they are needed; and finance—making sure enough funds are provided so that hospital construction and hospital maintenance are guaranteed everywhere they are needed. * * *

Few of our States yet have enough general hospital beds to equal the standard set up for the Nation—4.5 per thousand; none has enough acceptable beds to meet the standard. More than 40 percent of all counties in the United States, with a total population of over 15,000,000, have no acceptable general hospitals at all. Not every county requires a hospital, but community hospitals of 50 beds and occasionally less should usually be placed in every community or area of 15,000 to 20,000 population. * * *

The Hospital Construction Act requires that communities, or States and communities together, must raise \$2 for each Federal dollar contributed for hospital construction.

In most States, legislation to provide State financial assistance has not yet been passed; these States make no contribution at all, and local communities must raise two-thirds of construction costs. At the other extreme, at least one State is preparing to contribute

up to half of all needed funds, so that its lower-income districts need raise only 20 percent locally.

Hospital building at present is completely dependent upon State and local initiative in matching Federal funds. It is imperative that all States act vigorously to assure that even their most impoverished areas will be able to have the health facilities that they need. The burden of operation and maintenance costs is severe on all hospitals.

And the report strongly recommends that the Federal Government participate in the maintenance and operation of hospitals. A report on hospital operating costs by the Public Health Service is given below:

HOSPITAL OPERATING COSTS

FEBRUARY 4, 1949.

An examination of the statistical tables presented in our report and analysis of the information developed from AHA directories and find that for all general and special short-term hospitals—excluding Federal—in the year 1947 the average per patient day cost was \$11.09. This group includes nonprofit short-term and special hospitals and proprietary short-term general and special hospitals. The per patient day cost for the nonprofit was \$11.78 and for the proprietary group, the cost was \$11.83. In the governmental group of general and special short-term hospitals the average per patient day cost was \$8.91.

The analysis of the statistical data shows that in mental and allied hospitals, most of which are State-owned, the per patient day cost was \$1.60.

The data for tuberculosis hospitals discloses that in 1947 the cost was \$5.44 per patient day.

Additional data presented in the report may be summarized as follows:

Short-term general and special hospitals

	Number of hospitals	Number of beds	Operating cost per bed	Total assets	Cost per patient-day
Type of control:					
Nonprofit.....	2,641	307,152	\$3,413	\$8,782	\$11.78
Proprietary.....	1,070	37,751	2,898	3,420	11.83
Governmental.....	764	120,306	2,297	5,265	8.91
Type of hospital:					
Mental and allied.....	499	580,273	561	1,664	1.60
Tuberculosis.....	411	70,307	1,554	4,586	5.44

Schedule of hospital operating expenses for 1947 and related data

Type of hospital	Type of control	Number of hospitals	Number of beds	Operating cost per bed	Total operating expenses	Total assets per bed	Cost per patient-day
Short term.....	Nonprofit.....	2,641	307,152	\$3,413.00	\$1,048,316,000	\$8,782.00	\$11.78
General and special.....	Proprietary.....	1,070	37,751	2,898.00	199,408,000	3,420.00	11.83
	Governmental.....	764	120,306	2,297.00	276,396,000	5,265.00	8.91
Mental and allied.....	State and local.....	499	580,273	561.00	325,317,000	1,664.00	1.60
Tuberculosis.....		411	70,307	1,554.00	109,250,000	4,586.00	5.44

Thus we see that merely to provide that Federal funds may cover the need in rural areas where the need is greatest will not solve the problem, and we know from the surveys which have been made that not even all the urgent needs will be met by the present 5-year program of \$75,000,000 a year of Federal funds.

WHAT AMENDMENTS PROVIDE

It is with such facts as these in mind that I introduce this bill to broaden the scope and lengthen the duration of the Hospital Survey and Construction Act. The amendments provide that the amount authorized for hospital construction in each fiscal year shall be raised from \$75,000,000 to \$150,000,000,

and the program shall be extended beyond June 30, 1951, to June 30, 1955.

Increased Federal participation in the cost of hospital construction is provided and there is a corresponding increase in the amount recoverable by the Federal Government if any hospital so assisted ceases to be a public or other nonprofit hospital during the 10-year period following the completion of construction. Provision is made for Federal assistance in meeting the costs incurred by a State in administering its hospital construction plan, although the States must furnish adequate funds for such administration. The provisions of the existing law are added to in section 8 where

conferences similar to those on hospital construction are also required of the various State agencies administering the plans for hospital maintenance and operation.

The Surgeon General is authorized to make grants to States, political subdivisions, universities, hospitals, and nonprofit organizations for studies and demonstrations relating to the coordinated use of hospital facilities. This recommendation may bring us toward a solution of the problem of the integration of our hospital system so that the inconsistency in Government policy, which was pointed out by the Commission on Organization of the Executive

Branch of the Government in its report to the Congress—March 1949—between the Federal hospital construction program and Federal aid to non-Federal hospitals, under the Hill-Burton Act, may be ended.

Section 10 adds a new part E to title VI of the Public Health Service Act. Under the provisions of this new part there are authorized to be appropriated for the fiscal year ending June 30, 1950, and for each of the five succeeding fiscal years, not to exceed \$50,000,000 for the maintenance and operation of public and other nonprofit hospitals and for the administration of State plans relating thereto. Funds appropriated pursuant thereto are to be allotted among the several States in the same manner in which funds appropriated under title VI for hospital construction are to be allotted. The States are to give special consideration to needs of hospitals serving rural communities and areas with relatively small financial resources.

The effective date of the act is July 1, 1949.

It was apparent during the hearings on the original bill that everyone agreed upon the objectives of this legislation. The bill was supported by the American Hospital Association, the Catholic Hospital Association, and the Protestant Hospital Association. It was supported by organized medicine, dentistry, and nursing, as well as by all the major farm and labor organizations. Many other groups and persons testified in favor of the bill and our record of experience throughout the Nation as a whole indicates an enthusiastic response from the people in achieving the objectives of the act. In offering amendments to the existing legislation, I am merely advocating that the program be placed on a basis where the achievement of our goal will be made possible during our lifetime. The resources of our country are not so meager that we have to do this basic program on a time schedule which will not give us the hospitals we need until we have great-great-grandchildren.

And let us bear in mind that this program is related to our national defense. If the cities where our hospitals are now concentrated are ever bombed—and I pray that we may never see such a day—we shall be glad that we built these hospitals in our rural areas and maintained them on a sound operating basis.

In summary, let me say that the amendments provide for increased Federal assistance for hospital construction, for meeting the costs of administering the State plans for hospital construction, and for the establishment and support thereafter of State plans for aiding in hospital maintenance and operation, particularly in areas of limited population and limited resources.

The United States is a member of the World Health Organization which seeks "to lift the great and unnecessary burden of human suffering throughout the world and to protect us from invasion of our shores by disease from abroad and to lift the level of world economy through the strengthening of world resources in effective manpower." Can

we do less for our own States, for our own counties, for the people of our own countryside? We all know, as Disraeli said, that "The health of the people is really the foundation upon which all their happiness and all their powers as a state depend."

Mr. ENGEL of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. Ford].

Mr. FORD. Mr. Chairman, during the last month I have had a rather interesting experience because on each and every Monday during this period I have been confronted by one or more of my colleagues who have invariably said they had just returned from a very interesting week end where they enjoyed the privilege of a cruise on board one of the Navy's largest aircraft carriers. They have been rather amazed at the techniques of the Naval Air Arm, and particularly by naval air operations from our aircraft carriers. On each occasion I have listened rather carefully to my colleague's discussion of his trip, but when he was through, I could not help but say that it was my privilege to have served on a combat aircraft carrier for some 2 years in the Pacific with the Third and Fifth Fleets. The comments my colleagues made about the speed with which the Navy launches planes and lands planes interested me particularly, because I know of the far greater problems that the Navy had to face during the war when we were not operating a single carrier. In the war we operated four or five aircraft carriers in a single task group. In the whole task force we had up to 22 aircraft carriers plus supporting ships. We were not operating in broad daylight, and under favorable conditions, but in many cases we operated for 24 hours a day. I am truly sorry that more of our colleagues have not taken advantage of the opportunity to see the Navy Air Force in operation at sea.

During the experiences I had in the Navy in the last war, I had ample opportunity to view at first-hand some of the vulnerability that the Navy air arm is bound to encounter. I say vulnerability, not only from the air, but from underwater craft. It was always a great concern that any one of the ships in our task group or task force would suffer torpedo attack either from aircraft or from submarine. Fortunately those occasions were few.

My comments today are predicated on some of those experiences which I went through for some 2 years at sea with the Navy. With this background I must agree with the remarks made by the distinguished chairman of the Committee on Armed Services. I think he is wholeheartedly in favor of a balanced armed service, and I gather the impression from what he has said that he is in favor of a military program that accentuates air power without discrimination against Navy air power. If that is what he meant, I am in full agreement with him.

Once again may I say for the record that we should and must have a balanced program. If I am wrong, I would like to be corrected, but it appears to me that the Air Force is benefiting to the

extent of approximately \$300,000,000 more than that which was recommended by the Bureau of the Budget.

At the same time it appears, from the comments made here today, that the Navy Air Force has received less consideration to the extent of \$573,000,000. If those facts are true, I am not in thorough agreement with the recommendations of the committee, because I believe in a truly balanced program, a balanced program that accentuates air power without undue or unfair discrimination against Navy air power. While favoring air power, I am not one of those who are swayed by statements made on many occasions during the last war, when the Air Force people, Navy and otherwise, said they won the war, for I can tell you from personal experience that some of the records claimed were not quite as good as they would like to have our people believe. I can tell you of several examples in the various battles of the Philippine Sea when the number of hits we actually got were very, very small, percentagewise, in relation to the number of planes that we sent out in those two particular instances. I have no sympathy for that kind of performance, none whatsoever; I condemned it then and I will continue to condemn it.

I wish to make a few comments on what I think is a very favorable program of this committee. I wholeheartedly favor the apparent consideration given to the Reserve components of the armed forces. I notice that in the Navy's budget there is a rather substantial sum allocated for the Reserve program. That brings to mind one further question. In my estimation all the services have been somewhat neglectful of the Reserve program in its actual operation. This Congress authorized a program a year ago which implemented the Reserve program, but the services, all three services, have not done a 100-percent job in putting that program into operation. Many of the members of the Army, Navy, and Air Force Reserves have not been able, and will not be able, to take full advantage of the opportunities the Eightieth Congress desired. Some weeks ago I introduced a bill which would have set back the anniversary date until July 1, 1949, to give our Reserves an opportunity to take full advantage of the retirement provisions. If we do not change that date we will discriminate unfairly toward a great many of our Reserves who want to get in and make a substantial contribution to our national defense program.

In conclusion, I reemphasize my support of a well-balanced military program, but I wish to accentuate the need for air power. We should not, however, discriminate against the Navy Air Force. Let me remind you again we must give due consideration not only this year but in the future, to an adequate Reserve program.

Mr. Chairman, I yield back the balance of my time.

Mr. ENGEL of Michigan. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, I propose to express some sentiments here which are not wholly consonant with those already expressed by various Members who appeared in this general debate.

At the outset, I disclaim any expertness as a military authority, a naval authority, or an air force authority; but I wish you to consider for a few moments what the people who live in Iowa, Texas, Connecticut, and the 45 other States are thinking about this military appropriation.

They are talking about it in the barber shops, in the stores, and on the farms; and they are saying to themselves that the Eighty-first Congress is about to appropriate \$16,000,000,000 for war purposes—3 years after the war is over; yes, over and past for more than 3 years. Our friends, who by their votes sent us here, are saying that this Congress is spending more than one-third of the entire national budget for military purposes.

We are spending that amount of money despite the revelations made by the Hoover Reorganization Commission that tells, for example, how the Army lost 9,000 tanks. Read it for yourselves. Here it is on page 6 of the Task Force Report on the National Security Organization:

War Production reports indicate that some 85,000 tanks were produced in this country during the recent war. Army statistics obtained by the committee with some difficulty indicated that about 25,000 of these were on hand at the end of the war. The Army was able to account to the committee for only 16,000 tanks. It was unable to state what had become of the others.

I heard one of the members of this task force say the other day, too, that these 9,000 missing tanks were all tanks that had remained in this country. Not one of them had gone overseas. It is easy to understand how small articles can be lost completely. But how could anyone lose a tank? And how could any organization lose 9,000 of them? Here is incredible and catastrophic negligence and incompetence.

I do not know how much a tank costs, but I can well imagine that some of them cost well toward \$500,000. Let us say that those tanks were worth an average of \$100,000, which I believe perhaps is a modest estimate. There you have \$900,000,000 worth of military material disappearing. Gone forever. And the military authorities could not tell the Commission where they had gone.

I wonder what the people back in the barber shops, in the stores, and on the farms and on the street are going to say about that kind of performance here in the Capital of the United States. What is there in this appropriation bill or in any legislation that we have undertaken that takes any cognizance of this terrifically serious situation? Should not some effort be made in this Congress to rectify such terrible errors, before we hand over \$16,000,000,000 to repeat such mistakes?

We have heard talk here today about the continued rivalry among the branches of the military service. Mem-

ber after Member has come before the microphone and said: "Well, this or this or this should receive more appropriation money." This rivalry not only exists among the members of the armed forces, but it exists here on the floor of the House of Representatives among those Members who are proponents of the Navy or the Army or the Air Force.

I am not being critical of those who have ideas along these lines. I am merely trying to call your attention to what may be going on in the minds of the rank and file of the American people who are confronted with this kind of thing in the face of the report of the Hoover Commission.

There are two recommendations made in the task force report that might well have had the consideration of the Appropriations Subcommittee, and, parenthetically, I understand that there has been some criticism of the work of this committee from other lips than mine.

The first two things mentioned by the Hoover Commission as the pattern for improvement are (1) strengthening the central authority in the Military Establishment. There have been some attempts made in that direction. Indeed, the papers inform us that there is something like that going on down in Key West, Fla., under the guidance and leadership of General Eisenhower. More power to him. But why need we bring this military appropriation on the floor now, involving these huge sums of money, before we accomplish the other? The one effective check rein the Congress has over the Military Establishment, or indeed any governmental agency, is the power of the purse. Here we propose to appropriate \$16,000,000,000 more than a third of the total national budget, without asking or insisting on administrative, budgetary, and internal reforms that are so sadly needed, and about which the people are demanding action. Legislative action about these matters is necessary and desirable. But the most effective compulsion from this or any other legislative body is the withholding of money appropriations. That is the way to accomplish this work and get the job done.

The second recommendation in the task-force report is the overhauling of the military budget. I suppose time alone can tell whether an overhauling has actually been had of the military budget in this bill. Certainly I am not qualified to judge adequately. I hope the gentleman from Missouri, the chairman of this Appropriations Committee [Mr. CANNON], who is reported to have been dissatisfied with this bill, will give the Committee of the Whole House the benefit of his views as he expressed them to the whole Appropriations Committee when considering this bill.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ENGEL of Michigan. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. DOLLIVER. Mr. Chairman, without seeming to be unduly critical, may I suggest that there actually has been some little evidence of lack of overhauling the

military budget here in the implied rivalry between the services.

Item 3 in the task-force report: Improving teamwork throughout the national security organization. In the time that I have I can only read these others, none of which, in my opinion, have been implemented or carried out by anything we are offered here in this bill;

Fourth, relating scientific research and development more closely to strategic planning;

Fifth, expediting plans for civilians, including economic, industrial, and manpower mobilization in case of war, and providing for continuous appraisal of the effect of all national security programs on our national resources, both human and material; and

Sixth, making adequate provision for and against new and unconventional means of warfare.

Mr. Chairman, I am speaking in a very unconventional manner and perhaps in a manner unexpected on the part of some of my auditors, but I must repeat and remind you that the people whom we represent here are considering these matters very seriously. They are wondering, and they have said so to me and they have said so to you, Where are we heading in this country? Is this ever-increasing military expenditure a preparation for war? Are the planners expecting to plunge our country into another war, in the meantime breaking the economic back of our people, with ever-increasing taxes piled on to pay for war goods, which in themselves do not serve any productive purpose—and whose sole ultimate use is destruction of life and property?

Last year we had a military budget of approximately \$14,000,000,000. When we passed the European recovery program we were assured on the floor of this House that it was a defense measure and that this year we would be enabled to reduce our military expenditures. Now we come up with \$2,000,000,000 additional over last year's military appropriations. What are the people of the country thinking about this?

Human history is marked with the ruin of civilizations whose governments relied, not wisely, but too well, upon military might. Is America heading in that direction, too? Surely we cannot pour out our resources in reckless disregard of history's lessons.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Texas.

Mr. MAHON. I had the privilege of seeing a portion of a statement that was made before another committee of the Congress by the Secretary of War in regard to the tanks, and I think that explanation is fully adequate, and if the task force had taken sufficient time to investigate they would have found the answer. As I understand, the 9,000 tanks to which the gentleman referred were tanks which were overseas, which were given to other governments. Some were never brought back to this country in our tremendous haste to get the men back to this country after the war was over. I believe if the gentleman had the

privilege of reading this statement he would be convinced that the Army did a thoroughly decent job with respect to that matter.

Mr. DOLLIVER. Mr. Chairman, the gentleman realizes, of course, that I have not had the opportunity of seeing this information. My remarks were based upon the statements in the task-force report of the Hoover Commission and the oral statement of a responsible member of that task force that the 9,000 lost tanks were all in the continental United States. Not one of the lost tanks ever left these shores. May I further state to the gentleman that I trust he will not consider what I said to be critical of him personally or the work the committee has tried to do. I have made my statement on the basis of what the people in the country may well be thinking about in connection with this huge appropriation.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from California.

Mr. SHEPPARD. I hope the gentleman did not find any reference in the Hoover Committee report to the effect that this committee had been criticized.

Mr. DOLLIVER. No, I did not.

Mr. REES. Mr. Chairman, this is a most important piece of legislation. I realize it is one that authorizes the expenditure of money for the purposes outlined in the bill. It does not, of course, appropriate money. The appropriation of funds to carry out its purposes will come later.

In view of the fact that our country has already committed itself to help the countries included in this program, it becomes a question of carrying out such promises. We are told by proponents of this legislation and by the administration that the assistance provided under this program is for the purpose of helping these countries to help themselves. But most important of all, to prevent the overrun of communism in those countries.

Appropriations implementing this measure will be submitted at a later date. I think it is extremely important that when such appropriations are submitted that all of the items contained therein be carefully scrutinized and examined. We should make sure that the assistance granted under this legislation goes to the people to whom it is assigned. It is also important that the expenditure of such funds be handled just as economically as may be done.

Furthermore, if it develops that it is unnecessary to spend as much money as is allocated under this bill, then all savings possible should be made.

I supported the amendment of the gentleman from Wisconsin who suggested we save only a small part of the funds allocated hereunder. I thought he made a good case, but the majority of the House deemed otherwise.

Mr. Chairman, we hope and pray that the legislation approved today will be for the good of not only the people who will receive these benefits but for the people of our own country as well. Personally, I am deeply concerned with re-

gard to the tremendous expenditure of funds of the taxpayers of this country in an attempt to bring about a better understanding between the nations of the world. Mr. Chairman, you are taking a long chance. We hope it is in the right direction.

Mr. TEAGUE. Mr. Chairman, I have been a Member of Congress since September 1946. Since that time I have supported in full, sometimes wholeheartedly and sometimes reluctantly, but always with hope, every bill designed to bring about European recovery. I have spent many, many hours studying the testimony presented to the Committee on Foreign Affairs of the House of Representatives and also I have very carefully read and studied the debate in the Senate and whenever possible, I have gone to the Senate floor to listen to that debate. Certainly no one can say that the gentleman from Texas represents isolationism in any respect. I have gone to Europe to see what was going on. I have talked with our people over there and also with many Europeans and when I returned last year I came home with the definite belief that our aid to Europe could be reduced this year and our people at home provided some relief, because, Mr. Chairman, there are two beliefs which I have concerning our country which cause me to stop, look, and listen.

One of those beliefs is that our national debt is an obligation and an obligation which must be met or repudiated and, as far as I am concerned, it must be met. I regret that there is apparently little concern in Washington concerning our national debt. The other belief is that our taxes are now too high and that unless we soon reduce our taxes that we will destroy that unique American enthusiasm and incentive which has made this country, with one-sixth of the people and one-seventh of the land area, the greatest country the world has ever known. The greatest harm that we could do to the world today would be to destroy this country and it will be destroyed if we destroy that American incentive or if we do not remain economically strong.

The national income is going down. I do not know what our national income for the present fiscal year will be but I have reason to believe that it will be much lower than last year. If that be true we will either have to raise taxes or finance our country through deficit financing.

Mr. Chairman, I have lost none of my sympathy for the people of Europe but it is my belief that we must first know that we are secure in our position at home. I have read the hearings and all the debate and I do not believe our economy at home has been given sufficient consideration. It has been said to those of us who want this authorization reduced that when a man is ill you don't give him one pill when he needs two. I would also say to you that when a man rears a family he at first must furnish to his children every necessity of life, but as the children become older and are able to help themselves, the father reduces his help, and if those children are the

kind they should be, they insist that the help from the father be reduced—so it should be with Europe.

It is my opinion that Mr. Hoffman and his staff have done one of the finest jobs possible and they are to be highly complimented for their work.

Mr. Hoffman in his testimony before the Committee on Foreign Affairs stated the following:

The countries participating in the program of economic cooperation had made significant progress in industrial production, agricultural production, trade, and financial stabilization. The total output of factories and mines in the countries participating during the calendar year of 1948 was 14 percent above that of 1947 and about equal to prewar. Excluding western Germany, steel output is currently at a rate exceeding the prewar high of 1937 and 25 percent above that of 1947. Total output of electric power in the calendar year 1948 was 65 percent higher than it was before the war and 10 percent above 1947 levels. Railway freight traffic is one-third greater than it was before the war, despite a shortage of equipment and arrears of maintenance and repairs. Crops in general in the calendar year 1948 were one-fifth larger than they were in 1947, which was, however, a very bad year. The increase in bread grains is even more striking. The 1948 crop was 41 percent larger than that of the year before. Production of fertilizer in the participating countries was about 25 percent greater in the calendar year 1948 than it was 1947.

Mr. Chairman, as you may or may not know, there has been a dangerous shortage in the supply of fertilizer for our farmers the past year. If the production of fertilizer has increased 25 percent it seems to me that we can cut down on the shipment of fertilizer to Europe and supply our farmers, who have been feeding the world since the beginning of the war.

Mr. Chairman, it should be understood that the bill we are voting on today is an authorization and not an appropriation. I may vote for it but if, when this bill goes to the Appropriations Committee, the amount is not reduced by at least 10 percent, I intend to vote against the appropriation. Last year the Congress appropriated \$5,000,000,000 and it was indicated that the Congress wanted, if possible, for this to last 15 months, but leaving a proviso in the appropriation that if the President deemed it absolutely necessary that it could be spent in 12 months. The \$5,000,000,000 was spent in 12 months, although only about \$3,000,000,000 worth of products has reached Europe and if as much recovery has been accomplished as the testimony of Mr. Hoffman indicates, with only a little over half of the money appropriated last year, then it is my honest and sincere belief that if Mr. Hoffman had given the taxpayers of America and the economy of America proper consideration that he would have made this \$5,000,000,000 last for the 15 months. Instead, the \$5,000,000,000 was spent, at least committed, and they are asking for another \$1,150,000,000 to last from April through June; and, Mr. Chairman, this is not the whole story. The administration is in the process of asking for an estimated \$600,000,000 for aid to China, Korea, and for military aid to Greece and Turkey. Another \$1,000,000,000 will be

spent for relief in the areas occupied by the United States Army. Through the International Refugee Organization and the displaced-persons program, the United States will be giving additional assistance for relief and rehabilitation purposes.

Also, Mr. Chairman, our country in conjunction with other western countries has just signed the Atlantic Pact. We have heard many different figures concerning the cost of this country of assisting those countries to rearm. It seems that \$1,000,000,000 a year is a conservative estimate.

In closing, Mr. Chairman, I wish to state again that if we destroy the economic stability of the United States of America in trying to help Europe, we will have done the peoples of the world the greatest disservice that the world has ever known. As I have said before, I will probably vote for this authorization, but I wish to make it clear that it is not an appropriation and I wish it to be understood that because I voted for this authorization does not commit me to vote for an appropriation of this amount because after the most serious consideration that I know how to give a problem, I am firmly convinced that this amount could and should be reduced considerably.

Mr. MAHON. Mr. Chairman, I have no further requests for time this afternoon.

Mr. ENGEL of Michigan. Neither have I, Mr. Chairman.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HAYS of Arkansas) having resumed the chair, Mr. KEOGH, 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. 4146) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the National Military Establishment for the fiscal year ending June 30, 1950, and for other purposes, had come to no resolution thereon.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that further general debate on the bill be limited to 2 hours tomorrow, and that the time be equally divided and controlled by the gentleman from Michigan [Mr. ENGEL] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALENDAR WEDNESDAY

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. MCCORMACK (at the request of Mr. KEOGH) was given permission to ex-

tend his remarks in the RECORD and include a newspaper article.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who spoke on the military appropriations bill this afternoon be permitted to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include a quotation from Thomas Jefferson.

Mr. CLEMENTE asked and was given permission to extend his remarks in the RECORD and include a letter from the American Legion dated April 9 with regard to the closing of Veterans' Administration branch office No. 2 in New York City.

SENATE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint resolutions, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 42. An act for the relief of Ellen Hudson, as administratrix of the estate of Walter R. Hudson, to the Committee on the Judiciary.

S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States, to the Committee on the Judiciary.

S. 146. An act conferring jurisdiction upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon the claims of J. N. Jones, and others; to the Committee on the Judiciary.

S. 147. An act for the relief of H. Lawrence Hull; to the Committee on the Judiciary.

S. 189. An act conferring jurisdiction upon the United States District Court for the District of Nebraska to hear, determine, and render judgment upon the claim of Mrs. Florence Benolken; to the Committee on the Judiciary.

S. 213. An act to provide benefits for members of the Reserve components of the armed forces who suffer disability or death from injuries incurred while engaged in active-duty training for periods of less than 30 days or while engaged in inactive-duty training; to the Committee on Armed Services.

S. 227. An act for the relief of Stone & Cooper Coal Co., Inc.; to the Committee on the Judiciary.

S. 257. An act to amend the Interstate Commerce Act, as amended, so as to provide limitations on the time within which actions may be brought for the recovery of undercharges and overcharges by or against common carriers by motor vehicles, common carriers by water, and freight forwarders; to the Committee on Interstate and Foreign Commerce.

S. 270. An act to change the name of Culbertson Dam on the Republican River in the State of Nebraska to Trenton Dam and to name the body of water arising behind such dam Swanson Lake; to the Committee on Public Lands.

S. 277. An act to enhance further the security of the United States by preventing disclosures of information concerning the cryptographic systems and the communica-

tion intelligence activities of the United States; to the Committee on the Judiciary.

S. 326. An act to amend the War Claims Act of 1948; to the Committee on Interstate and Foreign Commerce.

S. 392. An act authorizing the issuance of a patent in fee to Thomas A. Pickett; to the Committee on Public Lands.

S. 408. An act for the relief of the estate of William E. O'Brien; to the Committee on the Judiciary.

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands; to the Committee on Education and Labor.

S. 566. An act to fix the salaries of certain justices and judges of the Territory of Hawaii; to the Committee on the Judiciary.

S. 646. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion; to the Committee on the Judiciary.

S. 647. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary; to the Committee on the Judiciary.

S. 676. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion; to the Committee on the Judiciary.

S. 683. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments; to the Committee on the Judiciary.

S. 690. An act to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; to the Committee on Public Lands.

S. 716. An act authorizing the Secretary of the Interior to sell the land of George Peters under existing regulations; to the Committee on Public Lands.

S. 729. An act to amend the Trading With the Enemy Act so as to extend the time within which claims may be filed for return of any property or interest acquired by the United States on or after December 18, 1941; to the Committee on Interstate and Foreign Commerce.

S. 755. An act to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.; to the Committee on Public Works.

S. 796. An act to establish the grade of General of the Air Force, and for other purposes; to the Committee on Armed Services.

S. 936. An act to provide for the care and custody of insane persons charged with or convicted of offenses against the United States, and for other purposes; to the Committee on the Judiciary.

S. 948. An act for the relief of Mickey Baine; to the Committee on the Judiciary.

S. 969. An act to transfer the Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif.; to the Committee on Agriculture.

S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; to the Committee on the Judiciary.

S. 1043. An act to amend section 1705 of title 18 of the United States Code; to the Committee on the Judiciary.

S. 1122. An act relating to children born out of wedlock; to the Committee on the District of Columbia.

S. 1123. An act to amend section 1537 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, as amended, so as to provide for services of process on agents of a nonresident individual, partnership, association, group, organization, or foreign corporation, conducting a business in the District of Columbia; to the Committee on the District of Columbia.

S. 1125. An act to amend section 16-415 of the Code of Laws of the District of Columbia,

to provide for the enforcement of court orders for the payment of temporary and permanent maintenance in the same manner as directed to enforce orders for permanent alimony; to the Committee on the District of Columbia.

S. 1127. An act to amend sections 130 and 131 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, relating to the notice to be given upon a petition for probate of a will, and to the probate of such will; to the Committee on the District of Columbia.

S. 1129. An act to amend section 16-416 of the Code of Laws of the District of Columbia, to conform to the nomenclature and practice prescribed by the Federal Rules of Civil Procedure; to the Committee on the District of Columbia.

S. 1130. An act to amend sections 356 and 365 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, to increase the maximum sum allowable by the court out of the assets of a decedent's estate as a preferred charge for his or her funeral expenses from \$600 to \$1,000; to the Committee on the District of Columbia.

S. 1131. An act to amend sections 260, 267, 309, 315, 348, 350, and 361 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, to provide that estates of decedents being administered within the probate court may be settled at the election of the personal representative of the decedent in that court 6 months after his qualification as such personal representative; to the Committee on the District of Columbia.

S. 1132. An act to amend section 137 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, relating to the time within which a caveat may be filed to a will after the will has been probated; to the Committee on the District of Columbia.

S. 1133. An act to amend section 16-418 of the Code of Laws of the District of Columbia, to provide that an attorney be appointed by the court to defend all uncontested annulment cases; to the Committee on the District of Columbia.

S. 1134. An act to amend section 13-108 of the Code of Laws of the District of Columbia to provide for constructive service by publication in annulment actions; to the Committee on the District of Columbia.

S. 1135. An act to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, to provide a family allowance and a simplified procedure in the settlement of small estates; to the Committee on the District of Columbia.

S. 1136. An act to amend the Canal Zone Code, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 1137. An act to revise and codify the laws of the Canal Zone regarding the administration of estates, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 1168. An act to amend section 2680 of title 28, United States Code; to the Committee on the Judiciary.

S. 1181. An act to authorize the appointment of officers on the active list of the Philippine Scouts in the Regular Army, and for other purposes; to the Committee on Armed Services.

S. 1185. An act to provide that all employees of the Veterans' Canteen Service shall be paid from funds of the Service, and for other purposes; to the Committee on Veterans' Affairs.

S. 1270. An act to repeal that part of section 3 of the act of June 24, 1926 (44 Stat. 767), as amended, and that part of section 13a of the act of June 3, 1916 (39 Stat. 166), as amended, relating to the percentage, in time of peace, of enlisted personnel employed in

aviation tactical units of the Navy, Marine Corps, and Air Corps, and for other purposes; to the Committee on Armed Service.

S. J. Res. 18. Joint resolution for the relief of the First-Citizens Bank & Trust Co., administrator of the estate of C. A. Ragland, Sr.; to the Committee on the Judiciary.

S. J. Res. 53. Joint resolution to provide for the reforestation and revegetation of the forest and range lands of the national forests, and for other purposes; to the Committee on Agriculture.

S. Con. Res. 23. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 24. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 25. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 27. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 28. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 220. An act to amend section 3 of the act entitled "An act to revise the Alaska game law," approved July 1, 1943, as amended (57 Stat. 301);

H. R. 555. An act conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.;

H. R. 572. An act for the relief of Sylvia M. Misetich;

H. R. 576. An act for the relief of Arthur G. Robinson;

H. R. 581. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska;

H. R. 591. An act for the relief of Mrs. Lucille Davidson;

H. R. 592. An act for the relief of James W. Keith;

H. R. 618. An act for the relief of Eugene J. Bearman;

H. R. 659. An act for the relief of Mrs. Elizabeth B. Murphy;

H. R. 729. An act for the relief of John J. O'Neill;

H. R. 739. An act for the relief of Mary Jane Harris;

H. R. 745. An act for the relief of B. John Hanson;

H. R. 1036. An act for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen;

H. R. 1043. An act for the relief of Mrs. Wesley Berk (formerly Mrs. Ruth Cameron);

H. R. 1061. An act for the relief of Bernice Green;

H. R. 1066. An act for the relief of James Leon Keaton;

H. R. 1094. An act for the relief of Nellie M. Clark;

H. R. 1113. An act for the relief of James A. Stapleton, Ruth Burk, and Mildred Ov-

ren, copartners, doing business under the name and style of Stapleton Lumber & Piling Co.;

H. R. 1164. An act for the relief of the estate of H. M. McCorvey;

H. R. 1176. An act for the relief of Mr. and Mrs. LeRoy Hann;

H. R. 1280. An act for the relief of Mrs. Judge E. Estes;

H. R. 1286. An act for the relief of Elizabeth Rowland;

H. R. 1755. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1959. An act for the relief of the county of Allegheny, Pa.;

H. R. 1998. An act to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein;

H. R. 2708. An act for the relief of the legal guardian of Joseph De Souza, Jr.;

H. R. 3856. An act to provide for a Commission on Renovation of the Executive Mansion;

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 311 of the Merchant Marine Act, 1936, as amended; and

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.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 13, 1949, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

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

520. A letter from the Secretary of Defense, transmitting a letter from the Secretary of the Army, recommending the enactment of a proposed draft of legislation entitled "A bill to authorize the Secretary of the Army to proceed with construction at stations of the Alaska Communication System"; to the Committee on Armed Services.

521. A letter from the Secretary of the Army, transmitting a report on the claim of the Enjay Construction Co., Chicago, Ill., pursuant to Public Law 657, Seventy-ninth Congress, in the amount of \$503,018.61; to the Committee on the Judiciary.

522. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$57,969 for the legislative branch, Government Printing Office, in the form of an amendment to the budget for said fiscal year (H. Doc. No. 157); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY. Committee on Rules. House Concurrent Resolution 54. Concur-

rent resolution to investigate certain economic problems; without amendment (Rept. No. 426). Referred to the House Calendar.

Mr. PRIEST: Committee on Interstate and Foreign Commerce. H. R. 162. A bill to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes; without amendment (Rept. No. 427). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 4029. A bill to authorize the Secretary of the Interior to procure for the Everglades National Park with available funds, including those made available by the State of Florida, the remaining lands and interest in lands within the boundary agreed upon between the State of Florida and the Secretary of the Interior, within and a part of that authorized by the act of May 30, 1934 (48 Stat. 816), and within which the State has already donated its lands, and for other purposes; with an amendment (Rept. No. 428). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. H. R. 781. A bill to amend title II of the Civil Aeronautics Act of 1938, as amended; with amendments (Rept. No. 429). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCCARTHY: Committee on Post Office and Civil Service. H. R. 3198. A bill to amend the act of June 18, 1929; without amendment (Rept. No. 430). Referred to the Committee of the Whole House on the State of the Union.

Mr. KERR: Committee on Appropriations. House Joint Resolution 222. Joint resolution making an additional appropriation for the Veterans' Administration for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 431). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 1837. A bill to amend the Nationality Act of 1940; without amendment (Rept. No. 432). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. ALLEN of California:

H. R. 4190. A bill relating to the allocation of contracts for the construction of vessels in shipyards on the Atlantic, Gulf, and Pacific coasts; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT of Florida:

H. R. 4191. A bill to allow a special deduction, for income-tax purposes, of \$600 in the case of an individual disabled by the loss of a limb or limbs, or the loss of the use thereof; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 4192. A bill to amend title 18, United States Code, section 220, relating to receipt of commissions or gifts for procuring loans; to the Committee on the Judiciary.

H. R. 4193. A bill to amend the Communications Act of 1934 so as to permit the rendering of free telephone service to certain hospitalized members, and former members, of the armed forces; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDEN:

H. R. 4194. A bill to provide for local taxation of real estate and improvements thereon owned by the United States, and for other purposes; to the Committee on Public Lands.

By Mr. GORSKI of New York:

H. R. 4195. A bill to provide for the construction of a post office at Lackawanna, Erie

County, N. Y.; to the Committee on Public Works.

H. R. 4196. A bill to repeal the retailers' excise tax on toilet preparations and on luggage, purses, and similar articles; to the Committee on Ways and Means.

By Mr. LeCOMPTE:

H. R. 4197. A bill to authorize assistance in acquiring specially adapted housing for certain veterans with service-connected permanent disabilities necessitating the use of a wheel chair; to the Committee on Veterans' Affairs.

By Mr. NELSON:

H. R. 4198. A bill to provide for nautical education in the Territories, to facilitate nautical education in the States and Territories, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Florida:

H. R. 4199. A bill to amend the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Florida:

H. R. 4200. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act so as to require employers to pay attorneys' fees and witness fees in connection with certain proceedings under such act; to the Committee on Education and Labor.

H. R. 4201. A bill authorizing the transfer of certain lands in Putnam County, Fla., to the State Board of Education of Florida for the use of the University of Florida for educational purposes; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 4202. A bill to empower the Supreme Court of the United States to promulgate a code of ethics for attorneys at law practicing before the Federal courts of the United States and its Territories; to the Committee on the Judiciary.

By Mr. DURHAM (by request):

H. R. 4203. A bill to amend section 503 (b) of the Food, Drug, and Cosmetic Act of June 25, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HAND:

H. R. 4204. A bill to amend the act to encourage travel in the United States, approved July 19, 1940; to the Committee on Interstate and Foreign Commerce.

By Mr. KING:

H. R. 4205. A bill to give effect to the convention between the United States of America and the United Mexican States for the scientific investigation of tuna, signed at Mexico City January 25, 1949, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RANKIN:

H. R. 4206. A bill to amend the Communications Act of 1934 so as to assist individuals who are defamed over the radio or television in recovering damages therefor, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS (by request):

H. R. 4207. A bill to amend section 14 of the Veterans' Preference Act of 1944 (58 Stat. 387), as amended; to the Committee on Post Office and Civil Service.

By Mr. ABBITT:

H. R. 4208. A bill to add certain surplus land to Petersburg National Military Park, Va., to define the boundaries thereof, and for other purposes; to the Committee on Public Lands.

By Mr. BOGGS of Louisiana:

H. R. 4209. A bill to amend the Flood Control Act of May 15, 1928, as amended; to the Committee on Public Works.

By Mr. BROOKS:

H. R. 4210. A bill to authorize the issuance of a stamp commemorative of the one hundred twenty-fifth anniversary of Centenary College, Shreveport, La.; to the Committee on Post Office and Civil Service.

By Mr. HEBERT:

H. R. 4211. A bill to amend the Flood Control Act of May 15, 1928, as amended; to the Committee on Public Works.

By Mr. POWELL:

H. R. 4212. A bill to provide for the lease of the Belasco Theater to the American National Theater and Academy for the presentation of theatrical and musical productions, and for other purposes; to the Committee on Public Works.

By Mr. TOLLEFSON:

H. R. 4213. A bill to provide for the appointment and compensation of counsel for impoverished defendants in certain criminal cases in the United States district courts; to the Committee on the Judiciary.

By Mr. COLMER:

H. R. 4214. A bill authorizing annual payments to States, Territories, and insular governments, for the benefit of their local political subdivisions, based on the fair value of the national-forest lands situated therein, and for other purposes; to the Committee on Public Lands.

By Mr. DEANE:

H. R. 4215. A bill to amend title VI of the Public Health Service Act to provide additional Federal aid in the construction of hospitals, to provide Federal aid in the maintenance and operation of hospitals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY:

H. R. 4216. A bill to amend the act of July 6, 1945, as amended, relating to the compensation of employees in the field service of the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. PHILLIPS of Tennessee:

H. R. 4217. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. TAYLOR:

H. J. Res. 221. Joint resolution extending an invitation to the International Olympic Committee to hold the 1956 winter Olympic games at Lake Placid, N. Y.; to the Committee on Foreign Affairs.

By Mr. BARTLETT:

H. J. Res. 223. Joint resolution making an appropriation to promote the settlement and development of the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes; to the Committee on Appropriations.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 224. Joint resolution authorizing the President of the United States to proclaim April 19 of each year Patriots' Day for the commemoration of the events that took place on April 19, 1775; 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. BATTLE:

H. R. 4218. A bill for the relief of Frederick P. Fulmer; to the Committee on the Judiciary.

By Mr. GARY:

H. R. 4219. A bill for the relief of Gordon R. McKinney; to the Committee on the Judiciary.

By Mr. GRANAHAH:

H. R. 4220. A bill for the relief of Jacob L. Aaron and Mrs. Lena Aaron; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 4221. A bill to provide for the adjudication of a certain tort claim of Patricia Joyce Dunn, a minor, against the United States; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 4222. A bill for the relief of Regina Tuerk; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 4223. A bill for the relief of Michelina Viavattene Alberti; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 4224. A bill for the relief of John Irvin Clifford, Jr.; 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:

564. By Mr. BOGGS of Delaware: Petition of Woman's Christian Temperance Union of Sussex County, Del., containing 45 signatures, in support of H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

565. Also, petition of Woman's Christian Temperance Union of New Castle County, Del., containing 225 signatures, in support of H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

566. Also, petition of Woman's Christian Temperance Union of Delmar, Del., containing 56 signatures, in support of H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

567. Also, petition of Woman's Christian Temperance Union of Milton, Del., containing 62 signatures, in support of H. R. 2428, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes; to the Committee on Interstate and Foreign Commerce.

568. By Mr. HILL: Memorial of the State of Colorado, petitioning the President of the United States to prohibit the importation of furs from Russia; to the Committee on Interstate and Foreign Commerce.

569. Also, memorial of the State of Colorado, memorializing the Congress of the United States to enact pending legislation for the amendment of the Social Security Act to provide assistance to unemployables; to the Committee on Ways and Means.

570. By Mr. TOWE: Petition of 189 residents of Teaneck and West Englewood, N. J., urging the repeal of the 20-percent excise tax on toilet goods; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 13, 1949

(Legislative day of Monday, April 11, 1949)

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

Rev. R. Orman Roberts, D. D., pastor, Temple Methodist Church, San Francisco, Calif., offered the following prayer:

Eternal God, we affirm our faith that Thou art the Good Shepherd and we are the sheep of Thy pasture. In the early morning let the still dews of quietness be upon us. In the heat of the day give us the shadow of the rock. In the evening time lead us beside still waters and cause us to lie down in green pastures.

Let Thy mercy be upon us; Thy truth a light unto our feet; and so teach us to number our days that we may apply our hearts unto wisdom, knowing full well then that we shall dwell in the house of the Lord forever. We pray in the spirit and in the name of Him whose life of love and sacrifice made this week holy. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 12, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 222) making an additional appropriation for the Veterans' Administration for the fiscal year ending June 30, 1949, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The PRESIDENT pro tempore announced his signature to the following enrolled bills and joint resolutions which had previously been signed by the Speaker of the House of Representatives:

H. R. 220. An act to amend section 3 of the act entitled "An act to revise the Alaska game law," approved July 1, 1943, as amended (57 Stat. 301);

H. R. 555. An act conferring jurisdiction upon the District Court of the United States for the Northern District of California, Northern Division, to hear, determine, and render judgment upon the claims of all persons for reimbursement for damages and losses sustained as a result of a flood which occurred in December 1937 in levee district No. 10, Yuba County, Calif.;

H. R. 572. An act for the relief of Sylvia M. Missetich;

H. R. 576. An act for the relief of Arthur G. Robinson;

H. R. 581. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Hilda Links and E. J. Ohman, partners, and Fred L. Kroesing, all of Anchorage, Alaska;

H. R. 591. An act for the relief of Mrs. Lucille Davidson;

H. R. 592. An act for the relief of James W. Keith;

H. R. 618. An act for the relief of Eugene J. Bearman;

H. R. 659. An act for the relief of Mrs. Elizabeth B. Murphy;

H. R. 729. An act for the relief of John J. O'Neill;

H. R. 739. An act for the relief of Mary Jane Harris;

H. R. 745. An act for the relief of B. John Hanson;

H. R. 1036. An act for the relief of R. C. Owen, R. C. Owen, Jr., and Roy Owen;

H. R. 1043. An act for the relief of Mrs. Wesley Berk (formerly Mrs. Ruth Cameron);

H. R. 1061. An act for the relief of Bernice Green;

H. R. 1066. An act for the relief of James Leon Keaton;

H. R. 1094. An act for the relief of Nellie M. Clark;

H. R. 1113. An act for the relief of James A. Stapleton, Ruth Burk, and Mildred Ovren, copartners, doing business under the name and style of Stapleton Lumber & Piling Co.;

H. R. 1164. An act for the relief of the estate of H. M. McCorvey;

H. R. 1176. An act for the relief of Mr. and Mrs. Leroy Hann;

H. R. 1280. An act for the relief of Mrs. Judge E. Estes;

H. R. 1286. An act for the relief of Elizabeth Rowland;

H. R. 1755. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 1959. An act for the relief of the county of Allegheny, Pa.;

H. R. 1998. An act to amend the act entitled "An act to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described," approved June 17, 1948 (Public Law 666, 80th Cong.), for the purpose of correcting a land description therein;

H. R. 2708. An act for the relief of the legal guardian of Joseph De Souza, Jr.;

H. R. 3856. An act to provide for a Commission on Renovation of the Executive Mansion;

H. J. Res. 186. Joint resolution to extend the time for use of construction reserve funds established under section 311 of the Merchant Marine Act, 1936, as amended; and

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.

MEETING OF CONFERENCE COMMITTEE ON ECA BILL DURING SENATE SESSIONS—MEMBERS EXCUSED FROM ANSWERING QUORUM CALLS

Mr. CONNALLY. Mr. President, I ask unanimous consent that the Senate members of the conference committee considering the ECA bill be permitted to sit during the sessions of the Senate, and that they be excused from answering quorum calls, so that the conference may proceed. They are the Senator from Michigan [Mr. VANDENBERG], the Senator from Utah [Mr. THOMAS], the Senator from Wisconsin [Mr. WILEY], the Senator from Georgia [Mr. GEORGE], and myself.

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that conference committees are not included in the order of the Senate.

Mr. LUCAS. Mr. President, I ask unanimous consent that the members of the conference referred to by the Senator from Texas be included.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered, and, without objection, the request of the Senator from Texas regarding the members of the conference committee is granted.

Mr. CONNALLY. Mr. President, I also ask unanimous consent that following each roll call an announcement be carried in the RECORD to the effect that the five Senators I have named, the members of the conference on the part of the Senate, are excused from attendance in the Senate.

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

CALL OF THE ROLL

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

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