

Norbert A. Commons
 Vincent R. Dahlen
 Edward H. Daughtrey
 William B. Dickson
 Harold F. Duval
 William T. Davern
 Jack M. Feliz
 Paul E. Fournier
 John W. Gay
 John E. George
 Stuart V. Glenn
 William D. Hall
 Robert B. Harris
 Max W. Henry
 Frederick G. Hewitt
 Orville B. Hoel
 Robert G. Hoffman
 Spencer W. Horner, Jr.
 Boyd D. Hughes
 Ben G. Jones, Jr.
 Fowler H. Justus
 George L. Kent
 Roland L. Loper

Arthur C. McLean, Jr.
 Malcolm R. Massie
 Kenneth L. Mell
 Howard B. Miller
 Roman G. Mislicky
 Jerry P. Morelock
 Charles F. Murray
 Stephen J. Nemeth
 John W. Newman
 Victor S. Pedersen
 Miles E. Piper
 Jack O. Polk
 Loren J. Roberts
 William F. Salkowski
 Howard K. Smith
 Sumner E. Thompson, Jr.
 Alfred H. Thorne
 Cecil R. Thorne
 John T. Timmerman
 Joseph W. Trumbo
 Irving E. Wetmore
 Jesse L. White

The following-named officers to the grade of lieutenant (junior grade) in the line of the Navy, limited duty only, in lieu of ensign in the line of the Navy, limited duty only, as previously nominated and confirmed:

Charles C. Allen
 James M. Arnold, Jr.
 Horace W. Atkisson
 Louis A. Barich
 Richard K. Barley
 Henry F. Berck
 Marion L. Bohgren
 Woodson P. Bremer
 George W. Brooks
 Francis M. Brosnihan
 Steward V. Buchanan
 John J. Butiak
 Don M. Cameron
 Clinton F. Churchill
 Warren L. Clary
 Hugh A. Cleveland
 Charles W. Combs, Jr.
 Max A. Crain
 Anthony S. Creider
 Edward O. Crosby
 Leonard W. Cushing
 Luis A. Dasso
 Jesse W. Dunwoody
 William A. Dyrdaht
 Elmer H. Earnhardt
 William J. Egan
 Marion S. Evans
 John W. Fietsch
 Raymond A. Frady
 George H. Gaddy
 Vardy D. Garvey
 Vaughn H. Gary
 John B. Griffin
 Arthur L. Hage
 Louis C. Hambley
 George T. Hamilton
 Robert L. Holt
 Vernon L. Homer
 Reo M. Hood
 Judson D. Huggins
 Joe H. Hunt

The following-named officers to the grade of lieutenant in the Supply Corps of the Navy, limited duty only, in lieu of lieutenant (junior grade) in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed:

Widar J. Forde
 Robert F. Hart
 Luther N. White

The following-named officers to the grade of lieutenant (junior grade) in the Supply Corps of the Navy, limited duty only, in lieu of ensign in the Supply Corps of the Navy, limited duty only, as previously nominated and confirmed:

William Backer
 Emlin N. Brown, Jr.
 Paul J. Metcalf

The following-named officer to the grade of lieutenant in the Civil Engineer Corps of

the Navy, limited duty only, in lieu of lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, as previously nominated and confirmed:

Kerman C. McDuffie

The following-named officer to the grade of lieutenant (junior grade) in the Civil Engineer Corps of the Navy, limited duty only, in lieu of ensign in the line of the Navy, limited duty only, as previously nominated and confirmed:

Jack J. Jones

WITHDRAWAL

Executive nomination withdrawn from the Senate May 17 (legislative day of April 11), 1949:

NATIONAL SECURITY RESOURCES BOARD

Mon C. Wallgren, of Washington, to be Chairman of the National Security Resources Board.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 17 (legislative day of April 11), 1949:

UNITED STATES DISTRICT JUDGE

Robert E. Tehan to be United States district judge for the eastern district of Wisconsin.

UNITED STATES MARSHALS

W. Bruce Matthews to be United States marshal for the District of Columbia.

Joseph L. Wisniewski to be United States marshal for the eastern district of Michigan.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 17, 1949

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord our God, how manifold are Thy works; in wisdom hast Thou made them all.

In these confused days we await Thy will concerning us. In our hopes and aspirations be Thou our anchor, for without Thy guiding hand our labors may become a delusion and our devotion a weakness.

Today we honor one who has defended human rights against tyranny and pagan forces. In the light of his magnanimous and patient leadership, enable us to assert our everlasting obligations and swing our country on the right side of every question, as persuasive as truth and as uncompromising as justice. O give us a mighty uprush of courage as we challenge any who fail to call Thee Lord and Master, and Thine shall be the glory and ours the blessing. 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. McDaniel, its enrolling clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1704. An act to strengthen and improve the organization and administration

of the Department of State, and for other purposes.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2361. An act to provide for the reorganization of Government agencies, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. EASTLAND, Mr. HOEY, Mr. MCCARTHY, and Mr. IVES to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3704. An act to provide additional revenue for the District of Columbia.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUNT, Mr. McGRATH, Mr. JOHNSTON of South Carolina, Mr. MCCARTHY, and Mr. SCHOEPEL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2632) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes."

The message also announced that the Vice President had appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 49-12.

FEPC HEARINGS

Mr. POWELL. Mr. Speaker, I ask unanimous consent that the subcommittee holding hearings on the bill H. R. 4435, as well as other bills, may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the Record in two instances.

Mr. GORSKI of New York asked and was given permission to extend his remarks in the Record and include a resolution.

Mr. BATTLE asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. REDDEN asked and was given permission to extend his remarks in the RECORD.

DR. DAVID J. PRICE

Mr. FENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENTON. Mr. Speaker, on May 16 Secretary of Agriculture Brannan presented a superior service award to Dr. David J. Price, of the Bureau of Agricultural and Industrial Chemistry, for outstanding service to agriculture in the development of methods for the prevention of grain-dust explosions and the prevention of fires on the farms and in the rural communities of the United States.

Dr. Price recently completed 37 consecutive years of Federal service and is a native of Ashland, Pa., which is in the district I have the honor to represent. He has made distinguished contributions in the chemical engineering field and is an internationally recognized authority on the prevention of dust explosions in industrial plants and in grain milling and processing operations.

Dr. Price served as president of the National Fire Protection Association from 1942 to 1944 and has rendered valuable assistance to the firemen of the Nation in the development and application of safety measures for fire-fighting operations.

The award to Dr. Price by the Secretary of Agriculture is a well-deserved recognition of the splendid services rendered by one of the Department of Agriculture's distinguished research scientists.

EXTENSION OF REMARKS

Mr. HALLECK asked and was given permission to extend his remarks in the RECORD and include an editorial from this morning's Washington Post entitled "Saving the Taft-Hartley Act."

Mr. COLE of New York (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include an article by Admiral Halsey.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GOLDEN asked and was given permission to extend his remarks in the RECORD and include a report of the miners' welfare and retirement fund.

Mr. FELLOWS asked and was given permission to extend his remarks in the RECORD and include an editorial.

GERHART EISLER

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FELLOWS. Mr. Speaker, Gerhart Eisler, the convicted criminal, the friend and companion of fraud and per-

jury, ball jumper, stowaway, and fugitive from justice, our No. 1 Communist, and exponent of bloody revolution, appeared at our oldest university by invitation of its authorities to inspire youth in the nobility of human service, the dignity of the individual, the blessedness of Christian sacrifice and living, the brotherhood of man, and the love and glory of God and got paid for it.

I hope the Judiciary Committee will act favorably on H. R. 10, the Hobbs bill.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. FELLOWS. I yield.

Mr. RANKIN. What college was that?

Mr. FELLOWS. Harvard.

The SPEAKER. The time of the gentleman from Maine has expired.

EXTENSION OF REMARKS

Mr. CHURCH asked and was given permission to extend his remarks in the RECORD and include a dedication address by Dr. Scheele at the laying of the cornerstone of Goldblatt Memorial Hospital, Chicago, Ill.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and to include an editorial from this morning's Washington Post.

LEAVE OF ABSENCE

Mr. D'EWART. Mr. Speaker, I ask unanimous consent that I may be granted leave of absence from May 20 to May 27, inclusive, on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

EXTENSION OF REMARKS

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include a resolution, together with his comments with respect to the labor situation in Hawaii.

Mr. HAGEN asked and was granted permission to extend his remarks in the RECORD and include an article concerning Concordia College Choir, of Moorhead, Minn.

Mr. LEONARD W. HALL asked and was granted permission to extend his remarks in the RECORD and include a speech by former Congressman Hamilton Fish.

ADDITIONAL CLERK HIRE FOR CONGRESSMEN

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the morning RECORD states that yesterday the Representative from New Jersey [Mrs. NORTON], chairman of the Committee on House Administration, made the statement that I was reading the paper when she was putting through that \$3,000 additional for Congressmen's secretary-hiring fund.

Now, I try to keep track of what is going on in the House, especially when I am on the floor. I was here, on the House floor and I moved down in front,

but maybe I am like that Hague machine in New Jersey. They tried to keep track of what was going on in New Jersey, but they did not know what was happening election day last Tuesday. I had no way of knowing what the Member was going to bring to the floor. I do not know how she can say I was reading the paper when I am sitting over there and she is standing down here on the left of the Speaker, addressing the Speaker with her back to the House. Does she have eyes in the back of her head? Somebody misinformed the lady and they should not do that. When the Boss Hague political machine in her district and State does not know what is happening to it, she should not blame me if I do not know what she is doing down in the well with her back to the House and mumbling about a bill when all we expect is a privileged resolution.

The SPEAKER. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

SPECIAL ORDER GRANTED

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that today, after the legislative business of the day and any other special orders, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BYRNES]?

There was no objection.

THEODORE ROOSEVELT NATIONAL MEMORIAL PARK

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota [Mr. LEMKE]?

There was no objection.

Mr. LEMKE. Mr. Speaker, on Saturday, June 4, next, the Theodore Roosevelt National Memorial Park will be dedicated at Medora, N. Dak.

On behalf of the Governor of the State of North Dakota, the Greater North Dakota Association, and all the people of the State of North Dakota, I wish to extend to each and every one of you a most hearty invitation and welcome to attend this dedication.

I want to say that I have personally heard Theodore Roosevelt say that but for having lived in North Dakota he never would have been President of these United States. I wish to say to my Democratic friends that you should take note of that, because unless Theodore Roosevelt had become President of the United States, we perhaps never would have heard of Franklin Delano Roosevelt.

So, it is proper for both Republicans and Democrats to join in this dedication, paying tribute to a great American. I sincerely hope to see most of you there on that occasion. You will get a real opportunity to see the best of the West. You will also see a national park that is different from any of the others.

Most of the parks display their beauty and grandeur above the ground. Here, however, you will find it below in a sunken valley that reminds you of a sunken city. It is a different kind of beauty, but

one that I believe will interest you as much, if not more, than that of any other national park.

I again extend to you a most hearty and welcome invitation to attend this dedication.

The SPEAKER. The time of the gentleman from North Dakota has expired.

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum 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. 97]

Beall	Hall,	Plumley
Biemiller	Edwin Arthur	Rooney
Bonner	Hand	Sadowski
Bosone	Hedrick	St. George
Buckley, N. Y.	Heller	Scott, Hardie
Byrne, N. Y.	Hobbs	Scott,
Canfield	Hull	Hugh D., Jr.
Carroll	Irving	Shaffer
Clevenger	Jonas	Smathers
Cotton	Mahon	Smith, Ohio
Crosser	Marcantonio	Smith, Va.
Dawson	Marrow	Smith, Wis.
Dingell	Mitchell	Taylor
Durham	Morrison	Thomas, N. J.
Flood	Murphy	Underwood
Fogarty	Murray, Wis.	Vorys
Furcolo	Passman	White, Idaho
Gamble	Patten	Wood
Gilmer	Patterson	Zablocki
Granger	Pfeifer,	
Gregory	Joseph L.	

The SPEAKER. On this roll call 372 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GEN. LUCIUS D. CLAY

The SPEAKER. The Chair appoints the following Members as a committee to escort General Clay into the Chamber: the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Georgia [Mr. VINSON], and the gentleman from Massachusetts [Mr. MARTIN].

The Chair declares the House in recess at this time, subject to the call of the Chair.

RECESS

Accordingly (at 12 o'clock and 37 minutes p. m.) the House stood in recess, subject to the call of the Chair.

During the recess the following occurred:

Gen. Lucius D. Clay entered the Hall of the House of Representatives at 12 o'clock and 42 minutes p. m., and was escorted to the Speaker's rostrum by the committee appointed for that purpose.

The SPEAKER. Members of the House of Representatives and your guests, it has been my high privilege to present many distinguished guests to this House. I never had more pleasure in my life in presenting anyone than I do in presenting our distinguished guest today. An old friend has come home from his labors, which have been stupendous and great. He has served not only you

and me, but his imprint has been and will be left upon world history.

I present to you a man of the many men I have seen who I think is as able as any man I ever met in the Army or out. It is a high privilege and a distinct pleasure to present to you Gen. Lucius D. Clay. [Applause.]

General CLAY. Mr. Speaker, honorable Members of the House of Representatives, I am honored beyond measure to be here today. The reception which I have received today has made it very difficult for me to express myself. I only knew last night that I was going to have an opportunity to appear here. I have no prepared talk, and I hope that by the sincerity of what I say I may make up for my lack of preparation.

I know that my appearance here today is not a personal tribute; it is a tribute to the men and women who have represented America in Germany and who have been responsible for the carrying out of our American policy. [Applause.] It is meant for the American soldier, and above all, for our gallant airmen who flew the airlift to Berlin under every type of weather, under minimum safety standards; and some, indeed, gave their lives to the success of that effort. [Applause.]

It would be impossible in a few brief moments to report to you on the events of the last 4 years in Germany; I should like to make a few comments: For 2 years we tried desperately to make the four-power government of Germany set up at Yalta and Potsdam, work as an example of international cooperation. We failed, because we found that one of the four powers had but two objectives in Germany: The one of those was to exact the maximum in reparations, and the other was to establish the type and kind of government which could be controlled or at least exploited to the full by a police state. That was not our objective in Germany. Yes; Germany had been an enemy nation, and we had laid down the price that Germany had to pay for having waged aggressive war, but it was expressed in specific terms, and it was to be executed under a rule of law and not a rule of caprice.

We found that the three western occupying powers believing in true democratic principles had to go alone. However, it was not until there had been established by the security pact a feeling of security throughout the world that conditions were finally created in which the three western occupying powers here in Washington, a little over a month ago, agreed to a constructive policy which would give the German people an opportunity to earn their right to return to the comity of nations. The German people have responded, and their parliamentary council has adopted a constitution for western Germany which guarantees not only free, electoral processes and procedures, but also the basic rights of the individual. The Germans have cast their die for a government which stands for the dignity of man as an individual.

It is impossible to forget, and it is difficult to forgive. We all remember that Germany started the aggressive war

which has brought the world to the conditions which we have seen during the past 4 years. One has only to revisit Buchenwald and Dachau to remember the extreme cruelty of the Nazi regime. It is difficult, however, for us living here in this free country to realize the moral deterioration of a people who come under a dictatorship, under a secret police, when one's next-door neighbor may, in deed, be an informer on one's daily activities. A people who have been subject to such a regime cannot be restored to democracy overnight nor by oppression; they can be led back to democracy. Today they need the helping hand of the freedom-loving democratic people of the world.

I saw in Berlin the spirit and soul of a people reborn. Two and one-half million Germans had a second opportunity, and few people in this world have a second opportunity to choose freedom. They had foregone their first opportunity; they did not forego their second opportunity. [Applause.] Men, women, and children in that city took their stand, and they lived through a cold and hard winter with steadfast spirit, and some of that spirit has spread throughout Germany. It may, indeed, be the spirit that lights a flame for freedom in Germany that may grow with the years. It is our only hope to a peaceful and stable Europe that we encourage that flame, and that we try to develop a Germany which sees Germany not alone but as a part of a new European concept devoted to common economic effort and to a common love for freedom. [Applause.]

I could not leave this Chamber without expressing my own appreciation for the friendship and confidence which I have received from that grand and great American who is your Speaker. [Applause, the Members rising.]

At 12 o'clock and 53 minutes p. m., Gen. Lucius D. Clay retired from the Hall of the House of Representatives.

AFTER RECESS

The recess having expired, at 12 o'clock and 55 minutes p. m., the House was called to order by the Speaker.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON EDUCATION AND LABOR

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Education and Labor be permitted to sit during this week while the House is engaged in general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and include in one a radio address.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in five instances and include extraneous matter.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BURNSIDE asked and was given permission to extend his remarks in the RECORD.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD in two instances and include articles.

Mr. BUCKLEY of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Stanislaw Mikolajczyk. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$243.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Buffalo Courier.

Mr. DONOHUE asked and was given permission to extend his remarks in the RECORD.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in three instances and include editorials.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in three instances and include certain excerpts.

Mr. BENNETT of Florida asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. TALLE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include a set of resolutions of the Russell E. Marshall Post of the American Legion.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

GEN. LUCIUS D. CLAY

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, we have just had a visit from a great soldier-statesman, known to and honored by all the world, who has spent the youth of his life in the service of his country, and now

comes home to receive the thanks and the plaudits of the multitude before retiring to private life.

Mr. Speaker, this distinguished American is a native son of Georgia, and Georgia and all Georgians are justly proud of him. With open arms and hearts of love we welcome him back to his native soil.

SPECIAL ORDER VACATED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order I have for today be vacated.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan (at the request of Mr. HALLECK) was given permission to address the House for 10 minutes on Thursday next at the conclusion of the legislative program of the day and following any special orders heretofore entered.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

JOHN F. GALVIN

The Clerk called the bill (H. R. 766) for the relief of John F. Galvin.

Mr. LICHTENWALTER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PEERLESS OIL CO.

The Clerk called the bill (H. R. 656) for the relief of the Peerless Oil Co., of Brooklyn, N. Y.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Peerless Oil Co., Brooklyn, N. Y., the sum of \$2,320.03. Such sum is claimed by such corporation to be equitably due and payable to it by reason of an increase in the price of oil sold by it from April to June 1942 to the Department of War under authority of Office of Price Administration amendments 4 and 10 to Revised Price Schedule No. 88. Such increase was incorporated by subsequent amendment into contract Tps 45255 for the purchase of such oil as aforesaid. The payment of such sum shall be in full settlement of all claims under such contract. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FERD H. GIBLER

The Clerk called the bill (S. 749) for the relief of Ferd H. Gibler.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. LICHTENWALTER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

GEORGE H. WHIKE CONSTRUCTION CO.

The Clerk called the bill (H. R. 4419) for the relief of George H. Whike Construction Co.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

FOREIGN SERVICE OF THE UNITED STATES

The Clerk called the bill (H. R. 4106) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated, and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the following sums of money, which sums represent the value of reasonable and necessary personal property lost by the claimants as a result of war conditions.

Charles Franklin Hawley, \$3,868.24; Clarence J. Spiker, \$12,899.92; Edward E. Rice, \$2,603.20; J. Hall Paxton, \$862.55; Richard P. Butrick, \$864; John K. Caldwell, \$1,754.85; Richard H. Davis, \$275; Waldo Ruess, \$584.85; John H. Bruins, \$5,729.21; Kingsley W. Hamilton, \$535; Harold B. Quarton, \$90; Martin Meadows, \$5,500; Agnes Sholes John, \$1,680; Augustus Ostertag, \$1,896.20; Mary Jane Porter, \$4,367.50; Carlos J. Warner, \$614.50; Emma B. Brooker, \$2,809.55; William L. Smyser, \$4,427.90; Robert M. Winfree, \$380; Sam E. Woods, \$9,895; Edward J. Remy, \$3,068; C. Porter Kuykendall, \$9,516.60; Cavendish W. Cannon, \$2,537; Robert B. Macatee, \$8,476.80; Elma P. Laurvik, \$2,640; Samuel Hamilton Wiley, \$3,451; Douglas MacArthur 2d, \$1,675.50; Harold M. Granata, \$3,600; Erich W. A. Hoffmann, \$1,417.75; Frederick L. Washbourne, \$440; estate of Franklin B. Atwood, \$4,358.70; Gilbert Barreras, \$150; Elizabeth Oxford Plowman, \$1,606; C. Burke Elbrick, \$4,000; Carl Birkeland, \$7,000; Eugenia McQuatters, \$4,000; Edna M. Klath, \$4,900; John F. Mazionis, \$1,471; L. Pittman Springs, \$6,000; Arthur Bliss Lane, \$9,304.95; Irma S. Calnan, \$4,232.50; Edwin J. Paxton, Jr., \$110; Gerald D. Coleman, \$165; Miriam Kaufman, \$500; Shirley R. Wallace, \$1,000; Joseph Savall, \$434.52; Ann Satterthwaite, \$1,000; A. L. Ellison, \$407.05; Arthur S. Alberts, \$1,053; Alice Helen Moore, \$98.90; Thomas Edmund Burke, \$5,000; Harold H. Adams, \$125.50; Renzo Pagin, \$463.79; Walter W. Orebaugh, \$1,275.19; Marian Hannah Winter, \$533.76; Roy E. Foulke, \$329; M. B. Lundgren, \$313.50; Laurence W. Taylor, \$305; Frank E. Phillips, \$466.50; Louis G. Levine, \$591.95; Robert Kleinman, \$351.25; Curtis E. Malsberger, \$500.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEARSON REMEDY CO.

The Clerk called the bill (H. R. 4366) for the relief of Pearson Remedy Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of Pearson Remedy Co., Burlington, N. C., for draw-back, pursuant to section 3250 (1) of the Internal Revenue Code, of tax with respect to distilled spirits used in the manufacture or production of nonbeverage products during the quarter beginning October 1, 1944, and ending December 31, 1944, filed with the Commissioner of Internal Revenue during the month of April 1945, is authorized to be considered and acted upon as if it had been filed within the period of limitations properly applicable thereto. The general manager and secretary and treasurer of the said Pearson Remedy Co., C. M. Houser, was unable on account of illness to file such claim on or before March 31, 1945, the date of the expiration of the period of limitations.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAY G. SCHNEYER AND DOROTHY J. SCHNEYER

The Clerk called the bill (H. R. 4373) for the relief of Ray G. Schneyer and Dorothy J. Schneyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,500 to Ray G. Schneyer; to pay the sum of \$500 to Dorothy G. Schneyer, both of Whittier, Calif., in full settlement of all claims against the United States for personal injuries, hospital and medical expenses, and property damage, and loss of wages sustained as the result of an accident involving a United States Army vehicle on Rosemead Boulevard, Rosemead, Calif., on September 30, 1944: *Provided,* That no part of the amounts appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS A. PICKETT

The Clerk called the bill (S. 392) authorizing the issuance of a patent in fee to Thomas A. Pickett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That upon application in writing, the Secretary of the Interior is authorized and directed to issue to Thomas A. Pickett, of Berkeley, Calif., a patent in fee to the following-described allotted lands situated in the State of Montana: (1) Lots 9 and 10 of section 3, the east half of section 10, the east half of the northeast quarter, and the east half of the west half of the northeast quarter of section 15, township 2 south, range 30 east, Montana principal meridian, and (2) the southwest quarter of the southeast quarter of section 12, and the south half of the southwest quarter of section 14, township 6 south, range 31 east, Montana principal meridian.

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.

GEORGE PETERS

The Clerk called the bill (S. 716) authorizing the Secretary of the Interior to sell the land of George Peters under existing regulations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That upon the filing of a written application by George Peters, Crow Indian allottee No. 1292, the Secretary of the Interior is hereby authorized to sell to a Crow Indian, under existing regulations, the homestead and other land of said George Peters, described as all of section 20; the north half of the north half; the north half of the north half of the south half of the north half of section 29, township 4 south, range 37 east, Montana principal meridian, containing 840 acres, the status of such land with respect to taxability to remain unchanged.

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.

LULU TWO SPEARS IRON BIRD

The Clerk called the bill (H. R. 3616) authorizing the issuance of a patent in fee to Lulu Two Spears Iron Bird.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Lulu Two Spears Iron Bird, of Cheyenne Agency, S. Dak., a patent in fee to the following-described land situated on the Cheyenne River Indian Reservation in the State of South Dakota: Allotment numbered 254, east half of the southwest quarter, lots 3 and 4, section 7, township 17 north, range 28 east, of the Black Hills principal meridian, South Dakota, containing one hundred and fifty-seven and six one-hundredths acres.

With the following committee amendment:

Page 1, line 11: Add the following: "*Provided,* That when the land herein described is offered for sale, the Cheyenne Tribe, or any Indian who is a member of said tribe, shall have 30 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEANETTE PEARL BURNS

The Clerk called the bill (H. R. 3886) authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Jeanette Pearl Burns, of Hardin, Mont., a patent in fee to the following-described lands allotted to her on the Crow Indian Reservation, Mont.: Lots 1, 2 and 3 and the south half of the south half of section 5, township 6 south, range 38 east, Montana principal meridian, containing two hundred and ninety-nine and nine one-hundredth acres more or less.

With the following committee amendment:

Page 1, line 10, add the following proviso: "*Provided,* That when the land herein described is offered for sale, the Crow Tribe, or any Indian who is a member of said tribe, shall have 6 months in which to exercise preferential rights to purchase said tract of land, at a price offered to the seller by a prospective buyer willing and able to purchase."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION
OVERPAYMENTS

The Clerk called the bill (S. 633) to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the employees responsible for the excess or erroneous payments represented by the sums herein stated be, and they are hereby, relieved of financial liability therefor and the Comptroller General is authorized and directed to take action to grant the said relief: *Provided,* That this act shall not be construed to bar recovery of the amounts herein specified from the persons to whom and through whom such amounts have been paid:

First: H. H. Milks, certifying officer at Veterans' Administration, Washington, D. C., in the sum of \$19.36, which amount was expended in August 1944, under symbol 11559.

Second: G. O. Haynes, certifying officer at Veterans' Administration, Washington, D. C., in the sum of \$7.58, which amount was expended in September 1943, under symbol 11559.

Third: M. Meyers, certifying officer at Veterans' Administration, Washington, D. C., in the sum of \$10.50, which amount was expended in January 1943, under symbol 11561.

Fourth: H. L. McCoy, certifying officer at Veterans' Administration, Washington, D. C., in the sum of \$5.27, which amount was expended in October 1944, under symbol 100-3225.

Fifth: D. M. Wolfe, certifying officer at Veterans' Administration, Washington, D. C., in the sum of \$20.47, which amount was expended in February 1946, under symbol 200-3225.

Sixth: C. J. Reichert, certifying officer at Veterans' Administration, New York branch of central office, in the sum of \$98.39, which amount was expended from January 1, through October 31, 1943, under symbol 11564.

Seventh: M. E. Head, certifying officer at Veterans' Administration, Lyons, N. J., in the sum of \$32.25, which amount was expended in September 1942, under symbol 11564.

Eighth: John H. Ale, certifying officer at Veterans' Administration, Dayton, Ohio, in the sum of \$26.56, which amount was expended in November 1943 and September 1944, under symbols 11568 and 104-3225.

Ninth: Eugene H. Dibble, Jr., certifying officer at Veterans' Administration, Tuskegee, Ala., in the sum of \$51.64, which amount was expended from June 1 through August 31, 1942, and in June 1943, under symbol 11569.

Tenth: R. D. Beer, certifying officer at Veterans' Administration, Hines, Ill., in the sum of \$14.37, which amount was expended in December 1943, under symbol 11571.

Eleventh: Guy F. Palmer, certifying officer at Veterans' Administration, Dearborn, Mich.,

in the sum of \$53.48, which amount was expended in May 1942, October 1942, and July 1943, under symbol 11571.

Twelfth: W. A. Birmingham, certifying officer at Veterans' Administration, Batavia, N. Y., in the sum of \$56.50, which amount was expended from April 1 through July 31, 1942, under symbol 11564.

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.

C. A. RAGLAND, SR.

The Clerk called the joint resolution (S. J. Res. 18) for the relief of the First-Citizens Bank & Trust Co., administrator of the estate of C. A. Ragland, Sr.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas a bill (S. 961) entitled "A bill for the relief of C. A. Ragland, Sr.," was introduced in the Senate on April 6, 1943, providing for the payment of the sum of \$61,198.18 to C. A. Ragland, Sr., in full satisfaction of his claim against the United States for work done by him under two contracts Nos. 1-IP-5554 and 1-IP-5688, dated, respectively, December 14, 1935, and February 17, 1936, on projects 1T1 and 2E2, Shenandoah-Great Smoky Mountains Parkway; and

Whereas on March 9, 1944, such bill was referred, pursuant to section 151 of the Judicial Code, to the Court of Claims by Senate Resolution 256, which directed the court to proceed in accordance with such section and report to the Senate, irrespective of any statute of limitations or any administrative requirement or contractual provision relative to notice of protest as to filing claim therefor, giving such findings of fact and conclusions thereon as shall be sufficient to inform Congress of the nature of the claim, legal or equitable, of the said C. A. Ragland against the United States, and the amount, if any, legally or equitably due from the United States to the claimant; and

Whereas the Court of Claims has considered such claim pursuant to such resolution and has certified on March 2, 1948, to the Senate its findings of fact, conclusions thereon, and its opinion on the several items of such claim: Therefore be it

Resolved, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the First-Citizens Bank & Trust Co., of Raleigh, N. C., as administrator of the estate of C. A. Ragland, Sr., deceased, (1) the sum of \$9,860.35, the amount to which the Court of Claims found the said First-Citizens Bank & Trust Co. entitled, the payment of such sum being in full satisfaction of the claim of the said First-Citizens Bank & Trust Co. against the United States for compensation for work performed by the late C. A. Ragland, Sr., under contracts Nos. 1-IP-5554 and 1-IP-5688, on projects 1T1 and 2E2, Shenandoah-Great Smoky Mountains Parkway.

The joint resolution 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.

MRS. OTEIN FOXWORTH

The Clerk called the bill (H. R. 703) conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Otein Foxworth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of

South Carolina to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim of Mrs. Otein Foxworth, of Marion, S. C., against the United States for damages arising from the alleged death of her husband, Cecil Foxworth, on April 10, 1944, sustained as a result of personal injuries on September 11, 1936, while in a performance of his duties as an employee of the Bureau of Internal Revenue. Such suit shall be instituted within 1 year from the date of enactment of this act.

With the following committee amendment:

Page 2, line 5, after the period insert "*Provided*, That the United States shall be entitled to the benefits of all exemptions and all limitations of liability accorded by law to private parties."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLORENCE BRYANT PETERS AND
E. B. PETERS

The Clerk called the bill (H. R. 1173) for the relief of Florence Bryant Peters and E. B. Peters.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Florence Bryant Peters and E. B. Peters, of Savannah, Ga., the sum of \$420. The payment of such sum shall be in full settlement of all claims of the said Florence Bryant Peters and E. B. Peters against the United States for losses sustained as the result of the failure of the War Department to carry out its plans to lease certain property owned by the said Florence Bryant Peters and E. B. Peters and located at 310 Drayton Street, Savannah, Ga. A lease providing for the rental of such property by the United States at the rate of \$420 per annum was signed on November 3, 1944, by the said Florence Bryant Peters and E. B. Peters. On October 4, 1945, the War Department returned such lease unsigned by any representative of the United States, although the War Department had had the use of such property since November 3, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES F. DELAHANTY

The Clerk called the bill (H. R. 1470) for the relief of the estate of James F. Delahanty, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, to the estate of James F. Delahanty, deceased, of Boston, Mass., in full settlement of all claims against the United

States as compensation for the death of the said James F. Delahanty, who was killed as a result of an accident involving a United States Army vehicle near Possuoli, Italy, on May 28, 1945. Said claim not coming within the purview of the Federal Tort Claims Act of 1946 because the accident occurred in a foreign country: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 10, strike out "Possuoli" and insert "Pozzuoli."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. THELMA LEE RYNAARD

The Clerk called the bill (H. R. 1496) for the relief of Mrs. Thelma Lee Rynaard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Thelma Lee Rynaard (formerly Thelma Lee Orwig), of Martinez, Calif., the sum of \$25,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Thelma Lee Rynaard against the United States for personal injuries, medical and hospital expenses, and loss of earnings incurred by her as the result of having fallen, on July 4, 1942, from a bridge on the Larch Mountain Trail, Multnomah County, Oreg., under the jurisdiction of the Forest Service of the Department of Agriculture, such fall having been caused by the collapse of a guard rail of such bridge: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 7, strike out "\$25,000," and insert in lieu thereof "\$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ST. ELIZABETH HOSPITAL, YAKIMA, WASH.

The Clerk called the bill (H. R. 1619) for the relief of St. Elizabeth Hospital, Yakima, Wash., and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to St. Elizabeth Hos-

pital, Yakima, Wash., the sum of \$1,085.50; Hopkins Mortuary, Toppenish, Wash., \$8; Dr. Guy Marcy, Seattle, Wash., \$250; Dr. Thomas Angland, Yakima, Wash., \$100; Emily Pursell, Yakima, Wash., \$15; and Brown's Pharmacy, Toppenish, Wash., \$1.52; a total of \$1,460.02. The payment of such sums shall be in full settlement of all claims of the said claimants against the United States for reimbursement for hospital and other services rendered pursuant to authorization by the Yakima Indian Agency to James Whitebull, a Canadian Indian: *Provided*, That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT E. BRIDGE AND LESLIE E. ENSIGN

The Clerk called the bill (H. R. 1620) for the relief of Robert E. Bridge and Leslie E. Ensign.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert E. Bridge, of Hamilton, Wash., the sum of \$308.08, and to Leslie E. Ensign, of Hamilton, Wash., the sum of \$272.56. The payment of such sums shall be in full settlement of all claims of the said Robert E. Bridge and the said Leslie E. Ensign against the United States for reimbursement for property lost when the boat they were using in the course of their duties as employees of the Fish and Wildlife Service capsized in Alaska on August 22, 1947, without fault on their part: *Provided*, That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS M. BATES

The Clerk called the bill (H. R. 1676) for the relief of Thomas M. Bates.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 to Thomas M. Bates, of Miami, Fla., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and other losses sustained as result of being injured in a collision between a freight train of the Seaboard Air Line Railway Co. and a trailer attached to a United States Navy vehicle, at the intersection of Northwest One Hundred and Sixty-seventh Street, on

the tracks of the said Seaboard Air Line Railway Co., in Dade County, Fla., on January 19, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 1 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, strike out "\$15,000" and insert "\$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICERS AND EMPLOYEES OF UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINE ISLANDS

The Clerk called the bill (H. R. 2759) for the relief of certain officers and employees of the Office of United States High Commissioner to the Philippine Islands who suffered losses of personal property by reason of war conditions.

The SPEAKER pro tempore (Mr. MILLS). Is there objection to the present consideration of the bill?

There was no objection.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that S. 1152 be substituted for the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the following sums of money to the following-named officers and employees of the Office of United States High Commissioner to the Philippine Islands, which sums represent the value of reasonable and necessary personal property lost by them, while in the course of their respective duties, as a result of war conditions:

Helen Burke, \$4,779.16; Claude Buss, \$3,355; Donald L. Cochran, \$1,558; William H. Cropper, \$117.50; Gordon W. Ellis, \$3,119.82; Elise Flahavan, \$1,268; Charles W. Franks, \$5,582.50; George O. Gray, \$445; Bertha T. Greusel, \$834; Grace Jurgensen, \$392.50; Ruth P. Lovell, \$1,217; Edward L. Mack, \$540; James Moses, \$3,335.97; Anna Belle Newcomb, \$790; Frederick H. Noble, \$700.50; Margaret Pierce, \$265; Mona Raymond, \$852; Ervin C. Ross, \$3,086; Francis B. Sayre, \$2,037; William J. Stumpf, Jr., \$1,251; Woodbury Willoughby, \$2,434; James D. Wilson, \$1,045; Mrs. Marie F. Wolf, \$1,070.

SEC. 2. If any of the beneficiaries under this act shall have died before the payment herein provided for is made, said payment shall be made to the estate of such beneficiary.

SEC. 3. The acceptance of any payment herein authorized shall constitute a complete discharge of the United States of all claims and demands touching any of the matters involved in section 1 of this act.

SEC. 4. That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or

received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. TRIMBLE. Mr. Speaker, I offer an amendment to the Senate bill.

The Clerk read as follows:

Amendment offered by Mr. TRIMBLE: Page 2, line 12, after the figure "\$2,434", strike out "James" and insert in lieu thereof "Janet."

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.

A similar House bill (H. R. 2759) was laid on the table.

IGNACIO COLON CRUZ

The Clerk called the bill (H. R. 3320) for the relief of Ignacio Colon Cruz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to Ignacio Colon Cruz, who was injured on October 17, 1941, by a United States Army truck in Road No. 4, kilometer 0, Guayama, Puerto Rico. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, strike out "\$5,000" and insert "\$3,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLORIA ESTHER DIAZ

The Clerk called the bill (H. R. 3321) for the relief of Gloria Esther Diaz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,000, to Gloria Esther Diaz, who was injured on June 11, 1944, when a United States Army truck overturned on Insular Highway No. 25 between Cataño and Santurce, Puerto Rico. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this

act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out "\$2,000" and insert "\$300."

Page 1, line 6, strike all of lines 6, 7, 8, 9, and 10 and insert "\$1,000 to Lydia Velez, and the sum of \$5,000 to Gladys Prieto, all of Puerto Rico, in full settlement of all claims against the United States for personal injuries sustained as a result of an accident involving an Army vehicle on Insular Highway No. 25, between Cataño and Santurce, Puerto Rico, on June 11, 1944."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto."

A motion to reconsider was laid on the table.

MRS. SARAH J. MILLER

The Clerk called the bill (H. R. 3471) for the relief of Mrs. Sarah J. Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim or claims for payment of the amount due the estate of Marion Miller, private, first class, Army of the United States, deceased, incident to his service in the Canadian Army which amount was paid to the United States by the Government of the Dominion of Canada, February 27, 1943, for his credit but which was erroneously paid by a United States finance officer to another individual of a similar name, and to allow in full and final settlement of the claim or claims not to exceed \$59.58. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$59.58, or so much thereof as may be necessary, for the payment of such claim or claims.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERWIN F. EARL

The Clerk called the bill (H. R. 3720) for the relief of Erwin F. Earl.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Erwin F. Earl, of Honolulu, T. H., the sum of \$10,509.21, in full settlement of all claims against the United States on account of the total loss on December 19, 1941, of his 12-ton sampan, *Eldora*, Federal Serial No. 32-B-534, which he suffered as a result of the activities of the armed forces of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$10,509.21" and insert "\$9,067.42."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVER READY SUPPLY CO. AND HAROLD A. DAHLBORG

The Clerk called the bill (H. R. 4307) for the relief of Ever Ready Supply Co. and Harold A. Dahlborg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$210 to Ever Ready Supply Co., and to pay the sum of \$57.60 to Harold A. Dahlborg, of Brockton, Mass., in full settlement of all claims against the United States for property damage, personal injuries, and loss of wages sustained as a result of an accident involving a United States Army ambulance, at the intersection of Washington and Main Streets, North Easton, Mass., on July 16, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENTS TO CERTAIN LANDS FOR V. LEBLANC AND C. RICCARD

The Clerk called the bill (H. R. 2588) to direct the Secretary of the Interior to issue patents for certain lands to V. LeBlanc and C. Riccard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to issue—

(1) To V. LeBlanc, a patent for section 44, township 6 south, range 12 east, containing seventy-eight and fifty-five one-hundredths acres, situated in the parish of West Baton Rouge, State of Louisiana, Southeastern Land District of Louisiana, Louisiana meridian; and

(2) To C. Riccard, a patent for section 45, township 6 south, range 12 east, containing forty-eight and eighty-eight one-hundredths acres, situated in the parish of West Baton Rouge, State of Louisiana, Southeastern Land District of Louisiana, Louisiana meridian.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That there is hereby confirmed—"

"(1) To V. LeBlanc, title to section 44, township 6 south, range 12 east, containing seventy-eight and sixty-six one-hundredths acres, situated in the parish of West Baton Rouge, State of Louisiana, Southeastern Land District of Louisiana, Louisiana meridian; and

"(2) To C. Riccard, title to section 45, township 6 south, range 12 east, containing forty-eight and eighty-eight one-hundredths acres, situated in the parish of West Baton Rouge, State of Louisiana, Southeastern Land District of Louisiana, Louisiana meridian."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to confirm title in V. LeBlanc and C. Riccard to certain lands in West Baton Rouge Parish, La."

A motion to reconsider was laid on the table.

SADAKO TAKAGI

The Clerk called the bill (H. R. 623) for the relief of Sadako Takagi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding any provision of law excluding persons of certain races from admission to the United States for permanent residence, the alien Sadako Takagi, of Kyoto, Japan, shall be admitted to the United States for permanent residence, if she is otherwise admissible under the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in the administration of the immigration and naturalization laws the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Sadako Takagi of Kyoto, Japan, fiancée of Lt. William M. Marutani, of Chicago, Ill., presently a tubercular patient at the Veterans' Administration Hospital in Waukesha, Wis., and a retired United States Army officer of World War II, and that if otherwise admissible under the immigration laws she shall be granted admission to the United States for permanent residence upon application hereafter filed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOY C. WONG

The Clerk called the bill (H. R. 1042) for the relief of Hoy C. Wong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of law to the contrary, the alien Hoy C. Wong, who served in the military forces of the United States, shall be held and considered to have been lawfully admitted to the United States for permanent residence and shall be permitted to become a naturalized citizen of the United States without complying with any other provision of the naturalization laws by taking before any naturalization court the naturalization oath required by law to be taken in open court, before admission to citizenship, by persons who have petitioned for naturalization.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in

the administration of the immigration and naturalization laws, the alien Hoy C. Wong, who served in the military forces of the United States, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of November 14, 1946, the date on which he last entered the United States as a temporary visitor.

"Sec. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Chinese persons of the first year that such quota number is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. WLODZIMIERZ ONACEWICZ

The Clerk called the bill (H. R. 2349) for the relief of Col. Wlodzimierz Onacewicz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) in the administration of the immigration and naturalization laws Wlodzimierz Onacewicz, colonel, Polish Army, retired, who was awarded by the President of the United States the Legion of Merit, degree of officer, shall be deemed to have been lawfully admitted to the United States for permanent residence as of April 29, 1941, the date on which he was admitted to the United States as the military attaché of the Polish Embassy.

(b) The said Wlodzimierz Onacewicz may be naturalized upon compliance with all the requirements of the naturalization laws, except that no declaration of intention shall be required.

With the following committee amendments:

On page 1, line 3, after the word "That", strike out "(a)."

On page 1 strike out line 11, and on page 2 strike out lines 1, 2, and 3, inclusive.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DENISE SIMEON BOUTANT

The Clerk called the bill (H. R. 2850) for the relief of Denise Simeon Boutant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of law excluding persons of races, ineligible to citizenship from admission to the United States, Denise Simeon Boutant, now Denise Simeon Boutant Peterson, who is the legal wife of William S. Peterson, a United States citizen, may be admitted to the United States for permanent residence upon meeting all the other requirements of the immigration laws.

Sec. 2. The Secretary of State is hereby authorized and directed to instruct the proper quota control or other proper officer to issue for Denise Simeon Boutant Peterson, one quota immigration visa of the quota for persons born in Japan.

With the following committee amendment:

Page 1, line 2, strike out section 2 of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAN LIGA

The Clerk called the bill (H. R. 4186) for the relief of Jan Liga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 165.3 (a) (3) (ii), title 8, Code of Federal Regulations, the alien Jan Liga who arrived at the port of New York, N. Y., on January 24, 1949, with a nonquota immigration visa issued under section 4 (a) of the Immigration Act of 1924, as amended, shall be admitted for permanent residence in the United States.

With the following committee amendment:

Page 1, line 3, after the word "That" strike out the balance of line 3 and all of line 4 to the word "the."

Page 1, add a new section to read as follows: "Sec. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Czechoslovakia for the first year that such quota number is available."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CENTRAL BANK, ASSIGNEE OF JOHN C. WILLIAMS

The Clerk called the bill (H. R. 1009) for the relief of the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Navy Department be, and is hereby, authorized and directed to receive, consider, and pay the claims of Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, California, arising under Navy Department, Bureau of Ships contract NOBs 10824, amounting to \$30,644.39, by reason of claimant's failure to comply with the provisions of article 5 (b) of said contract: *Provided,* That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 3, strike all after the enacting clause down to the colon in line 1, page 2, and insert in lieu thereof "That the Navy Department be, and is hereby, authorized to waive compliance by the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif., with the requirement of article 5 (b) of the Navy

Department, Bureau of Ships contract NOBs-10824 that estimates of the cost of performing change orders be submitted within 10 days of the receipt of such orders or within such further time as the naval inspector may allow in writing within said 10-day period."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALVIN G. PATTON

The Clerk called the bill (H. R. 1297) for the relief of Alvin G. Patton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alvin G. Patton, Los Angeles, Calif., the sum of \$221.13. Such sum represents payment for 189 hours of accumulated annual leave earned by the said Alvin G. Patton while employed under contract N244s-37735, dated September 1, 1943, in the district security office, headquarters, Eleventh Naval District, San Diego, Calif., for the period beginning September 1, 1943, and ending June 30, 1944. Funds were not available after June 30, 1944, to renew such contract, and, therefore, the services of the said Alvin G. Patton were terminated without an opportunity for him to take such accumulated leave.

With the following committee amendment:

At the end of bill add "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR HOLBERT ET AL.

The Clerk called the bill (H. R. 3138) for the relief of Arthur Holbert; the estate of Ernest L. Gass, deceased; and the estate of James L. Thomas, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to Arthur Holbert, of Jefferson County, Tenn.; the sum of \$10,000 to the estate of Ernest L. Gass, deceased, late of Jefferson County, Tenn.; and the sum of \$10,000 to the estate of James L. Thomas, deceased, late of Jefferson County, Tenn., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained by the said Arthur Holbert and Ernest L. Gass, and for the death of James L. Thomas sustained as a result of being shot by M. H. Rogers and A. E. Leake, investigators, Alcohol Tax Unit, Internal Revenue Department, in the foothills of English Mountains, Jefferson County, Tenn., on April 11, 1946: *Provided,* That no part of any sum appropriated in this act in excess of 10 percent thereof shall be paid or

delivered to or received by any agent or attorney on account of services rendered in connection with the claim satisfied by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 5, strike out "\$10,000" and insert "\$8,396."

Page 1, line 6, strike out "\$10,000" and insert "\$2,617.60."

Page 1, line 8, strike out "\$10,000" and insert "\$7,500."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS BROWN

The Clerk called the bill (H. R. 4559) for the relief of Louis Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 to Louis Brown, of Steelton, Pa., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of earnings sustained as a result of an accident involving a United States Army vehicle at Nome, Tex., on August 12, 1940: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof, shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORREN J. LUCHT

The Clerk called the bill (H. R. 2252) for the relief of Orren J. Lucht.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

Mr. WALTER. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. DOLLIVER and Mr. LICHTEN-WALTER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

JACOB GROSS, A MINOR

The Clerk called the bill (H. R. 3127) to authorize the admission into the United States of Jacob Gross, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of State be, and he is hereby, authorized to

instruct the proper United States consular officer in Paris, France, to issue an immigration visa to Jacob Gross, a minor orphaned grandchild of Rabbi Solomon Horowitz, of New York, N. Y.: *Provided,* That the child is otherwise eligible for immigration into the United States.

Sec. 2. Upon the issuance of a visa to the said Jacob Gross, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Rumania for the first year that such quota number is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SALE OF CERTAIN LAND IN ALASKA TO FORD J. DALE, OF FAIRBANKS, ALASKA

The Clerk called the bill (H. R. 1790) to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Ford J. Dale of Fairbanks, Alaska, is hereby authorized, for a period of one year from and after the effective date of this act, to apply for the purchase of, and the Secretary of the Interior is hereby authorized and directed to restore to the public domain and convey to Ford J. Dale for trade and manufacturing purposes the following-described land situated in Alaska:

Beginning at post No. 1, which is located on the west right-of-way line of the Richardson Highway, approximately two one-hundredths mile north of post 183; thence northerly along said right-of-way line, a distance of approximately six hundred feet to post numbered 2; thence westerly at right angles approximately two hundred feet to post numbered 3, which is located on the east shore of Paxon Lake; thence southerly along the shore of the lake approximately six hundred and fifty feet to post numbered 4; thence due east a distance of approximately two hundred feet to post numbered 1 and point of beginning, said tract to embrace approximately five acres located in approximate latitude 62 degrees 50 feet north and longitude 145 degrees 30 feet west.

Sec. 2. That the conveyance shall be made upon the payment by said Ford J. Dale for the land at its reasonable appraised price of not less than \$1.25 per acre, to be fixed by the Secretary of the Interior: *Provided,* That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public land laws: *Provided further,* That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under regulations to be prescribed by the Secretary of the Interior.

With the following committee amendments:

Page 2, line 12, after the word "west", insert "*Provided,* That the cost of any survey necessary to the issuance of patent shall be paid by Ford J. Dale prior to the commencement of such survey."

Page 2, line 24, after the word "under", insert "applicable laws and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ISSUE A PATENT IN FEE TO L. J. HAND

The Clerk called the bill (H. R. 4261) authorizing the Secretary of the Interior to issue to L. J. Hand a patent in fee to certain lands in the State of Mississippi.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER. That completes the call of bills on the Private Calendar.

REORGANIZATION OF GOVERNMENT AGENCIES

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. DAWSON, HOLLIFIELD, McCORMACK, HOFFMAN of Michigan, and RICH.

ASSISTING STATES IN COLLECTING SALES AND USE TAXES ON CIGARETTES

Mr. SABATH. Mr. Speaker, I call up House Resolution 190 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 195) to assist States in collecting sales and use taxes on cigarettes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule makes in order the consideration of the bill H. R. 195, reported unanimously, I understand, from the Committee on Ways and Means. It is the so-called cigarette bill. The House passed a similar bill in the last Congress, but unfortunately it did not pass in the other body.

The purpose of this bill is to assist the States in collecting State-imposed sales and use taxes on cigarettes. The bill provides that—

Any person selling or disposing of cigarettes in interstate commerce whereby such cigarettes are shipped to other than a distributor licensed by or located in a State taxing the sale or use of cigarettes shall, not later than the 10th day of each month, for-

ward to the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every such shipment of cigarettes made during the previous calendar month into said State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

Mr. Speaker, there is a general demand for this legislation, because there are several States that have no tax on cigarettes, and the mail-order houses find it profitable to send great quantities of cigarettes into those States. The dealers in those States resell them indirectly via mail and on the "q. t." basis without in any way paying a tax thereon. The States lose a great deal of revenue and so does the Federal Government. Consequently, there is a general demand for this legislation, as I said before.

The bill will be taken up under the general rules of the House. This is an open rule, and it provides for 2 hours of general debate.

I do not believe it is necessary for me to say anything more about the bill because I know it will be fully explained by the gentlemen representing the Committee on Ways and Means and also the gentleman who originally introduced the bill.

Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use, and ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Illinois has explained, House Resolution 190 makes in order, with 2 hours of general debate, the consideration of H. R. 195, a bill introduced by the gentleman from Ohio [Mr. JENKINS], which was reported unanimously from the Committee on Ways and Means. It is for the purpose of assisting the States in collecting sales and use taxes on cigarettes.

This is a very meritorious measure, and one in which there is a widespread national interest.

Mr. SABATH. Mr. Speaker, I yield 10 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Speaker, I am opposed to this bill. I firmly believe that it is bad in principle and that it is not the kind of legislation to which this Congress should direct itself. For the first time in history this Congress is being approached by the States with a confession by those States that they cannot deal with their own citizens. The great State of Ohio has come here, according to the gentleman who introduced this bill, and said, "Our citizens will not obey our cigarette-tax law as we construe it. We need the help of the Federal Government to compel interstate shippers to tell us who these citizens are. We wish the Federal Government to force the shippers to act as revenue agents of our State so that

we may be informed of which of our citizens has chosen to buy in the interstate market rather than the local market, and then we wish to attempt to collect taxes from those persons." It seems to me that this is a violation of the entire principle of Federal-State relationship. State taxation has been regarded by the States as solely their own business and of no concern of the Federal Government whatever. I am sure that the States would resent Federal interference and instruction as to what type of tax structure they must have. Yet, here we have the spectacle of the States asking the Congress to help enforce their tax laws. Of course, what we are being asked to do today is to say that we approve of the State sales taxes and use taxes on cigarettes and that we will lend the aid of this Congress and the executive branch of the Federal Government to help collect those taxes. We are being asked to make available the services of Federal district attorneys to prosecute violations of this law and of the FBI to prepare cases for trial. I, for one, am unwilling to do this. I believe Congress should not be asked to pass judgment on the tax structure of the various States of the Union. It should not be asked either to say that it approves of the tax structure of the State of Ohio or that it disapproves of it. It should not be asked to interfere with that tax structure in any way, either to hinder or to help. However, if we are to pass on that subject—and I cannot see what else is proposed here—I cannot approve of the State cigarette taxes. They are sales and excise taxes on necessities, and I am opposed to those taxes. I was elected on the platform of my party, which states that it is opposed to sales taxes. I believe in that platform, and I will not knowingly do anything to aid in furthering the spread of such taxes. They impose a disproportionate burden on the poor. The present bill, if passed and effective in accomplishing the objectives of its supporters, will make it impossible for the workingman in tax States to escape the consequences of local high taxes, or of local so-called fair-trade laws, which make him pay more for cigarettes, which to him are a necessity of life. That cigarettes are a necessity to smokers cannot be doubted. We spent millions getting them to our armed forces and they are part of Marshall-plan aid.

I have before me a copy of the magazine the Tobacco Leaf which is a vigorous supporter of this Jenkins bill. It has in its issue of May 7 an editorial called Sharpshooters on the March, headlined "They are making a determined and methodical fight against every form of law that makes price cutting difficult." The editorial is equally divided between support of the Jenkins bill and the so-called fair-trade laws on cigarettes in the States. I quote from the editorial:

Now the Miller-Tydings law, the fair-trade practice laws, the unfair-trade practice laws, and the Jenkins bill have but one thing in common; all of them are intended to make price cutting more difficult.

Gentlemen, I am not interested in making price cutting more difficult. I believe in the way of free competition.

I believe it will result in cheaper products for consumers. It will increase the real income of the American people. I do not believe in artificial restraints designed to keep prices high and to prevent the lowering of prices. Accordingly, the whole purpose of this bill is one which runs counter to the entire philosophy in which I believe. I am opposed to sales taxes on necessities. I am opposed to high prices on necessities of life and I am opposed to the Federal Government interfering in the tax structure of the States.

Furthermore, if I am to be asked and compelled to consider the tax structure of my neighboring State, the great State of Ohio, I may ask, Why it is that that State which is so eager to have the Federal Government assume part of its own burdens of tax collections, does not adopt a form of taxation which is not so easily avoided? Since the suggestions of the Congress have been invited by the Jenkins bill, I believe it is appropriate to suggest the State of Ohio should adopt a graduated income tax which it has not seen fit to do rather than this inequitable sales tax which singles out a necessity of life and imposes heavy taxation upon it. It is generally conceded by tax experts that an income tax is to be much preferred to a sales tax. I would have thought that this was a matter upon which the State of Ohio, for example, was entitled to do whatever it saw fit without comment by me or by any other Member of this body. However, that State has sent its tax commissioner here to ask the aid of the Congress and voluntarily submitted to this Congress the question of whether the Federal Government should aid the State of Ohio to collect this tax or whether the State of Ohio should be limited to its own devices. I say let the State of Ohio collect or not collect the present tax or seek other means of taxation which do not require the aid of the Federal Government. I will not do anything to increase the burden of taxation by way of a sales tax on necessities except in a case of absolute necessity. No such necessity is shown here.

In addition, the bill before us is not only a precedent shattering bill, it is one as to whose constitutionality there is substantial doubt. I have in my possession a brief filed before the Ways and Means Committee of the House by Judge Thurman Arnold, former judge of the United States Court of Appeals for the District of Columbia. We in West Virginia know him well. He was at one time dean of our law school at the University of West Virginia. Judge Arnold's brief points out with citation of specific cases that the Jenkins bill proposes to aid the States in collecting sales and use taxes which they are prohibited from collecting under the Constitution. His brief cites specific examples of State laws which it is unconstitutional to apply to interstate shipments. I have read the report of the committee and I do not see any answer to these arguments or, indeed, any treatment of them except a simple statement of the committee's conclusion that the bill is constitutional. I believe it would have been helpful to

this body to have a more detailed analysis of the specific charges made in that brief. For example, the brief states that the cigarette tax of the State of Illinois has been held unconstitutional as applied to interstate shipments to people who buy for consumption. It states further that under the Jenkins bill a shipper into the State of Illinois would still have to send to the tax commissioner of Illinois an invoice on every customer to whom he sent cigarettes in the State of Illinois. If this is so, it seems clear to me that it is imposing a very heavy burden on the shipper and giving absolutely no aid whatsoever to the State of Illinois. I would like to know from the supporters of the bill whether that is the kind of thing we are being asked to do. I would also like to know whether it is not true that most of the cigarette-tax laws require a license before any purchase is made in interstate commerce and I would like to ask whether such a requirement of a license is not in violation of the commerce clause and is not a restriction on free trade among the several States which the commerce clause was intended to protect and foster.

Also, I note in the hearings on this bill that the proponents of the bill agree that the principle of the bill is equally applicable to every kind of commodity and is not limited merely to cigarettes. Under the circumstances it seems clear to me that once this bill is enacted we will be faced with a drive to strike out the word "cigarette" and to insert "any commodity." This bill seems to me to be the opening wedge in a drive to stifle interstate commerce in a welter of restrictions based on local taxation of interstate traffic.

I also note in examining the hearings that there is no comment from the Post Office Department whose revenues might be affected; from the Department of Justice or from the Treasury Department. I assume that the Treasury Department and the Justice Department have by now answered the request of the committee for comments and I respectfully suggest that those comments should now be made available to the membership of the House. I have the greatest respect for the members of the Ways and Means Committee but I suggest that in this instance they have acted somewhat hastily without having before them the comments of the Government departments involved and without having an analysis of the State laws which the Congress is being asked to help the States enforce. I respectfully suggest that the matter be referred back to the committee for it to give this situation the attention which such a substantial departure from precedent requires. I suggest that the legal and constitutional arguments which have been raised be subjected to careful analysis.

One other thing which deserves notice is the loose use of estimates. Tax commissioners appeared and estimated that their States were losing substantial sums of money as a result of the interstate traffic in cigarettes by mail to consumers. The report of the committee states that a fair estimate of the loss is \$40,000,000 annually. I have examined some figures

which are matters of official record. During the past year approximately 1,700,000,000 cartons of cigarettes were moved into domestic consumption. The 39 tax States accounted according to their own published figures for about 1,350,000,000 cartons. On the same basis ordinary local consumption in the 9 nontax States would account for another 270,000,000 cartons even assuming—contrary to fact—that the consumption in a nontax State is as low in a tax State. Territories and reservations and armed forces and VA hospitals which are not subject to tax, would account for another 70-odd million cartons. Thus by the roughest sort of figuring it is clear that the maximum interstate shipment would not exceed 20,000,000 cartons which even at a 3-cent average tax would equal \$6,000,000. In fact, experience shows that more cigarettes are carried in interstate commerce by automobile where citizens near the border go into a nontax State to buy their cigarettes than are shipped by mail. Accordingly, this \$6,000,000 figure should be cut well below half and if divided among the 30 nontax States, the average loss of revenue at the maximum per State is about \$75,000 per State.

It is because of this possibility that States may be losing this much revenue that the Congress of the United States is requested to consider and put its approval on the tax laws of the various States in violation of basic principles of States' rights and to set up enforcement machinery to carry out that program. I tell you that before we are through it is likely to cost the Federal Government more money to help the States try to collect this trickle of funds than it will realize to the States.

I appreciate that there has been a campaign conducted by some tax commissioners from a few States. The main drive has come from the National Association of Tobacco Distributors who are interested in stopping mail shipments because they regard it as a means of price cutting and giving the consumer a product at a cheaper price. I find to my surprise that the tax commissioner from my State has written a letter which appears in the Record supporting this bill. It is obvious to me that he could not have understood the implications of this bill. The State of West Virginia has only a 1 cent per pack tax on cigarettes and I know of no problem of mail shipment which is presented by that tax. So far as I know people who buy by mail in West Virginia do so only for purposes of convenience because it costs as much to buy through the mails as it does to pay the 1-cent local tax. Accordingly, I am sure that West Virginia does not have the kind of tax problem from sales through the mails that Louisiana with its 8-cent tax has. I must say that I regard this legislation as ill-considered and an invasion of States' rights. While I will oppose the invasion of State's rights in this respect, if I am nevertheless required to pass judgment on the tax laws of the various States, I will say that a sales or use tax on cigarettes is perhaps the last kind of tax that I would wish to assist the States in collecting.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. COOLEY. What right do we have to spend Federal funds to enforce State laws?

Mr. BURNSIDE. I do not think we have that right. Answering the gentleman further, we are taking two or three million dollars from the Post Office Department by this bill.

Mr. COOLEY. What right do we have to impose upon the budget of the Department of Justice the financial burdens which will be imposed upon that Department in the event this legislation is enacted?

Mr. BURNSIDE. I do not think we have a right at all to do that.

Mr. DOUGHTON. What provision of the bill provides that the Department of Justice should perform any such function? Read the section of the bill that makes any such provision as that.

Mr. BURNSIDE. I do not have the bill before me just at this time.

Mr. DOUGHTON. I will furnish you with a copy of it. Read the provision which says that the Department of Justice should perform any such function.

Mr. BURNSIDE. The gentleman will admit this will be an additional burden upon the United States Government.

Mr. DOUGHTON. What provision of the bill provides for that?

Mr. BURNSIDE. Let us take it in general terms. Would the States have come to the United States Government asking for help if they did not expect the United States Government to perform some service of this nature?

The SPEAKER pro tempore. The time of the gentleman from West Virginia [Mr. BURNSIDE] has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Delaware [Mr. Boggs].

Mr. BOGGS of Delaware. Mr. Speaker, H. R. 195 which the rule under consideration makes in order is so fundamentally contrary to the whole scheme and philosophy of our Federal system that I must oppose this rule. I urge the entire membership of this House to oppose this rule upon principle.

I suggest that a State tax on a package of cigarettes is one thing and important fundamental principles of our Federal-State system of government are another of much greater significance to our present and future well-being.

This rule makes in order a bill which with criminal penalties seeks to make a citizen of one State without his consent and probably against his wishes, an informer or helper to the tax collector of another State. If that is not bad enough itself, it further makes the Federal Government responsible to see that this is done and, in fact, puts the Federal Government in the business of collecting State sales and use taxes. If that is not bad enough, it further has a result of permitting any one of the 48 States by State action only to determine in effect our national revenue-raising policy. Under this bill the Federal Government would be committed to assisting in collecting these taxes—which taxes in all probability would have 48 different

names, amounts, percentages, and other incidents which most certainly would add greatly to the already chaotic confusion which exists in the taxation field; or else it will be a precedent for Federal examination and approval of the tax statutes of the various States and thus an interference with basic States' rights.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. DONDERO. The point the gentleman raises is exactly what General Clay mentioned in his few remarks before the House that happened in Germany under dictatorship where one's next door neighbor might be an informer against him.

Mr. BOGGS of Delaware. The gentleman is exactly right.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. CHURCH. I wish to join in the gentleman's statement. On principle I am opposed to this sort of legislation. I appreciate the gentleman's statement on the floor of the House.

Mr. BOGGS of Delaware. I thank the gentleman.

From a practical, everyday standpoint, this bill will cost the Federal Government substantial sums of money to enforce, if it is enforceable at all.

Now, from a pure legislative, practical point of view, this legislation is not only bad in its theory, conception and content but its obvious purpose is close to being met by other legislation with which I may not be in accord but which in principle is sound and in line with all our fundamental concepts of the Federal system of government. I refer to the postage-rate-increase bill. Increased postage rates, I am advised, will accomplish the objective of the author of this bill now under consideration. The cigarette mail-order business will be destroyed by increased postage rates because there is such a slim margin of profit in the business even at the current rates.

Let us not be hasty, let us not violate fundamental principle, let us not establish precedent that leads us on to a completely nationalized system, let us not pass legislation for which there may not be any necessity.

I urge you to vote down this rule.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. CHURCH. The gentleman mentioned certain other items in interstate commerce; the necktie business in interstate commerce, or any other item that enters into interstate commerce could be affected by similar legislation. This bill simply sets a precedent to extend this type of legislation to many other things.

Mr. BOGGS of Delaware. The history of this legislation, as the gentleman well knows, is long; and it has been before the Congress in many different phases for a long period of time. It has never been enacted into law. Certainly, there is no reason for this Congress today to take up this matter further because it is so wrong in principle; and, furthermore, there is legislation pending in Congress right at this time that may cure the evil

of which the gentleman from Ohio complains.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. KEEFE. In the event a person desired to send a carton of cigarettes to a son, relative, or friend in some distant State, would it not be incumbent upon the shipper to ascertain the State laws before shipping the carton of cigarettes as a gift?

Mr. JENKINS. No; it would not be.

The SPEAKER pro tempore. The time of the gentleman from Delaware has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield two additional minutes to the gentleman from Delaware.

Mr. BOGGS of Delaware. It certainly would be incumbent upon the party to look into the law; otherwise, he might be subject to the criminal penalty which this bill provides of \$1,000 fine, or imprisonment for not more than 6 months, or both.

Mr. KEEFE. And the burden of enforcing this act will be on the Federal Department of Justice.

Mr. BOGGS of Delaware. I do not know who else would enforce it.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. JENKINS. I wish to advise the gentleman that his answer with reference to the shipment of a present of cigarettes through the mails is absolutely erroneous. The shipper of a gift would not have any obligation or responsibility whatsoever under this bill in the matter of State laws.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield.

Mr. COOLEY. What section, may I inquire, eliminates gifts?

Mr. JENKINS. I believe the gentleman must have the old bill in mind, the one before it was amended in the last session of Congress. In section (b), page 1, that very matter was taken out.

Mr. BOGGS of Delaware. The gentleman from Ohio has stated his point of view and I understand his answer; but it would be incumbent on any citizen in any State to study the law if he were sending a couple of cartons of cigarettes to somebody; otherwise, how could he know that he might not be subject to this penalty? He is assumed to know what the law is. He better be sure about it.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I yield to the gentleman from Ohio.

Mr. JENKINS. If this bill is passed there are only a few who will violate it and those are the ones who are engaging in this nefarious business at the present time. One of the worst offenders stated that if this bill were passed he would be put out of business. Well, nobody would have to watch him. The same would be true of all of them.

Mr. CHURCH. May I say to the gentleman that I do not use cigarettes, so I hold no brief for them. But all of these people receiving these articles in inter-

state commerce at home will be harassed by these State checkers.

The SPEAKER pro tempore. The time of the gentleman from Delaware has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I want to reply to the distinguished gentleman from West Virginia who lives just across the river from where I live. He is a very fine gentleman, but he is just as wrong as he can be in practically every detail so far as this bill is concerned.

May I inform him, if he does not already know it, that the governor immediately preceding this present governor endorsed the principle of this bill and the State tax official also endorsed it in principle at least and I think he endorsed it unqualifiedly. I think the present governor has endorsed the principle of this bill and also the principal tax commissioner of his State has endorsed it. The laws of West Virginia provide for a sales tax the same as the laws in the other 39 States that have endorsed this program.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Michigan.

Mr. MICHENER. May I refer to section 2 which reads in part as follows:

Any person selling or disposing of cigarettes in interstate commerce whereby such cigarettes are shipped.

Suppose I went into a store in Washington and bought five cartons of cigarettes and I was going to visit a constituent friend of mine in another State. Could I take those five cartons of cigarettes in my grip and deliver them to my constituent in an adjoining State without violating this law?

Mr. JENKINS. The gentleman could, because the language used is "disposing of" means any transfer for profit." The gentleman could take all he pleased, if he took them as he said he would and he could send them to as many as he pleased, but if he is in the business of selling them for profit then, this bill, if passed, would reach a case like that. This bill only reaches those who ship for profit and who fail or refuse to notify the taxing authority in the State into which they ship, if that State has a sales or use tax, that they have made such a shipment.

Mr. MICHENER. I thank the gentleman.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered. The SPEAKER pro tempore. The question is on the resolution.

The question was taken and the Speaker pro tempore announced that the ayes had it.

Mr. BURNSIDE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Obviously a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 323, nays 24, not voting 84, as follows:

[Roll No. 98]
YEAS—323

Abernethy	Fellows	Lyle
Addonizio	Fenton	McCarthy
Albert	Fisher	McConnell
Allen, Calif.	Forand	McCormack
Allen, La.	Ford	McCulloch
Andersen,	Frazier	McGrath
H. Carl	Fugate	McGregor
Andresen,	Fulton	McGuire
August H.	Gamble	McKinnon
Andrews	Garmatz	McMillan, S. C.
Angell	Gary	McMillen, Ill.
Arends	Gavin	McSweeney
Aspinall	Gillette	Mack, Ill.
Auchincloss	Golden	Mack, Wash.
Bailey	Goodwin	Macy
Baring	Gordon	Madden
Barrett, Pa.	Gore	Magee
Barrett, Wyo.	Gorski, Ill.	Mansfield
Bates, Ky.	Gorski, N. Y.	Marsalis
Bates, Mass.	Gossett	Marshall
Battle	Graham	Martin, Iowa
Beckworth	Granahan	Martin, Mass.
Bennett, Fla.	Granger	Mason
Bennett, Mich.	Grant	Meyer
Bentzen	Green	Michener
Bishop	Gross	Miller, Calif.
Blackney	Gwinn	Miller, Md.
Blatnik	Hagen	Miller, Nebr.
Boggs, La.	Hale	Mills
Bolling	Hall,	Mitchell
Bolton, Md.	Leonard W.	Monroney
Bosone	Halleck	Morgan
Boydin	Harden	Morris
Bramblett	Hardy	Murdock
Breen	Hare	Murray, Tenn.
Brehm	Harris	Nelson
Brooks	Hart	Nicholson
Brown, Ga.	Harvey	Nixon
Brown, Ohio	Havener	Noland
Bryson	Hays, Ark.	Norrell
Buchanan	Hays, Ohio	Norton
Buckley, Ill.	Hébert	O'Brien, Ill.
Burdick	Heffernan	O'Brien, Mich.
Burke	Herlong	O'Hara, Ill.
Burleson	Herter	O'Hara, Minn.
Burton	Heselton	O'Neill
Byrne, N. Y.	Hoeven	O'Toole
Byrnes, Wis.	Hoffman, Ill.	Pace
Camp	Hoffman, Mich.	Patman
Cannon	Hollifield	Patten
Carlyle	Holmes	Patterson
Carnahan	Hope	Perkins
Case, N. J.	Horan	Peterson
Case, S. Dak.	Howell	Pfeiffer,
Caralcante	Huber	William L.
Chelf	Jackson, Calif.	Philbin
Chesney	Jackson, Wash.	Phillips, Calif.
Clemente	Jacobs	Phillips, Tenn.
Cole, Kans.	James	Pickett
Colmer	Javits	Poage
Combs	Jenison	Polk
Cooper	Jenkins	Potter
Corbett	Jennings	Powell
Coudert	Jensen	Preston
Cox	Johnson	Price
Crawford	Jones, N. C.	Priest
Crock	Judd	Quinn
Cunningham	Karsten	Rabaut
Curtis	Kean	Rains
Dague	Kearney	Rankin
Davenport	Kearns	Redden
Davis, N. Y.	Keating	Reed, Ill.
Davis, Ga.	Kee	Reed, N. Y.
Davis, Tenn.	Keefe	Rees
Davis, Wis.	Kelley	Rhodes
Deane	Kennedy	Ribicoff
DeGraffenried	Keogh	Rich
Delaney	Kilburn	Richards
D'Ewart	Kilday	Riehlman
Dollinger	Kirwan	Rivers
Dolliver	Klein	Rodino
Dondero	Kruse	Rogers, Fla.
Donohue	Kunkel	Rogers, Mass.
Doughton	Lane	Sabath
Douglas	Lanham	Sadiak
Doyle	Larcade	Sanborn
Eaton	Latham	Scrivner
Eberhart	LeCompte	Scudder
Elliott	LeFevre	Secrest
Elston	Lemke	Sheppard
Engel, Mich.	Linehan	Sikes
Engle, Calif.	Lodge	Simpson, Ill.
Evins	Lovre	Simpson, Pa.
Fallon	Lucas	Sims

Smith, Kans.	Trimble	Whittington
Spence	Van Zandt	Wickersham
Stanley	Velde	Wier
Steed	Vursell	Wigglesworth
Stefan	Wadsworth	Williams
Stigler	Wagner	Willis
Sullyan	Walsh	Wilson, Ind.
Sutton	Walter	Wilson, Okla.
Taber	Weichel	Wilson, Tex.
Tackett	Welch, Calif.	Winstead
Talle	Welch, Mo.	Wolcott
Tauriello	Wheeler	Woodhouse
Teague	Whitaker	Woodruff
Thomas, Tex.	White, Calif.	Worley
Thornberry	Whitten	Young

NAYS—24

Abbitt	Ellsworth	Moulder
Barden	Harrison	Norblad
Boggs, Del.	Hill	O'Konski
Burnside	Hinshaw	O'Sullivan
Church	Jones, Mo.	Poulson
Cooley	Karst	Sasser
Denton	Lind	Staggers
Durham	McDonough	Stockman

NOT VOTING—84

Allen, Ill.	Gregory	Ramsay
Anderson, Calif.	Hall,	Regan
Beall	Edwin Arthur	Rooney
Biemiller	Hand	Sadowski
Bland	Hedrick	St. George
Bolton, Ohio	Heller	Scott, Hardie
Bonner	Hobbs	Scott,
Buckley, N. Y.	Hull	Hugh D., Jr.
Bulwinkle	Irving	Shafer
Canfield	Jonas	Short
Carroll	Jones, Ala.	Smathers
Ceher	Kerr	Smith, Ohio
Chatham	King	Smith, Va.
Chipherfield	Lesinski	Smith, Wis.
Christopher	Lichtenwalter	Taylor
Chudoff	Lynch	Thomas, N. J.
Cleveland	Mahon	Thompson
Cole, N. Y.	Marcantonio	Tollefson
Cotton	Merraw	Towe
Crosser	Miles	Underwood
Dawson	Morrison	Vinson
Dingell	Morton	Vorys
Feighan	Multer	Werdel
Fernandez	Murphy	White, Idaho
Flood	Murray, Wis.	Withrow
Fogarty	Passman	Wolverton
Furcolo	Pfeifer,	Wood
Gathings	Joseph L.	Yates
Gilmer	Plumley	Zablocki

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Furcolo with Mr. Towe.
Mr. Gregory with Mr. Lichtenwalter.
Mr. Hobbs with Mr. Hand.
Mr. Sadowski with Mr. Allen of Illinois.
Mr. Wood with Mr. Canfield.
Mr. Morrison with Mr. Taylor.
Mr. Gilmer with Mr. Wolverton.
Mr. Irving with Mr. Hardie Scott.
Mr. Jones of Alabama with Mr. Edwin Arthur Hall.
Mr. Biemiller with Mrs. St. George.
Mr. Vinson with Mr. Hugh D. Scott, Jr.
Mr. Feighan with Mr. Shafer.
Mr. King with Mr. Short.
Mr. Fogarty with Mr. Smith of Ohio.
Mr. Bonner with Mr. Plumley.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. DOUGHTON. 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. 195) to assist States in collecting sales and use taxes on cigarettes.

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. 195) to assist States in collecting sales and use taxes

on cigarettes, with Mr. TRIMBLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DOUGHTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill we are presently considering, H. R. 195, was introduced by the gentleman from Ohio [Mr. JENKINS]. The House passed a similar bill during the last session, which failed of passage in the other body on account of lack of time for its consideration, not because the bill was defeated or anything of that nature.

The Committee on Ways and Means of the House has held extensive public hearings on this bill and reported it unanimously after full and complete hearing.

The purpose of the bill, Mr. Chairman, is to aid the States in the collection of their sales and use taxes on cigarettes. Approximately 39 States have imposed a sales or use tax on cigarettes and, as I stated, the purpose of the bill is to aid the States in the collection of those taxes.

When the rule was under consideration, someone mentioned that the penalties provided by the bill might be applicable if a small quantity of cigarettes were to be sent to a friend in another State. If that were the only trouble this bill would not be here for our consideration. The fact of the matter is that there are about \$40,000,000 or \$50,000,000 a year in State taxes being lost through evasion in payment of the State sales taxes.

A number of the States have laws imposing a tax on cigarettes. This bill imposes the duty upon the distributors of cigarettes in those States to furnish to the tax authorities of the States affected and to which the cigarettes are shipped information as to the consignee and the number of cigarettes shipped; in other words, information upon which the taxing authorities of a particular State may enforce its own tax laws and collect the taxes that are imposed or levied by the State.

As I stated, there are about 39 States that have such laws and I believe 25 Governors of States have requested the enactment of this legislation.

In many of the States that have imposed this tax, it is provided that the revenue derived from the tax be earmarked for specific purposes, such as the payment of the soldiers' bonus, for old-age assistance, or for the purpose of education and other designated purposes.

Mr. Chairman, this is quite a serious matter and it is only for the purpose of aiding the various States that impose the sales and use tax on cigarettes that this bill is offered. We all know that large quantities of cigarettes have been and are being shipped into those States by parcel post, the expense of which is very light. You can ship a considerable quantity of cigarettes by parcel post at very small expense, which results in the State laws being very easily evaded. The sole purpose of this bill is to aid the various States in the collection of their revenues and to help the States in preventing the evasion of their tax laws. This is meri-

torious legislation and I hope it receives favorable action by the House.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. JENKINS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill was before this House in the last Congress, and it passed by an overwhelming vote. I do not have the figures here and I forget just what the vote was, but it was a very large majority.

While the gentleman who spoke on the rule said that this legislation had been before Congress for many years, in that respect the gentleman was mistaken, because last year was the first year that this legislation was presented and to my best information no legislation of this import has ever been introduced before I introduced this in the last session of Congress. My very distinguished friend the Chairman of the Ways and Means Committee, the gentleman from North Carolina [Mr. DOUGHTON] stated that this legislation was not considered in the other body in the last Congress because it was not reached. As you know, that happens quite frequently. It no doubt would have been considered except for the fact that one of the leading members of the Finance Committee of the Senate was called away. In order to set the membership right as to the importance and the merits of this proposed legislation I should like to say that 39 out of the 48 States of the Union have either through their governors or through their secretaries that have charge of finance—I think they call them financial directors—indicated their approval of this legislation. There were a few States that did not approve of it because they have not seen fit to pass a sales tax or a use tax on cigarettes. Practically all of the larger States are in this category of favoring this legislation. For instance, the State of New York estimates that it loses at least \$3,000,000 a year which it would not lose if this bill would pass into legislation. Up until about 1 year ago New York State lost this revenue to shippers from the State of New Jersey—but the State of New Jersey got tired of staying in that class, realized that it would be wise for the State treasury of New Jersey to have some of those millions that were going into the hands of these economic marauders who were making these unfair and unjust profits. So New Jersey passed a use tax and then the bootleggers in New Jersey moved down into Delaware and Maryland. After a while these two States will wake up and will pass laws that will be for the benefit of all their people and not for a few unethical cigarette operators. I think the State of Oklahoma maybe comes next in the amount it loses because it has a large tax, and it loses more than \$2,000,000 a year. The State of Pennsylvania loses over \$1,000,000 a year and the State of Ohio loses \$750,000 a year.

Who gets that money? They lose it to somebody. Now, who gets it? While the cigarette seller in Ohio and in New York and in Oklahoma steps up and pays his license fee and pays for his stamps and pays for his part of the business,

there are a few people in this country who ship the cigarettes into these tax States and avoid paying the taxes. Some may argue that practice is not unlawful and for that reason should not be designated as bootlegging. But it is shamefully unethical and cannot get the approval of a totally disinterested person. Now, there are not very many of these people in the country. The distinguished gentleman from West Virginia [Mr. BURNSIDE] who spoke on the rule saw fit to argue against this legislation, but as I have already stated, a governor of his State sent to the Committee on Ways and Means his approval, as did a tax commissioner. We only had two men from West Virginia testify before the committee. One of them said he was representing the other, and that other told us that he was the only man in West Virginia that he knew of that shipped cigarettes out to other States. That man lives nearly across the river from where I live. He ships these cigarettes into Ohio, brings or sends them across the river, and sells them for 2 cents less than the merchant in my home town could sell them, because he does not put the tax stamps on.

If this practice is a worthy one and that would justify the support of the Congressman from West Virginia he should be able to find more than one person in the whole State who would engage in that kind of an unfair and unethical practice. All the high-class shippers comply with the law.

We had a gentleman appear before our committee who resented very much the designation applied to that class of shippers as being bootleggers. Well, I do not want to use that name and hurt anybody's feelings, and I shall try to refrain from using it but I do not know of any other name that would apply.

I do not know what you would call a man who does not provide stamps for his cigarette packs and might operate right across the street from where another man operates and who provides tax stamps for his cigarettes; one man has an agent planted around here, there, and yonder, and he peddles out these cigarettes so he can sell the packages for 2 cents a pack less than the man who engages in the cigarette business in a lawful way and pays the tax and pays his clerks, and so forth.

You say, "Well, what would you do with a company like Sears, Roebuck, for instance?" Do you know what Sears, Roebuck does? Sears, Roebuck has a little item on every bill it sends out saying that it is understood that whoever buys from it who lives in Ohio or New York or Indiana or any other of these States will have to pay that tax. For Ohio, Sears, Roebuck will probably collect as much as \$100,000 a year in taxes and send it to the tax collector in Ohio. That is the way they do business. This is the way thousands of other mail-order companies do. That is the way men who want to do business honestly and fairly will do.

Then someone may say to me, "You are going to put a terrific burden on somebody." On how many people? How many people will be burdened? Only

about half a dozen came before our committee, not very many. Out of \$750,000 that we lose in Ohio, one concern knocks down \$150,000. I dare say there will not be more than 30 or 40 concerns who will ship unlawfully into one State. Oh, there might be 50 or 75, maybe 150, I do not know, but the number is very small.

You who are going to speak on this subject and who are afraid about the enforcement of this bill if it becomes a law, just take the testimony of a little old gentleman who came before us from North Carolina. He said he was a Presbyterian, and he used to live in Georgia, but when he found that he could go up into North Carolina and get cigarettes tax-free and send them into some other States, he said, in effect "Why, I am a Presbyterian, but I think that is all right if I can beat that game. If I can undersell these other fellows, I think it is all right. But if and when you pass this legislation, I am going out of business. Nobody is going to prosecute me." That in effect is what he said. That is the very reason we want this legislation. If it is passed these piratical operators will all go out of business.

You talk about somebody going to snoop around. Certainly the tax enforcing officers in Ohio can snoop around. There are a lot of people who have imported these cigarettes through the mails. Most of them are good citizens but they know when they carry around in their pockets a pack of cigarettes that does not bear a Government stamp or a use-tax stamp they are violating the law. However, our officers do not do that kind of business. They do not want to run around and find a fellow with a package of cigarettes in his pocket on which he has not paid the tax, and then haul him in. They do not do it in Ohio or so far as I know in any other States. They do not want to do that. They want to localize it down to these few people who do this business.

You say, "It has never been done before." I do not have the time right now to give you a list of all the decisions of the Supreme Court that deal with this subject. They start back with the old liquor laws. You say, "Well, tobacco is not liquor." All through the taxing laws of this Nation from the beginning down to now they have always listed tobacco and liquor as nuisances to be taxed, not always in the same legislation but in the same category.

Someone said, "People will go across the line to buy neckties and things like that." No; there is no commodity except liquor that carries a tax so far out of proportion to the value of the article sold, except cigarettes. Do you know how much taxes you pay on a package of cigarettes now? I think you pay the Federal Government 6 or 7 cents, and you pay the State government whatever the law provides in the particular State. In Ohio it is 2 cents, in Oklahoma I think it is 4 or 5 cents, in New York probably 2 or 3 cents, and in some States only 1 cent. You cannot put cigarettes in the same category as you do shoes. No one is going to go way off to some other State to buy shoes because he can get them 12 or 13 cents

cheaper. No one is going to go across to buy a necktie in some other State and pay streetcar fare, and so on. No one is going to bother to import a necktie if he is going to save only a cent or two by it. On cigarettes you save a much larger proportion. You pay a dollar or maybe \$5 for a necktie and maybe only save 10 or 15 cents.

How do these clandestine shippers do business? A man who is working in a big factory, we will say, who is a smart fellow, will communicate with one of these companies that ship cigarettes. Then he will go through the shop and he will say, "Bill, how much do you pay for your cigarettes?" Bill will say, "Twenty-two or twenty-four cents, whatever they are." "I can save you 2 cents on every pack, and I will sell them to you. You let me know how many you want, and next Monday or Tuesday I will come through the plant and I will bring them to you." Then he may bring his car to the plant loaded down with cigarettes and most likely though he will take the orders from his friends and then send in maybe a hundred or 200 orders and these will be delivered by mail. He does this while your merchants are paying a tax, and that tax money goes into the State treasury for what purpose? Just as the gentleman from North Carolina said, it goes there maybe to pay a soldiers' bonus, or to pay for the schools and similar necessary public activities, or maybe it goes to maintain the hospitals. That is the kind of purpose it is used for. I tell you it is nothing short of a scandal that these great States that pay all this money permit two or three hundred fellows like that to knock down about \$30,000,000 a year of our money. It is not fair and it is not right.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JENKINS. Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, this law is absolutely constitutional. I am not going to inflict a lot of court decisions on you here, but if anybody provokes me to do so, I will. Just let me read to you what Chief Justice Hughes said in one case. I will read just one case to you. Here is what he says:

While the power to regulate commerce resides in the Congress, which must determine its own policy—

Now, listen to this—

the Congress may shape that policy in the light of the fact that transportation in interstate commerce, if permitted, would aid in the frustration of valid State laws.

That is what Chief Justice Hughes said. We can pass any kind of law that we want controlling interstate commerce, if it has for its purpose, preventing the frustration of the laws of any State. In my State and in your State and in all the other States, of course it works a frustration of our laws because they come in and bootleg cigarettes and our people pay the price.

What else does Chief Justice Hughes say? He paid a great compliment to the Congress and you Members who are lawyers will be able to take a great deal of satisfaction in the way the Chief Jus-

tice Hughes praises the power of the Congress. Here is what he said:

The Congress has formulated its own policy, and established its own rule. The fact that it has adopted its own rule in order to enforce the valid State laws, affords no ground for a constitutional objection.

That is exactly the point. He says that we can pass any kind of law that we please to keep interstate commerce, which is a child of the Government, from being abused. That is what we do here. We prevent the violation of this great instrumentality and we do it so that the States can enforce their own laws, which they will enforce anyhow. It is said that it is going to cost a great deal of money. Do not let anybody take the position that it is going to cost a lot of money. The testimony of these people who appeared before us was to the effect that if we pass this bill they will go out of business. Take this man who went broke up in New York a few days ago. There was the most scandalous bankruptcy case that I think I ever heard or read of. There was a man who was in this business, who was dealing with people all over the country. He knew he was going into bankruptcy. He had a lot of these weekly checks coming in from all over the country. He cashed those checks and put the money in his pocket. He owed, I think, about \$151,000 and he had, I think, about \$3,000 to back him up. That is the kind of fellow who is in this business. Why do we owe him any obligation? Are the great States, the great sovereign power of our country going to allow our laws to be frustrated and to compel our people to pay taxes to let somebody else come in and bootleg and take down \$30,000,000 a year for his trouble? I say no, the sense of fairness of Americans rebels and we will stop this practice.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, on account of my love and devotion for the chairman of this distinguished committee, I hesitate to rise in opposition to this bill. I want to make it perfectly clear that I am unalterably opposed to taxes on tobacco. I am opposed to taxes of all kinds on tobacco. It is the only agricultural commodity in this Nation which is taxed, and heavily taxed, not only by the Federal Government, but by about 39 States of the Union.

I, for one, do not want to make it any easier for the States to levy and to collect additional taxes on an agricultural commodity upon the production of which my people depend for their livelihoods.

I know the distinguished gentleman from Ohio [Mr. JENKINS] is a smart, intelligent legislator, and I will add to that that he is a great American, but I must say I think he has just made one of the weakest arguments I have ever heard him make in this House. In the first place, the gentleman says 39 governors called upon us to throw the force of the Federal Government into the enforcement of State laws. So what? Suppose 48 governors called upon us. Are we going to so

forget our own responsibilities that we are going to embark upon a program of enforcing State laws? That is just what this bill does.

The gentleman says thousands of dollars worth of cigarettes are transported across the river and sold in his State of Ohio, but the police force of the State of Ohio hesitates to snoop around and find out whether or not the taxes have been paid. Pray tell me, why should the Federal law-enforcement officers be placed in the position of going around to ascertain whether State laws have been complied with? We might as well admit the fact that this is the opening wedge. Oh, yes, the Federal Government is aiding the States, perhaps, in enforcing some laws which seem to be beyond the power of the States to enforce. We made kidnapping amenable to Federal law. We have the white slave law and the Narcotics Act. But what about firearms? There are many sorry white men and Negroes in my State who are ordering from Sears, Roebuck, and other mail-order houses, pistols, bowie knives, black-jacks, and every other kind of deadly instrumentality, in violation of the laws of the State of North Carolina. Certainly there is more reason for the Federal Government to throw its strong arm into a situation like that and try to protect the people of my State from the menace to which they are subjected on account of the violation of that type of law. But here is a tax, a civil tax, levied upon an agricultural commodity. Those 39 States are clamoring for the assistance of the Federal Government. Now, if it is not going to cost anything, if Mr. Tom Clark and his coworkers are not going to enforce this law, why did you bring it to the floor of the House? You know it is going to cost something. It puts the responsibility upon the Department of Justice to prepare and prosecute cases.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KEEFE. If I understand the gentleman's argument, it is that he is opposed to a tax on any agricultural commodity. Did I so understand the gentleman?

Mr. COOLEY. The gentleman is not far wrong.

Mr. KEEFE. I was wondering what the gentleman's attitude would be about the tax on whisky, which has its origin in corn or rye.

Mr. COOLEY. Well, they do not grow whisky in North Carolina.

Mr. KEEFE. I understand they do in certain sections of North Carolina.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from North Carolina three additional minutes.

Mr. KEEFE. I just wondered if the gentleman's parity of reasoning extends that far.

Mr. COOLEY. Maybe not quite that far.

Mr. KEEFE. That he would not impose a Federal tax on an item simply because it had its genesis in an agricultural product.

Mr. COOLEY. No, I would not go that far.

Tobacco is purely and simply an agricultural product. It is not mixed at all, it is not blended except with other tobacco. But the fact is that the arguments made here, that the States are unable to enforce this law, is weak. The burden of the argument of the gentleman from Ohio is that the States are not making an honest and diligent effort to enforce the law. If you know the wholesaler is shipping into your district, and if you know that the retailer receives and sells cigarettes with impunity, you know that your law enforcement officers are not doing a good job. They should apprehend the violators and bring them to justice.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JENKINS. How much is the value of the tobacco in a cigarette? What is its proportion of the 24-cent per pack price?

Mr. COOLEY. It is negligible, it is not any great amount. This does not touch the question of what the farmer receives for his tobacco.

Mr. JENKINS. Then the argument with reference to a pack of cigarettes, that the ingredients make up 8 to 10 percent of the value ought to have a whole lot more weight than the argument that the value of the ingredients is negligible.

Mr. COOLEY. Maybe the gentleman's thought is that every State should come forward and double their tax on tobacco. The point is that this bill establishes a precedent. If we are going to help the States collect taxes this is the beginning point, here is where we start. Here we help them collect taxes on tobacco, then it will be on liquor, then perhaps it will be on cosmetics and all other items that are now taxed. I remember, when we had a sales tax in the State of North Carolina and they did not have one in the State of Virginia. Many of our citizens went across the State line into Virginia to shop, and they purchased large amounts of valuable merchandise, but we certainly never called upon the Federal Government to help us collect our taxes.

I think this bill should be defeated; I think we should not place the burden on the Federal Government. I wish to ask one question: Has this bill been submitted to the Bureau of the Budget? If so has the Bureau of the Budget approved it?

Mr. DOUGHTON. This bill does not impose any semblance of Federal tax. What has the Bureau of the Budget to do with the matter of helping collect the State tax?

Mr. COOLEY. That is right; I think the gentleman has answered my question. So the Bureau of the Budget has not been consulted with regard to the possible cost of this bill, whether it will be \$10,000 or \$10,000,000; we do not know.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. COOPER. The Director of the Bureau of the Budget has advised, and the Treasury Department has advised that they have no objection to the presentation of this report.

Mr. COOLEY. Of the report; but does the report recommend passage of the bill?

Mr. COOPER. Yes; that is the usual report from the Bureau of the Budget.

Mr. COOLEY. Do you have any information from the Department of Justice?

Mr. COOPER. Yes.

Mr. JENKINS. Yes.

Mr. COOLEY. Does that department have objection to it?

Mr. COOPER. They have no objection either.

Mr. COOLEY. There is no objection from the Department of Justice, and no objection then from the Bureau of the Budget?

Mr. COOPER. That is right.

Mr. COOLEY. That is some information that the gentleman from Ohio failed to give the House. I am still opposed to it, these facts to the contrary notwithstanding.

Mr. JENKINS. And the Treasury is in the same category as the others. This is all in the report.

Mr. COOLEY. The Treasury wants it, the Department of Justice wants it.

Mr. JENKINS. Everybody but the gentleman from North Carolina.

Mr. COOLEY. I would not want it under any circumstance.

Mr. BOGGS of Delaware. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. JENKINS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COOLEY. I yield to the gentleman from Delaware.

Mr. BOGGS of Delaware. Is there a report on this measure from the Post Office Department?

Mr. COOLEY. Maybe the gentleman from Ohio, the gentleman from Tennessee, or the gentleman from North Carolina can answer the gentleman's question; I am certain I cannot.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MASON. I will answer that for 10 years a similar bill was before the Committee on Post Office of this Congress and was turned down on the recommendation of the Post Office Department.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BURNSIDE. One other thing, it would cost the Post Office Department between \$2,000,000 and \$3,000,000; yet we are worrying now about trying to get enough revenue for the Post Office Department.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CURTIS. What additional duties would this impose upon the Post Office Department?

Mr. SHORT. It causes loss of revenue, chiefly. It does not impose any duties upon the Post Office Department. It certainly does upon the Department of Justice.

Mr. CURTIS. The gentleman is assuming that these men do not want to pay the tax.

Mr. COOLEY. I think the gentleman from Missouri has answered the question. It involves a loss of revenue.

Mr. JENKINS. May I say that the legislation referred to by the distinguished gentleman from Illinois [Mr. MASON] was legislation that permitted certain investigators to investigate the mail. It was not a case such as this at all. It was not like this matter. It was an entirely different proposition and an entirely different situation.

Mr. COOLEY. Does not the gentleman agree that this is setting a precedent?

Mr. JENKINS. No, sir; not a bit.

Mr. COOLEY. Does the gentleman have any other precedents?

Mr. JENKINS. No.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I want to congratulate the distinguished gentleman from North Carolina [Mr. DOUGHTON] for the very clear and comprehensive statement he made with reference to the provisions of the pending bill. This is not a bill for the collection of taxes. It is merely a bill providing that the shippers of cigarettes outside of a taxing State, a shipper that uses the instrumentalities of interstate and foreign commerce, must furnish an invoice and send it to the commissioner of taxes of the taxing State. That is everything this Congress has to consider in connection with this bill.

There are 39 States of the Union that have a cigarette tax. There are a number of shippers in various States shipping into these taxing States and they and their consignees are evading payment of the cigarette tax. In my particular State of Florida we suffer a loss of revenue of a quarter of million dollars or more annually through this practice. This is small in comparison with other States. A number of the States suffer a greater loss than that.

Mr. Chairman, let us see what the evil is we want to correct and let us observe what the remedy is we want to apply. The evil in the shipping of cigarettes into a taxing State in competition with the honest merchants who have to pay a local tax and who have to keep up the expenses of that particular jurisdiction. Some of my friends have made reference to the Post Office Department. Are we going to make the post office an avenue of transmission so that the State tax might be evaded? But that is not my conception of the functions of the United States Post Office. If you analyze clearly the arguments that have been proposed here that is what it would do because these cigarettes are dumped into these various taxing States by parcel post and they are using the Post Office

Department in order to evade the payment of a legitimate local cigarette tax. Now, that is what they are doing. Are you going to condone that?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I might say before I yield, that in paying this tax there will not be one less leaf of tobacco grown. They will still smoke the same amount of cigarettes, but the taxes will be collected on them if this bill is passed. Now I yield to the gentleman from North Carolina.

Mr. COOLEY. That argument of mine was secondary. But, we have State control of liquor in North Carolina, and yet the Federal Government will issue a license and collect a fee and permit whisky stills to be erected in any part of that State. Now, does not the gentleman think that that is more of an evil than exists in this situation where cigarettes are going into a State without paying the tax?

Mr. ROGERS of Florida. Certainly they do that. I certainly think that the Federal authorities can enforce the law in that respect, but in this instance the State authorities cannot enforce the law without the information from shippers.

Mr. COOLEY. Why can they not do it?

Mr. ROGERS of Florida. Because of the fact that they use the Post Office Department or the express company to ship the cigarettes into various States and that the local authorities cannot get in touch with them. The Federal Government does not enforce that feature. The State must collect the taxes after the cigarettes are shipped and delivered. It is not the Federal Government that does that.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Georgia.

Mr. CAMP. Is it not a fact that we have seven Federal acts exactly in line with this act wherein the Federal Government does assist the States in the collection of taxes?

Mr. ROGERS of Florida. I think that is correct.

Mr. CAMP. And we also furnish information right now to the State income-tax collectors regarding Federal income-tax returns. There is a Federal law regarding the furnishing of information about liquor being shipped into dry States which is almost verbatim with this.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. ROGERS of Florida. Mr. Chairman, I cannot see how anyone can object to the passage of this bill. As I see it, it is so simple. It is not the imposition of an additional tax, but it is just the means of assisting the States in collecting these taxes. The cigarette tax is used in various States for different purposes. Some taxes are used for the payment of veterans' bonuses; now, all of us are in favor of payments to veterans. In some States the tax is used for the purpose of assisting in aiding education and for charita-

ble purposes. All of us are in favor of that. How can any reasonable man who wants to assist the States collecting cigarette taxes object to carrying out the laws of the States where, in some instances, the States are being cheated out of four or five million dollars in revenue by reason of permitting the transportation of these cigarettes into those States without the imposition of this tax? I trust that this bill will be unanimously passed. It did pass in the last Congress in the House, and it went over to the other body, and it would have passed over there, I think, but for the fact that the chairman of the Finance Committee, due to the loss of his father, had to leave at the time the bill was to be called up.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Ohio.

Mr. HUBER. If I am a resident of Florida and I buy a suit of clothes from Sears Roebuck, will that tax be collected?

Mr. ROGERS of Florida. I cannot answer that, but I presume that it will.

Mr. HUBER. I heard Members of Congress who come from States where a State sales tax is charged say that if they have something shipped to the District, they would not be required to pay the tax.

Mr. ROGERS of Florida. Well, there are two different taxes, the sales tax and the use tax.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. JENKINS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I am in favor of this bill. The point was raised by the gentleman from North Carolina [Mr. COOLEY] that the post office would lose revenue. As a matter of fact, this would be a great saving to the Post Office Department, because in many of the post offices these cartons of cigarettes are piled up high, and they are utilizing the space needed for the regular mail, and if this tax-evasion proposition goes on, you will have to have more post offices and mailing space in which to operate for the regular parcel post mail. So I believe this will really save money to the taxpayers of this country.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Ohio.

Mr. JENKINS. Is it not a fact that in many of the big cities of the country the post office does a bigger cigarette business than any other company in that city?

Mr. REED of New York. There is no question about that. The gentleman from Georgia [Mr. CAMP] raised an interesting point, and that is that the Federal Government now cooperates with the States to help them collect income taxes and the States assist the Federal Government to collect its income taxes. There is no new principle involved here.

I call attention to the effect this evasion of taxes has on the merchants of New York State. Here is the testimony of Mr. Jerome Kaufman, director of in-

dustry and public affairs, National Association of Tobacco Distributors, New York City:

In view of the serious effect on more than a million local merchants of the shipments of cigarettes from nontax States into the cigarette-tax States for the purpose of evading the tax laws of those States, we consider it our duty to emphasize the dire need of a law which will afford relief and equity to the merchants so affected. These local merchants in every city, town, and hamlet of our Nation depend, in small or large measure, for their livelihood upon the sale of cigarettes in their communities, and it is they who give employment to local residents and in the aggregate pay a substantial portion of the taxes used to support their local, State, and Federal Governments.

We all know that these cigarette taxes in some 39 or 40 States go for various purposes that are of the greatest importance, some to pay the soldiers' bonus, some for the purpose of education, some to take care of crippled children, and so on down the line of the whole social scale.

Mr. Chairman, I am heartily in favor of this bill to do away with this questionable practice.

Mr. JENKINS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. WILLIAM L. PFEIFFER].

Mr. WILLIAM L. PFEIFFER. Mr. Chairman, 39 States, representing approximately 80 percent of the total population of the country, have cigarette tax laws on their statute books. The combined income to these States from cigarette taxes, according to the most recent official report, will approximate \$400,000,000 in 1948. According to present estimates, it is also reliably reported, on the basis of the best available figures, that between 15 percent and 20 percent of this huge income is lost to the States, individually and collectively, as the result of parcel-post shipments of cigarettes from nontaxing States into taxing States. Thus, a State that imposes a tax on cigarettes which, based on consumption, should produce \$12,000,000 a year, establishes its budget on that basis. When approximately 20 percent of the consumers purchase untaxed cigarettes from out-of-State sources, the State—instead of securing \$12,000,000 a year—obtains only \$9,600,000, being deprived of \$2,400,000. This inescapably throws the entire budgetary estimates out of keel and the legislature is thus confronted with the necessity of imposing additional taxes. The following is a case in point: To provide adequate funds for paying a bonus to its veterans, the New York State Legislature imposed an additional 1 cent tax per package on cigarettes, which was ratified by popular referendum. The State expected to receive a specified amount annually from this source and was fully entitled to expect every cigarette consumer in the State to pay his share. We know from experience that a substantial portion of the cigarettes consumed in New York State is being obtained from mail-order houses in Delaware and other nontaxing States. The result has been a substantial reduction of revenue intended for the veterans' bonus and unlimited evasion by a large number of persons.

As a practical matter, this is what happens. Wholesale distributors in non-taxing States secure or purchase lists of cigarette smokers in States which impose cigarette taxes. These smokers are then circularized with tempting offers to mail their remittances in advance for cigarettes which will be sent to them by mail with a saving in the amount of the State tax. State cigarette taxes vary in amount from 1 cent per package to as high as 8 cents per package. A carton of cigarettes contains ten packages, offering an inducement of a 10-cent to 80-cent saving per carton. It is therefore easy to visualize the extent of the diversion of cigarettes from the ordinary channels of trade and the large amounts of needed revenue lost to the taxing States.

The circumvention and flaunting of State cigarette tax laws in this manner constitute, in the eyes of the public, a mockery of all laws enacted by the elected representatives of the people of the States concerned. When the majority of people are required to conform with our laws and a minority permitted to ignore them, it cannot help but weaken our respect for the laws and for the governmental agencies entrusted with their administration and enforcement. Moreover, because each citizen is expected and should bear his just burden of taxation—be it Federal, State, or local—any condition or practice which renders it simple and effortless for him to evade such taxation, encourages general violation of the law and—just as significant—saddles the law-abiding citizens with a heavier and unwarranted tax burden.

There are also other practical considerations. In each taxing State there are hundreds of wholesalers and thousands of retailers who depend for their livelihood on the sale of cigarettes. The constantly increasing abuse of State cigarette tax laws deprives these merchants of the sales they are rightfully entitled to and would have had if it were not for the illicit shipment of cigarettes into their State. These deserving businessmen are penalized merely because they are located in a State which imposes a cigarette tax. Aside from the loss of business, however, the general effect of this practice on the wholesale distributor—who serves as the primary medium for collecting State cigarette taxes—is to demoralize him and to undermine his desire to cooperate with the taxing States in protecting this valuable and needed source of revenue.

What is the effect on Federal cigarette tax collections of the practice of shipping cigarettes, interstate, to avoid payment of State taxes? Here is the picture:

Cigarette tax income to the Federal Government during 1947 exceeded \$1,250,000,000. Certainly, a product that is responsible for this prodigious amount of revenue to the Federal Government should not be permitted to fall into the state of disrepute which inescapably results from illicit handling. It would appear to be sound and prudent business judgment on the part of the Congress to protect this valuable source of revenue.

A workable solution to this problem has been sought for some time. Efforts were made to enlist the aid of the Federal postal authorities to prevent parcel-post shipments of cigarettes made to circumvent State cigarette-tax laws. We also looked to the Federal Trade Commission to find a proper and adequate solution within the framework of that agency's delegated powers. These attempts were not successful.

It is my opinion that an appeal to the Congress of the United States for this legislation is warranted and justified, since the matter it is sought to correct involves a condition which affects interstate commerce, is injurious to the public welfare, and, as has been demonstrated, cannot be rectified on an individual-State basis. It is, I think, in this type of situation that it becomes necessary for the Congress to come to the rescue.

I do not believe that a law of the type proposed would establish a precedent in the field of Federal legislation. Many other business practices, potentially dangerous to the public interest, are presently controlled by Federal regulatory agencies. Among these agencies are the Interstate Commerce Commission which regulates and controls all interstate travel of public vehicles; the Federal Communications Commission which prescribes and administers regulations controlling all radio facilities; the Food and Drug Administration which establishes standards of acceptability for food and drug products.

The proposed law does not call for or require the establishment of a governmental agency. It will merely place in the hands of the State tax administrators the means for removing an inequity in the collection of State cigarette taxes, facilitating the collection of such taxes, and assuring the equal application of the tax acts to everyone.

In view of what I have pointed out are the adverse effects of illicit shipping of cigarettes—on taxing States, on the hundreds of thousands of wholesalers and retailers all over the Nation, and on Federal cigarette-tax collections—I urgently request your favorable consideration and support of this bill.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, considerable comment has been made pertaining to this bill in reference to its placing additional burdens on the various departments of the Federal Government. This bill does not place any additional burdens on the Post Office Department. It will call for no additional expenditures. No agency of the Federal Government is called upon to enforce a State law or collect a State tax. It merely provides that if a licensed distributor sells cigarettes and sends them in interstate commerce the seller must send a duplicate of the invoice to the taxing authority in the State where the sale is consummated.

This will be self-enforcing. The Federal Government is not asked to follow that transaction to seek out the purchaser and see that he pays the tax.

That will be the responsibility of the State that will receive the tax.

Perhaps every State that has a cigarette tax has been faced with this problem. Mail-order houses have sprung up over the country and they circularize the boxholders and say, "Order your cigarettes from us. They will be sent to you in a plain wrapper and you do not need to pay the cigarette tax imposed by your State government." Those transactions can still go on. Those people can remain in business. The only requirement is that they must send a copy of their invoice to the State taxing authority so that the State may collect the tax. It has been said that the Post Office would lose money because they would lose revenue. On every sale they will pick up 3 cents additional revenue, because the invoice must be sent to the State taxing authority. It will place no additional burden on the Department of Justice or on the Post Office Department. Here you have merchandising being carried on almost solely through an agency of the Government of the United States, the Post Office Department, which is operating at a deficit. Certainly the Congress of the United States has a right to lay down the rules as to how interstate commerce shall be transacted, and to say to these people, if they are going to use this Government subsidy to deliver their cigarettes, what the shipping requirements are. One of the shipping requirements shall be that a copy of the invoice must be sent to the State capital to the proper taxing officials where the tax is to be collected.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. McSWEENEY. My distinguished colleague, the gentleman from Ohio [Mr. JENKINS], said that these mail order houses distinctly said that they will refund the taxes to the State taxing authority. That is my first question. I am in sympathy with the bill.

Mr. CURTIS. What is the gentleman's question?

Mr. McSWEENEY. Did the gentleman say that some mail order houses send out advertisements that they would send cigarettes in plain packages so that the tax could be avoided?

Mr. CURTIS. Oh, yes. They say that right in the advertising. That was incorporated in last year's hearings.

Mr. McSWEENEY. My colleague says that the mail order houses tell you that they will refund the taxes to the State tax authority.

Mr. JENKINS. Mr. Chairman, if the gentleman will yield—what I meant was that the great bulk of the mail order houses in the country, like Sears, Roebuck, obey the laws, and a company like Sears, Roebuck sends thousands and thousands of dollars a year to the State of Ohio. They collect their own taxes and send the money to the State. They do not violate the law.

Mr. McSWEENEY. What mail order houses was he referring to?

Mr. JENKINS. The ones that we are seeking to reach by this law.

Mr. CURTIS. If the gentleman from Ohio will secure the hearings which were

prepared for the bill last year, he will see incorporated in those hearings copies of those advertisements.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield.

Mr. COOPER. I am sure the gentleman will recall that the evidence presented to the committee indicated that some of these fly-by-night so-called mail-order houses are doing business just for the purpose of carrying on this cigarette trade.

Mr. CURTIS. There are facts which would indicate that that is probably true. They can stay in business if their customers pay the tax, and we will not hurt them a bit.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Chairman, I am opposed to this bill because the result accomplished by its passage will not primarily be to aid the States in collecting their local State revenues as claimed. The result will be to permit States to go higher and higher in the imposition of cigarette taxes, a commodity which is excessively overtaxed. The farmer gets about 2 cents for his contribution to each pack of cigarettes; the Federal Government gets 7 cents on each pack of cigarettes; the State tax ranges up as high as 5 cents a pack, and now municipalities have gone into this field of taxation. In some cases the tax in municipalities ranges as high as 2 cents additional, making a total in some instances of 14 cents tax on a pack of cigarettes, on which the farmer only gets 2 cents. This cigarette tax has been the goose that has laid the golden egg in the field of taxation. I fear that if we lock this old goose's feet so that she cannot move a little bit when it gets plucked too hard by the pyramiding of these taxes, it will affect the over-all tax income from this source, and, primarily, if you make it easier for the States to pyramid cigarette taxes you will depress the farm market on this agricultural commodity.

The Federal Government receives one and one-quarter billion dollars every year from cigarette taxes. The States receive \$340,000,000 a year.

Now, let us move cautiously in this productive field of revenue. Let us move cautiously, because if we do not, true to the chart sheet of every instance where any one source has been overtaxed, the source of revenue dries up. Let us move slowly because the real purpose of this legislation is not to bring in the Government to help States collect this tax, as claimed, but it is to lock it so that they can pyramid more and more State taxes without any possible competition at all.

This has been referred to as bootlegging. It is legitimate in the States in which a sale is made. If it is illegitimate in a State to which it is shipped, then those local States should enforce their laws and not ask the Federal Government, with the stroke of a pen, to wipe out that form of competition, so that they can get more taxation from a product that cannot stand any tax. If you handcuff it and lock it you will sink it.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. SASSCER] has expired.

Mr. JENKINS. Mr. Chairman, I yield such time as he may desire to the gentleman from Delaware [Mr. BOGGS].

Mr. BOGGS of Delaware. Mr. Chairman, I am opposed to the bill, H. R. 195. Some of my reasons for opposing this bill are as follows:

First. It permits the creation of trade barriers, in violation of the purposes of the commerce clause of the Constitution, to create an area of free trade among the several States.

Second. It is the first attempt to use the power of the Federal Government, by criminal processes, if you please, to help the States to collect their local taxes.

Third. It will be a precedent for the extension of this legislation to all other commodities, with the substantial destruction of interstate trade and mail-order business.

Fourth. It will subject such properties as mail-order customers' lists, worth many millions of dollars, to the risk of arbitrary or improper dispersion.

Fifth. It is not only Federal aid to collection of purely local taxes, but is truly a harassment of interstate business, aimed principally at destruction of it so far as sale of cigarettes is concerned.

Sixth. It will be a precedent for Federal examination and approval or disapproval of the tax statutes of the various States and thus an interference with basic States rights.

Seventh. It will cost the Federal Government substantial sums of money in attempting to enforce the legislation and will destroy many present sources of postal revenue to the Federal Government.

I have said the Jenkins bill would create a precedent, and I want to say now that I believe that precedent to be a most dangerous one. The large mail-order houses who do not sell cigarettes have expressed strong opposition to the bill as a matter of principle and have long opposed similar legislation in the past. The Post Office Department, although not consulted on this bill, has opposed previous bills of the same type. The Department of Justice last year took no position on the bill but pointed out its effect in creating a precedent the bounds of which could not be estimated. This is the first time in history that the Federal Government has been asked to help States collect local taxes. The arguments in favor of this bill apply equally to every commodity shipped in interstate commerce, be it shoes, clothing, food, and so forth. Gasoline taxes are an obvious example of transactions which may in some instances avoid State taxes—gifts for the family on return from trips, special licenses for particular types of commodities such as firearms and ammunition—the examples could be multiplied indefinitely. If the Jenkins bill is applied as a precedent, it would have disastrous consequences. The Federal Government would then be closing the channels of interstate commerce instead of opening them. It would stifle free trade and create independent sovereignties of the States, each with a pro-

ductive tariff around it erected in the interest of the local merchant and the local tax collector and to the detriment of the national welfare.

This bill is most untimely for two reasons. There is already pending in the Congress a bill to increase postal rates. If such legislation is enacted, in all probability this vicious piece of legislation would not be necessary to accomplish the purpose of H. R. 195. The postal rates increase bill would automatically shut off the mail-order business in cigarettes because there is such a small margin of profit in this business. Furthermore, this bill comes at a time when every attempt is being made, without much success, to keep down Federal expenditures.

This bill proposes to destroy substantial sources of revenue for the Federal Government and impose additional burdens upon the Federal enforcement agencies. It will reduce postal revenue from interstate shipment. It will throw many people out of employment. It will impair existing businesses which pay the United States Government substantial taxes. It will impose upon the Department of Justice the expensive job of investigating and trying those who violate the statute.

This bill endeavors to accomplish something which is prohibited by the Constitution of the United States. It is a basic constitutional principle not subject to challenge that a State may tax only events which take place within its own borders. An attempt by a State to tax a citizen of another State for an act committed by the citizen of the other State in his own State would violate the due-process clause of the fourteenth amendment—*Frick v. Pennsylvania* (268 U. S. 473 (1925)); *Union Refrigerator Transit Co. v. Kentucky* (199 U. S. 194 (1905)). It would be an attempt to extend the jurisdiction of the State beyond its borders. For example, it would be unconstitutional under the due-process clause for the State of New York to attempt to tax a sale made in Delaware. But on an ordinary shipment of cigarettes from Delaware to New York for consumption, the entire transaction of sale takes place in Delaware. The cigarette smoker in New York, having received a circular by mail or having seen an advertisement, sends an order blank and a check to Delaware. In Delaware the check is accepted, the cigarettes are shipped by mail to the purchaser. Delaware is the place where the order is accepted, where transfer of title is effected, and where the shipment is made. The sale is a Delaware sale. For the State of New York to attempt to place a tax on that Delaware sale would be to attempt to tax an event which is outside its jurisdiction and it would be powerless to do so under the due-process clause.

Under the commerce clause the same transaction is equally immune from taxation by the State of New York. It is well established that a State may not tax transactions in interstate commerce. As long ago as 1887, the Supreme Court said in *Robbins v. Shelby County* (120 U. S. 489, 497):

Interstate commerce cannot be taxed at all, even though the same amount of tax

should be laid on domestic commerce, or that which is carried on solely within the State.

That principle has recently been reaffirmed by the Supreme Court in the case of *McLeod v. J. E. Dilworth Co.* (322 U. S. 327 (1944)). There the Court held that it would be a violation of the commerce clause of the Constitution for Arkansas to place a sales tax on the sale of machinery and mill supplies from Memphis, Tenn. In that case the selling company had salesmen who traveled through Arkansas, but orders were accepted in Memphis and goods shipped from Tennessee. Title passed in Memphis and the sales price was collected there. As the Court said at page 328:

In short, we are here concerned with sales made by Tennessee vendors that are consummated in Tennessee for the delivery of goods in Arkansas.

Therefore, at page 330:

We would have to destroy both business and legal notions to deny that under these circumstances the sale—the transfer of ownership—was made in Tennessee. For Arkansas to impose a tax on such transactions would be to project its powers beyond its boundaries and to tax an interstate transaction.

And again at pages 330, 331:

The very purpose of the commerce clause was to create an area of free trade among the several States. That clause vested the power of taxing a transaction forming an unbroken process of interstate commerce in the Congress, not in the States.

It is, accordingly, perfectly clear that no State may impose its sales taxes on an interstate shipment of the type to which this bill would apply. The sales in all cases take place in the State of the shipper and not in the State of the consumer. The consumer's State may not constitutionally under the due-process clause and the commerce clauses apply its sales tax to the transaction of sale. Plainly, the purpose of H. R. 195 insofar as it is to assist States in collecting sales taxes on cigarettes is a bill to assist States in collecting taxes which they are prohibited by the Constitution from collecting.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, I am opposed to this bill. Not only am I opposed to the bill, but I voted against the rule. I seldom vote against a rule in this House, because I think in almost all cases a piece of legislation is entitled to be brought to the floor and discussed and acted upon. But in this case it seems to me the Congress is out of line in considering a measure of this kind, interfering, as it does, in the affairs of State government and in the field of taxation within the States.

Secondly, I have heard most of this debate. The reasoning for the passage of this bill seems to be based largely on the fact that the Governors or State administrations in several of the States want it. Arguments for the bill seem to be based also on losses to certain businesses in some of the States, but I have heard almost nothing said about the fact that the State taxes on cigarettes are

taxes levied heaviest upon the poor people—people who have little incomes, who have few diversions. Call smoking a bad habit if you will; we are not legislating on the subject of morals at the moment; we are legislating on the subject of State taxes. It seems to me that this product, already taxed 40 percent of its normal retail value by the Federal Government, is supporting tax load enough. It seems to me that when a user of this product pays 6 or 7 cents Federal tax per pack that is tax enough under any circumstance. Many States; I do not know how many; I believe 39. Am I correct, I ask the gentleman from Tennessee?

Mr. COOPER. Thirty-nine States now tax cigarettes, and the rates range from 1 to 8 cents on the package.

Mr. ELLSWORTH. Thirty-nine States have seen fit to impose a tax on this particular commodity. Now they are finding some difficulty in collecting the higher tax. If the States were more modest in their tax demands on this product, quite likely this situation would not have developed; but the fact is that the States are overtaxing this product, and the situation is that the Federal Government is now to be asked to police the shipment of cigarettes. I do not think the Federal Government should have any part in such an effort. I think that if the States are suffering as the result of their own folly in making the tax too high upon a product that is already overtaxed, they themselves should pay the penalty involved as the result of their own actions, and I do not think the Federal Government should be required, or that we here in Congress should be required, to help them out.

Mr. HUBER. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. HUBER. I agree with everything the gentleman has said. The House not long ago refused to place a 1-cent tax on the sale of cigarettes. When the tax bill for the District of Columbia was under consideration I offered an amendment for that purpose, but the House would not go along with it, yet we were seeking every possible means to increase the revenues of the District. The House in its wisdom did not see fit to charge 1 cent a package on cigarettes here in the District of Columbia.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. ROGERS of Florida. Will the gentleman state whether or not his State has a tax on cigarettes?

Mr. ELLSWORTH. My State, I am proud to say, does not have a cigarette tax.

Mr. ROGERS of Florida. So it makes no difference to the gentleman's State whether we pass this bill or not.

Mr. ELLSWORTH. I will put it this way: It will make little or no difference to my State whether we pass this bill or not. As to whether or not the people in my State would favor or not favor this legislation, I should say there would be about as much sentiment one way as the other. I believe it is quite likely that many people in my State approve of this bill. I oppose it on principle, be-

cause I think the Congress of the United States has no business legislating on such matters. The States, by their own tax laws have created the situation we are now asked to remedy. Let the States themselves undo what they have done and at the same time relieve their citizens who can least afford it from the tax burden that has been placed on them.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, I am very much in favor of this legislation. I believe it is forward-looking legislation. I think the gentleman from Ohio [Mr. JENKINS] is to be congratulated upon proposing it. The reason I am in favor of it is that if we do not pass this legislation New York State will continue to lose \$7,500,000 a year as a result of people sending cigarettes into New York State without a tax, while the great majority of the people of our State pay cigarette taxes. I think that is important; I think it is so important that when 39 States have a tax on cigarettes and it is possible for the few remaining States to evade that tax and cause a tax loss to the 39, it is about time we did something to try to help those States.

It has been said that this is a new departure. May I say that the New York State Assembly on March 30, 1949, passed the following resolution, which was subsequently concurred in by the senate, and about which I more recently received a letter from the chairman of the tax commission of the State of New York:

STATE OF NEW YORK,
IN ASSEMBLY,
Albany, March 30, 1949.

Resolution 124

By Mr. Ostertag:

Whereas there is a tax levied by the State of New York on the sale of cigarettes; and

Whereas the revenue therefrom is essential to the payment of the State bonus to veterans and other obligations; and

Whereas the avoidance of this tax is possible and substantial revenue is being lost to the State by such avoidance; and

Whereas such avoidance occurs principally through the interstate shipment of cigarettes into the State from non-cigarette-taxing States; and

Whereas there is no remedy available for the stoppage of such avoidance except by action of the Federal Government to which by the Constitution of the United States has been delegated by the States the power to regulate commerce between the States; and

Whereas there are now 38 other States similarly affected: Now, therefore, be it

Resolved (if the senate concur), That the Legislature of the State of New York respectfully urge the Congress of the United States to speedily pass appropriate legislation effecting the disclosure to the tax administrators of the States taxing cigarettes by shippers thereof in non-cigarette-taxing States of shipments of cigarettes to other than State-licensed distributors in cigarette-taxing States; and be it further

Resolved (if the senate concur), That the Legislature of the State of New York respectfully urge the President of the United States to speedily approve such corrective legislation when, as, and if submitted to him for Executive approval; and be it further

Resolved (if the senate concur). That copies of this resolution be sent to the President of the United States, the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress of the United States.

In senate, March 30, 1949.

Concurred in without amendment.

By order of the senate:

WILLIAM S. KING, *Clerk.*

By order of the assembly,

ANSLEY B. BORKOWSKI, *Clerk.*

Mr. Chairman, there is the action of the Legislature of the State of New York asking that we pass this legislation.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I am in sympathy with the legislation generally, but I am worried a little about the field of cosmetics and other items on which there is an excise tax and that we might be called upon to pass the same sort of legislation with reference to those taxes.

Mr. LYNCH. As far as I know, we have no State excise tax on cosmetics in New York. I do not know whether there is any such excise tax in any other State of the Union. I am referring to States which have specific taxes on cigarettes. Those States number 39. There are some of the other States that take advantage of the situation and bootleg cigarettes to the extent that we are seriously affected in New York to the tune of \$7,500,000 a year, which has to do with the payment of bonuses to veterans. We are very much opposed to such avoidance of State taxes and we are glad, as is indicated by the resolution of the Assembly of the State of New York, to have the support of the United States Government.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JENKINS. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. McSWEENEY. Is it not a fact that in the State of New York there is a law which permits any municipality to set up a sales tax of its own and might not that city put a sales tax on cosmetics and other things that might be affected by this law?

Mr. LYNCH. We have a law in New York which permits the city of New York to impose a sales tax. If the city of New York desires to impose a sales tax upon certain products in order to get money to aid those people who would be on public assistance, we believe we are perfectly justified in imposing such a tax as the city of New York desires to impose. But we get this permission from the State legislature. We have no right in New York City to impose any general taxes except those that are imposed under what we call the home-rule amendment whereby the State gives permission to do that which the gentleman has suggested. We have a sales tax in New York City, but it has not been abused.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, there has been a good deal of confusion regarding this bill. Some of those who are op-

posed to it have not done much to clear the confusion. I was right well amused at the distinguished gentleman from North Carolina, the chairman of the Committee on Agriculture. It so happens that he is from one of the States that does not tax cigarettes, and from which State some of these so-called bootleggers are operating most extensively. You see, these operators that this bill is aimed at started in business over in Pennsylvania, and when Pennsylvania passed a cigarette use tax—by the way, let me digress here to say that this is not a sales tax in these States, but a use tax, the State law providing that a person who smokes cigarettes or who purchases cigarettes that do not have the State tax stamp on them is violating the law—when the State of Pennsylvania passed a law providing for a State tax on cigarettes, why that same jobber immediately moved over into another State. Some of these jobbers we have traced through three or four States. The one who is selling most of the non-tax-paid cigarettes in Georgia is a Georgian who moved up to North Carolina, just over the line, and is flooding our State with these non-tax-paid cigarettes.

Now, the gentleman asked me if there had ever been any precedent for any such law as this. I now want to cite him some precedents. The Congress has, for almost a century, passed laws regulating commerce between the States but especially have the following acts been passed to assist in the enforcement of State laws:

The Webb-Kenyon Act of March 1, 1913, prohibited the shipment of intoxicating liquor into a dry State in violation of the State law.

The Plant Inspection Act of March 4, 1915, provides that parcels containing plants or plant products addressed to a State having terminal-inspection facilities must be delivered to these inspection depots.

There were several laws passed to assist the States in the collection of revenues—mainly the law which opens Federal income-tax returns to the inspection of the taxing authorities in the States that have State income-tax laws, and the law which gives such information to the States that tax alcoholic liquors.

This act is similar to these. This simply provides that any person shipping cigarettes into a State that has a State tax on cigarettes must forward to the tax authorities of the State of the consignee a duplicate or copy of the invoice. That is all that is required.

We have the Post Service Act of March 3, 1917, prohibiting the use of the mails for liquor advertising or solicitation of orders for delivery at any place in any State where local law forbade the advertisement, sale, or solicitation of orders for liquor.

We have three acts of Congress to assist in the enforcement of the State tax laws.

We have the Costigan amendment to the Revenue Act of 1936, wherein it is provided that all Federal income returns shall be open to inspection by any official body or commission charged with the administration of any State tax law.

Then there is the Hayden-Cartwright Act of June 16, 1936, wherein the officer in charge of a post exchange or similar agency on Federal territory is directed to submit a written statement as to taxable gasoline sold and to remit the tax on same to the State tax administrator.

There are 8 or 10 more of these laws that have been passed by Congress to assist in the collection of State taxes, and they are here for anybody to see.

I wish you could read some of the advertisements of these men. I call them bootleggers, and I do not apologize for it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did you say that the biggest bootlegger in North Carolina came from Georgia?

Mr. CAMP. I said he moved up into the gentleman's State in order to ship non-tax-paid cigarettes back into Georgia. I am wondering if the gentleman from North Carolina has ever talked to that gentleman.

Mr. COOLEY. I do not know the gentleman.

Mr. CHUDOFF. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Pennsylvania.

Mr. CHUDOFF. I have an open mind on this bill.

Mr. CAMP. I am mighty glad to hear it.

Mr. CHUDOFF. Suppose one of these people does not do what he is supposed to do under this bill, who enforces it?

Mr. CAMP. What do we have United States district attorneys in all these districts for?

Mr. CHUDOFF. Then the Department of Justice will have to enforce it?

Mr. CAMP. Of course it will. It is charged with the enforcement of all Federal law. If one of these fellows does not send this copy in, of course we expect the Department to go and get him, else why would we want this bill passed?

Mr. CHUDOFF. Then the Department of Justice would have to spend some money?

Mr. CAMP. Yes, and the Department of Justice approves this bill.

Some of the States that have levied these taxes have allocated the funds to the schools, some to the hospital authorities, and so on. The tax has dwindled so that in the last year it amounted to thirty or forty million dollars. We must cooperate with the States in the collection of taxes, as they must cooperate with us. We have had meetings of the committee of which I am a member with the State committees, in which we have discussed ways in which the Federal and the State Governments can cooperate so that one may help in one field and one in the other. This is a question of helping a State to enforce its laws, and I certainly ask your cooperation in passing the bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield further?

Mr. CAMP. I yield.

Mr. COOLEY. Does the gentleman know why these letters from the Department and the Bureau of the Budget were not incorporated in the report?

Mr. CAMP. I have not seen them. Are they in the report?

Mr. COOLEY. No; they are not in the report.

Mr. CAMP. I am sure the gentleman could get them from the clerk of our committee if he wants them. Does the gentleman think there is any doubt about their doing it?

Mr. COOLEY. No. I just wondered why they were not in the report.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, when the roll call was had on the rule I was having lunch at the other end of the Capitol with the Vice President of the United States, the Speaker of the House, and other distinguished Members of both bodies in honor of Gen. Lucius Clay, whom we listened to with such great interest and profit today. Had I been present when the roll was called, I doubt if I would have voted against the rule, particularly after the Committee on Rules was kind enough to give me a hearing in opposition to this legislation. Whether we approve or disapprove of a bill, I think every man should have his day in court. It is with rare exception that I have ever voted against a rule for the consideration of any legislation whether I was in favor of it or opposed to it.

I want it distinctly understood, however, that I am unalterably opposed to this legislation because I believe it is dangerous.

It is most difficult and disagreeable to differ with or oppose any measure sponsored by that very venerable and able gentleman from North Carolina, our beloved BOB DOUGHTON, and my good friend, the gentleman from Ohio [Mr. JENKINS] or, for that matter, any other member of the distinguished Committee on Ways and Means.

But, I have always been taught in the schools that I have attended that we have a dual system of government. We have a Federal Government and we have 48 State governments. Whatever powers are not specifically delegated or granted to the Federal Government are reserved to the various States.

I am in opposition to this legislation on fundamental grounds. It is basically wrong. It strikes at the very core of States' rights, and if adopted, I fear it will bring us into chaos. I am not a lawyer, nor the son of a lawyer, and I cannot speak with the authority of the gentleman from Georgia [Mr. CAMP], but it seems to me the acts to which he refers are inapplicable in the present instance. I do not think the examples he cites are at all comparable or analogous to the pending legislation. In my humble, but honest opinion, this is the first time where the power of the Federal Government has been asked, with criminal penalties, if you please—6 months in jail and a thousand dollars fine—to help the various States collect their local taxes. If the local tax authorities can get the Federal Government to come in and help them collect taxes on cigarettes, they then can ask the Federal Government to come in and collect poll taxes or any other kind of taxes on all kinds of commodities. This would be unwise.

Mr. Chairman, I do not like these epithets, and words of opprobrium that have been hurled at men who are engaged in a lawful and legal business, branding these men as bootleggers and racketeers. They are not. Bootlegging is an unlawful activity. If this were a racketeering business or if this were bootlegging and if it were illegal and unlawful, then this legislation would not be before us at this moment. Everyone knows that. These men are engaged in a legal and lawful enterprise. Do you mean to tell me that if you live in a State where you pay 6 or 7 cents a gallon tax on your gasoline and you cross the border to buy your gas in some other State, or, let us say, in the District of Columbia, where you pay only 3 or 4 cents, that you are violating the law? Are you a criminal? Should you pay a fine or go to jail?

I think this law is absolutely unconstitutional. I think it is unwise and unsound. It is unenforceable. If it is adopted, I think you are going to give encouragement to the expansion of this kind of legislation, not only to cigarettes, but to every other commodity. I do think that it strikes at the mail-order business in this country. Perhaps Sears, Roebuck sends out their statements, but I do not know who checks on them. And what about the other companies? If this legislation is passed, I believe the Post Office Department will lose hundreds of thousands and perhaps millions of dollars in revenue and at the same time I think it will impose additional burdens upon the Department of Justice and the additional expense will perhaps be as much as any tax that might be collected. Why harass our people further?

Not only do I believe the law is unconstitutional, but I think it is unenforceable. It is unworkable. I do not know who is going to be the stool pigeon or the spy or the snooper who is going to go around and visit every home or household to find out who is or is not getting legal cigarettes. I do not believe we want this kind of legislation. It has no place in America. Why, you might as well levy a tax upon the people who go to Reno or to Florida to get a divorce because of the cheap and lax laws in those States covering divorces. How can anyone who believes in States' rights and local self-government support such a measure?

Mr. Chairman, I hope we can defeat this legislation.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I am opposed to this bill on principle. I am opposed to it on the basis of our system of government. We are getting into the wrong type of thing when we legislate in this field.

Let me give you one illustration that probably you have not thought about. Suppose each individual here should buy four or five cartons of cigarettes and ship them home. If this law were enacted, would you not violate the same law? If you will read the section of this bill to which I refer, you will find that you will violate the law.

Can the States not pass proper laws to look after their own taxation? I feel sure that they can. After any package

or packages of cigarettes have been shipped, when they come to a state of rest in another State, then the State has complete jurisdiction of those cigarettes, or anything else, for that matter. Then they could properly tax them.

We had some of this same trouble with automobiles. My State had to pass a use tax on automobiles. The cigarette tax that we are proposing is not a use tax, as has been stated today. It is a consumer tax.

I certainly would have as much sentiment for schools and veterans as anyone in this House. I am much in favor of building up our school system. I have taken opportunity on many occasions to speak for the schools of this country. As a matter of fact, I was a former professor. I taught constitutional law and I taught public administration. So I have been vitally interested in schools. I am opposed to this legislation on the basis of principle, so we will not violate our system of government. I could not lose this opportunity to speak in behalf of things that I hold dear today.

This is class legislation. Great lawyers, lawyers such as Mr. Arnold, have declared that this is class legislation. I wish to call your attention to the testimony that he gave before the committee.

This would mean a loss of revenue to the Post Office Department. You have men already assigned to do these jobs. If the cigarettes were not sold and shipped in interstate commerce, the revenue would drop off to the extent of two or three million dollars.

Let us examine the red tape. I have heard so many people say that they do not believe in red tape; they do not believe in red tape in government. It is unfortunate that I find those very same people today advocating very much expansion of red tape in government. Let us look at section 2 of this bill:

SEC. 2. Any person selling or disposing of cigarettes in interstate commerce whereby such cigarettes are shipped to other than a distributor licensed by or located in a State taxing the sale or use of cigarettes shall, not later than the 10th day of each month, forward to the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every such shipment of cigarettes made during the previous calendar month into said State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

If that is not a vast amount of red tape, I do not know what red tape is. We of the Committee on Expenditures in Executive Departments are trying to cut down on the cost of government. We have been meeting twice a day trying to iron out these difficulties and differences in government. Here we are establishing more functions for government to perform. Certainly this is a new job, if you are going to check it adequately.

Some of these people have been calling others bootleggers. If any of the men who used that name would use it off the floor, they could be prosecuted for using that expression.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. BURNSIDE] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 8 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I have listened very diligently to this debate as it has gone on here today and I am convinced by the arguments of those in opposition to the pending bill that they would be on sound, solid and very good ground if they were serving in the various State legislatures arguing against enactment of a State cigarette tax.

But we are not faced with that problem of levying a State cigarette tax. If we believe in the right of the States to levy their own taxes then I think we should recognize the responsibility that the Federal Government has not given aid in violating those State laws and thus help to make it impossible for the States to collect the taxes which the legislatures have determined should be raised in those various States.

The gentleman from Missouri [Mr. SHORT] spoke about States' rights. I am in favor of his citizens of Joplin, Mo., and these mail-order cigarette men enjoying all the State rights within the boundaries of the State of Missouri that they can enjoy. But when they dump millions of dollars worth of untaxed cigarettes over in Oklahoma and evade a State tax in the amount of about \$3,000,000 then it ceases to be a State-rights question for the State of Missouri and becomes a part of the State rights of the State of Oklahoma. Thus these 39 cigarette-taxing States protest and look for some help to try and prevent the loss of some forty to fifty million dollars' worth of revenue that is so badly and desperately needed by these States for schools, veterans' benefits, pensions, and the like.

Mr. MAGEE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. MAGEE. The gentleman would want the citizens of Missouri to be taxed so that the Department of Justice could have a corps of agents go around over the State to help you folks collect your taxes?

Mr. MONRONEY. Oh, no. The only reason that these so-called mail-order cigarette houses exist is simply to evade the State cigarette tax in other States. The minute they have to make a return to the State taxing authorities, you will find that they will be out of business. Their only stock in trade is the tax evasion that they encourage.

Listen to this. Here is what they all say. I think we had over 100 of these advertisements in the hearings last year. Safety in tax evasion—it runs throughout every single one of these hearings, and no one can dismiss the fact that they are enjoying a business based on tax evasion that comes through the United States mail. This advertising quote is from the testimony of the chairman of the Oklahoma Tax Commission as found on page 114 of the hearings:

Cigarettes at wholesale prices. Our best reference is the fact that we are conducting our business through the United States mails. Therefore, it is strictly legal and you are assured the privacy of the United States mails.

There we have the whole story behind an allegedly fine enterprise that is costing the various States multiplied millions of dollars.

These States are struggling to pay for their veterans' bonuses, their aid to education, their old people's pensions out of their cigarette taxes, and yet into every State go those advertisements by the hundreds of thousands to chip away their tax funds.

Let me tell you something. I have seen passed, in one-tenth of the time this bill has consumed, Federal aid for forty or fifty million dollars through this House. And yet today we spend 2 or 3 hours debating whether to cooperate with the States to collect forty or fifty million dollars of revenue that is justly theirs.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. I am a resident of the State of Pennsylvania. Suppose that I write to a mail-order house in Chicago and tell them to ship me four cartons of cigarettes, and enclosed herewith is the postage; please send them to me by parcel post. And they proceed to ship me those cigarettes. Who is the bootlegger, the mail-order house that is legitimately set up in Chicago, Ill., or me, in the State of Pennsylvania?

Mr. MONRONEY. Let me tell you who I think is the principal, though unwilling, bootlegger in this case, and I think we ought to do something about it. The biggest seller of tax-evaded cigarettes in every single one of the 39 States that have cigarette taxes is the United States Post Office. They sell more cigarettes in your town and in my town than any other single store in the whole city. Thus, you are not only discriminating against the States that are losing this forty to fifty million dollars of revenue, but you are discriminating against 1,500,000 licensed cigarette dealers who pay from \$5 to \$25 for the right to sell cigarettes on a legitimate, respectable basis in the State and at the same time collecting tax money for the State itself.

They pay for the privilege of selling the cigarettes, and they also collect the money to pay for the old folks' benefits, school aid, and the veterans.

In my State—get this figure, because it is true—we have 20,000 dealers who are paying \$202,000 a year to sell cigarettes in Oklahoma, yet my State tax commissioner advises that more than \$3,000,000 of State taxes are evaded.

Let us look at the story and see what happens. These 20,000 dealers, your constituents and mine, pay \$202,000 to sell cigarettes. They are undersold by 50 cents a carton by these alleged mail-order houses that pay no taxes into these States, who have no license to do business there. But these licensed dealers are undersold by 50 cents. So, these dealers lose the sale of that carton of cigarettes because they cannot possibly take 50 cents off of the price. That 50 cents comes out of the tax that they would be compelled by law to levy.

The State also loses that 50 cents, and that is gone. Who makes the money? I will tell you who makes it. One of these 200 mail-order cigarette bootleggers

makes it. But he does not make the 50 cents that the dealer loses; he does not make the 50 cents that the State loses. He makes 10 cents. So there you have the story of the break-down of a system of revenue for the States that is truly dangerous.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Why could not the State of Oklahoma make it unlawful to receive or consume cigarettes upon which the State tax has not been paid?

Mr. MONRONEY. It is unlawful, but these cigarettes all come in, as the gentleman knows.

Mr. COOLEY. The gentleman says it is unlawful now to receive and use them?

Mr. MONRONEY. It is unlawful. It is a use tax, and it is unlawful to have in your possession a package of cigarettes on which the tax has not been paid.

Mr. COOLEY. Why could you not go to the post office and find out who is violating the law?

Mr. MONRONEY. That is a thing we cannot do, and that is the reason for this bill. The sanctity of the United States mails is involved. If it were a private business, sure, we could collect that tax, but we are building up this great cigarette business in the United States post offices and depriving our States of this needed revenue. The confidential nature of these parcel post shipments make it possible to safely evade State law.

Mr. JENKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I have been greatly interested and informed by my able and distinguished colleagues in the debate on this measure. My interest in this measure is to protect the taxpayers of my State, the small-business man who is your neighbor and mine. We must have taxes. Only the savage pays no taxes. And I am interested in preserving the prosperity of the men and women who support our churches, our schools, our disabled veterans, and our old people.

I had a predecessor in this House more than 30 years ago who voted against all tax measures and in favor of all appropriations. That was his program always, in and out of Congress.

With respect to the use of tobacco, I quit again, for the fourth time, 3 years ago and I think finally. It burned a hole in my pocketbook and in my clothes and I thought hurt me physically. For quite a while I was a little bit like a lawyer in the town in which I grew up who was addicted to strong drink. He was a fine and able man, and when he would sober up he would be remorseful. His friends would say to him, "Reid, why don't you quit?" He would say in reply, "My trouble is I quit too often."

On my farm, I raise tobacco. It is a profitable crop in Tennessee. It is a profitable crop all over the country. The tobacco crop brings the tobacco farmers \$1,000,000,000 a year. That is no mean sum for the people of the States where it is grown and for the people of the entire country, and the taxes on tobacco bring to the Government of this country

\$1,000,000,000 yearly in revenue. This is one crop that more than pays its way.

Why not afford protection to the home dealers in cigarettes, the corner drug stores, the grocery stores, the tobacco stores, all the dealers who pay a privilege tax, ad valorem taxes, and property taxes on their places of business and on their homes? Why not afford them protection? They pay taxes that support the schools of their communities, that maintain the streets and the roads of the cities and towns in which they live. These people are our neighbors, our friends who help support the old people and contribute to the support of our local, State, and Federal Governments.

This is not a drastic bill. I see nothing in it that threatens the liberties of the people of this country. It places the duty upon a dealer in cigarettes, who ships them from one State to an unlicensed dealer in another State, to send a duplicate invoice to the taxing authority of the States into which he ships these cigarettes.

Oh, they say there will be an army of spies and informers turned loose on the people. That will not happen. The average man who has money and intelligence enough to engage in an interstate business shipping cigarettes to other States is not going to subject himself to a prison term or to a fine of a thousand dollars by violating this law. I just cannot see anything here which constitutes a threat to the liberty of the people. I do not see in this proposed law any hidden weapon which is designed to overthrow the Constitution. When a fellow is hard up in a lawsuit, he, as a last resort, raises the question of the constitutionality of the law involved. This proposed measure will protect the local dealer in cigarettes who pays taxes against the competition of a nonresident dealer who pays no taxes. This proposed law simply says to the fellow who wishes to ship cigarettes from one State to another to an unlicensed dealer in cigarettes that when he makes the shipment he shall mail a duplicate invoice to the State taxing authority. As I have pointed out such a dealer has money and is intelligent, and he will observe the law. If he does not, he has no one to blame but himself. We ought to keep the tobacco trade on the level of a lawful business. As I said a while ago, it is an important source of revenue to the people of the country. The 5,000 tobacco growers in my district reap a reward each year through the sale of their tobacco of \$3,000,000. The dealers also make a profit. They all contribute to the prosperity of their community and to the support of their Government. For these reasons I shall support this bill.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JENKINS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to compliment the Members who have engaged in this debate this afternoon. In other words, I think, outside of listening to me, we have all had a pretty good time. It has been my purpose to grant time to those in opposition as well as to the proponents of the bill. We do not wonder that the Members who come from other States

which do not have a use tax would have a different interest than those who come from States whose tax laws are being thwarted. I would like to leave this thought with you. There is a difference between a sales tax and a use tax. The use tax is a tax on your right to use a commodity. In my State of Ohio we have a 2-cent use tax. That means that a man has no right to use a pack of cigarettes until he has paid that 2 cents tax. There has been so much talk here that there are going to be so many violations. I just want to read to you a few statements made by the tax authority in Ohio to show how fine and law-abiding and magnificent most of the people of the Nation are who are engaged in shipping cigarettes. As I said before, there are only a comparatively few of these so-called bootleggers. There are not very many. But they are very disturbing, and they are taking a terrific toll. In my State we do not run after these people who may have a pack of cigarettes that does not have a stamp on it. We do not run after such people, because it is too much trouble, and, furthermore, what would be the use? Let me show you how nicely most of these shippers of cigarettes cooperate. Here is what Mr. Glander, the tax commissioner of Ohio, says. He is an able man, a good lawyer, and a fine administrator. I do not know whether he is a Republican or a Democrat, for he is now serving under a Democratic governor, and served under the last governor, who is a Republican.

I would at least like to get the attention of the Members from Ohio before I read what Mr. Glander says:

There are some 300 out-of-State firms registered and authorized to collect the use tax, without using stamps to make quarterly remittances to Ohio.

There are 300 of them, like Sears, Roebuck and these other big mail-order houses. There are 300 of them that make their own reports and their own returns to the State of Ohio, which accepts them. They send in hundreds of thousands of dollars in taxes. These people cooperate.

Let us see further what this tax man says. He has two other categories:

In addition to these, there are approximately 1,000 out-of-State firms registered under our use-tax laws, who make use of the stamp taxes.

There are a thousand of them outside of these 300 big fellows who qualify and meet the test of the law. If all the principal shippers cooperate, why permit a lot of unethical operators to violate the principle of the law?

You recall the case of this man who came up out of the State of Georgia into North Carolina and who told us that he had left Georgia and gone to North Carolina because he knew he could undermine these laws. He said he was going to carry on in this way even if he was a Presbyterian. But he said in effect: "As soon as you pass this law I will go back to Georgia."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. We have a sales tax in South Dakota which applies to commodities generally. In order to make that sales tax effective, we have a use tax and it operates exactly as the gentleman from Ohio has described. It is easy to make the use tax effective if it is an automobile, because when you register your car, if you have not paid the original sales tax, you have to pay the use tax. There is nothing that compels a man when he smokes a cigarette to come in and pay the tax.

Mr. JENKINS. Yes. It is a violation of law in Ohio and all of these other States that have use taxes, for a man to use cigarettes, just as it would be for him to use them without the Federal tax stamp on them. But we do not want to be snooping around. The cigarette business is a tremendously large business. The States collect a total tax of hundreds of millions of dollars. We know that the great bulk of the people comply with the spirit of the law. There are only a few people who do not. We want to reach them. That is what we are trying to do.

I cannot understand how the gentleman from West Virginia [Mr. BURNSIDE] can justify himself from the standpoint of rendering service to his State and his constituents. There was only one man who came out of his State before the committee and he testified that he was the only man in West Virginia engaged in that line of business. I do not see why the gentleman, an ex-professor in school, can justify his action with reference to ethics, that he would encourage that man to follow a course entirely different from the course followed by about 99 percent of the persons engaged in shipping cigarettes.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. JENKINS] has expired.

Mr. JENKINS. I yield myself five additional minutes, Mr. Chairman.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. COOLEY. I want to know to whom you had reference when you looked this way and said something about somebody having a client who was a bootlegger.

Mr. JENKINS. I will withdraw the word "client." I meant constituent.

Mr. COOLEY. He is not even my constituent. I do not have any constituents engaged in any such business. I do not even know the man that you have reference to.

Mr. JENKINS. I assume the gentleman, with his great ability, represents the whole State of North Carolina. I am sure he is highly esteemed down there as he is here in Congress. He knows of the high esteem I have for him.

Mr. COOLEY. I do not know to whom you had reference. I do not represent any bootlegger.

Mr. JENKINS. Let not your heart be troubled, we all understand that. I told you I had reference to the man who came out of Georgia and said he came up to North Carolina so he could stay in your State long enough to make some

money by shipping cigarettes into States which had a tax on the use of cigarettes.

Mr. COOLEY. That was the gentleman from Georgia's [Mr. CAMP'S] constituent.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. I would like to ask the gentleman: Suppose a person from the State of Ohio should write to one of these companies and ask them to ship cigarettes to him.

Mr. JENKINS. All right. If he does that, whoever employs the mails or an instrumentality of interstate commerce to ship cigarettes into the State of Ohio without having made arrangements to stamp them must send notice to the Ohio tax authorities. That is all he would have to do.

Mr. BURNSIDE. Is that in the bill?

Mr. JENKINS. Yes; that is in the bill. That is the very essence of the bill. I am sure that if the gentleman had studied the bill carefully he would be in favor of it as I dare say 90 percent of the people of West Virginia are.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. McSWEENEY. The gentleman has spoken about the interest in this debate. I think that was a credit to you for allowing even your opponents to have plenty of time to discuss it. I do not like your use of the word "boot-legger," because I was in Italy and I saw a lot of boys who bought cigarettes for 50 cents a carton and sent them home to their people who did not have any cigarettes. They were not violating the law, but they were simply trying to take care of their people.

Mr. JENKINS. I thank the gentleman. I am not responsible for this word which they use. It is the word they use in the trade. I think that is what they call themselves.

I want to pay a compliment to the great bulk of people who ship cigarettes. I do not want to be tedious about this. I have mentioned it before, but the great bulk of the people, 95 or 99 percent of them, obey the law, not only the law of Ohio but of every other State. They found out it was best to do it. Why do you shed so many tears over so few people? I expect one of the No. 1 men in the business went out of business in New York a few days ago when he took advantage of the bankruptcy laws.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. JENNINGS. There has been a good deal said in this debate about the loss of revenue to the Postal Department. Is it not a known fact that the Postal Department carries commodities like cigarettes, books, and other merchandise at a loss?

Mr. JENKINS. Yes. There is a bill pending in this Congress to increase the rate on second-class mail matter, because it does not pay. It is an unsound argument to advance by claiming that the Post Office Department loses revenue. It does not lose revenue when it costs \$2

for every \$1.50 that comes back in postage.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. RIVERS. Are you putting into the RECORD the amount of revenue lost by the respective States as a result of this tax?

Mr. JENKINS. I am not sure that I have them all. If I have, I will put them in the RECORD. My best recollection is that the States lose \$40,000,000. In fact, I know that one person testified to that figure.

Mr. Chairman, I have prepared a complete brief showing the Supreme Court decisions on all phases of any charge that this bill when enacted into law will be unconstitutional. This brief is as follows:

The objection has been raised that such a measure as House Resolution 195 "may set a precedent for similar legislation with respect to other items upon which the States have imposed, or may impose, a sales or use tax."

As to this argument it is respectfully submitted that a precedent would not be established. On the contrary, the Congress actually has established a precedent for such action by enacting legislation to aid the States in the enforcement of certain State laws.

The Wilson Act of August 8, 1890 (26 Stat. L. 313, ch. 728), subjected intoxicating liquors transported into any State to the operation of State laws to the same extent as though they had been produced within the State, although still in the original package. This act was upheld by the Supreme Court in *Re Rahrer* (140 U. S. 545, 35 L. Ed. 572, 11 S. Ct. 865).

The Wilson Act did not apply until the transportation was completed by actual delivery to the consignee. Thus Congress enacted the Webb-Kenyon Act of March 1, 1913 (37 Stat. L. 699, ch. 90). This act prohibited the transportation of intoxicating liquors into any State where it was intended that they should be "received, possessed, sold, or in any manner used" in violation of its laws. The Supreme Court upheld this act in *Clark Distilling Company v. Western Maryland R. Co.* (242 U. S. 311, 61 L. Ed. 326, 37 S. Ct. 180).

Justice White, speaking for the Court, on page 324, said: "Reading the Webb-Kenyon law in the light thus thrown upon it by the Wilson Act and the decisions of this Court which sustained and applied it, there is no room for doubt that it was enacted simply to extend that which was done by the Wilson Act, that is to say, its purpose was to prevent the immunity characteristic of interstate commerce from being used to permit the receipt of liquor through such commerce in States contrary to their laws, and thus in effect afford a means of subterfuge and indirection to set such laws at naught."

The Hawes-Cooper Act of January 19, 1929 (45 Stat. L. 1084, ch. 79, 49 W. S. C. A., par. 65), provided that convict-made goods transported into any State should be subject upon arrival, whether in the original package or not, to the operation of State laws as if produced within the State. This act was upheld in *Whitfield v. Ohio* (297 U. S. 431, 80 L. Ed. 778, 56 S. Ct. 532). The Court in this case held that this was not a delegation of congressional power to the States but was a removal of impediment to State control presented by the broken package doctrine. The Court also held that there was no violation of the privileges and immunities clause of the Federal Constitution where the statute also prohibited sale in open market of goods made in Ohio by convict labor.

The Hawes-Cooper Act was followed by the Ashurst-Summers Act of July 24, 1935 (49 Stat. L. 494, ch. 412, 49 U. S. C. A., pars. 61, 62). This act relates to the interstate transportation of convict-made goods and has about the same provisions as those of the Webb-Kenyon Act with respect to intoxicating liquors. It also required that packages containing convict-made goods be labeled, disclosing the nature of the contents, the name and location of the penal institutions where the goods were produced, and the names and addresses of shippers and consignees. The act was upheld by the Supreme Court in *Kentucky Whip & Collar Company v. Illinois Central Railroad Company* (299 U. S. 334, 81 L. Ed. 270, S. Ct. 277). The opinion in this case, written by Mr. Chief Justice Hughes, contains an excellent review of congressional enactments "designed to prevent the use of interstate transportation to hamper the execution of State policy." The opinion stated "while the power to regulate commerce resides in the Congress, which must determine its own policy, the Congress may shape that policy in the light of the fact that transportation in interstate commerce, if permitted, would aid in the frustration of valid State laws for the protection of persons and property. * * * The Congress has formulated its own policy and established its own rule. The fact that it has adopted its rule in order to aid the enforcement of valid State laws affords no ground for constitutional objection."

Another instance of action by the Congress in order to protect the declared policy of the States is the enactment into law of prohibitions on the interstate transportation of lottery tickets, lists, etc. This legislation was upheld in the famous case of *Champion v. Ames* (23 S. Ct. 321, 188 U. S. 321). Justice Hughes, speaking for the Court, said: "In legislating upon the subject of the traffic in lottery tickets, as carried on through interstate commerce, commerce only supplemented the action of those States—perhaps all of them—which, for the protection of the public morals, prohibit the drawing of lotteries, as well as the sale or circulation of lottery tickets, within their respective limits. It said, in effect, that it would not permit the declared policy of the States, which sought to protect their people against the mischiefs of the lottery business, to be overthrown or disregarded by the agency of interstate commerce. We should hesitate long before adjudging that an evil of such appalling character, carried on through interstate commerce, cannot be met and crushed by the only power competent to that end."

By the enactment of the Connelly Act (15 U. S. C. 715), Congress declared its policy to be that of protecting interstate and foreign commerce from the diversion and obstruction of and the burden and harmful effect upon such commerce caused by contraband oil. In this act, contraband oil was defined as petroleum, any constituent part of which was produced, transferred, or withdrawn from storage in excess of the amounts permitted to be produced, transferred, or withdrawn from storage under the laws of a State. The constitutionality of this enactment was upheld in the case of *Griswold v. The President of the United States* (82 F. 2d 922). The Court said the purpose of the act was to aid the States in enforcing laws limiting the amount of oil permitted to be produced from wells in designated fields by prohibiting shipments of excess oil commonly known as "hot oil" in interstate commerce. It is settled that the law is a valid enactment of Congress to effect that purpose. In the case of *United States v. Sheen* (118 F. 2d 58), the Court said the statute authorizing district courts to enjoin persons dealing interstate in contraband oil from doing so is not invalid as an invasion of State powers or as improper legislation of interstate commerce since the act dealt only with interstate com-

merce for the purpose of supplementing State legislation. It takes up where State policy ends and by supplementing its legislation it makes effective the general will of the people of Texas expressed in its conservation laws.

Congress again aided the States in the enforcement of their laws by enacting a law prohibiting game birds killed contrary to State laws from being shipped in interstate commerce and prohibited transportation from one State to a State where the importation is prohibited by State law. In *Bogle v. White* (61 Fed. 2d 930) the court said the definition of the offense is the taking, capture, etc., of birds contrary to laws of the State and makes this section of the Federal law coextensive with and effective to enforce their acts. (The acts of the States.)

There are many other instances where Congress has regulated interstate commerce to prevent the use of that commerce as an impediment to State policy. Congress has provided for penalties for transportation or distribution in commerce of misbranded wool products (15 U. S. C. 68 (a)); has set up standards for shipment of goods or dry commodities in barrels of less capacity than standard barrels as defined (15 U. S. C. 235); has provided against the shipment of falsely marked gold or silverware manufactured after June 13, 1907 (15 U. S. C. 331); has provided against the shipment of firearms in interstate commerce (18 U. S. C. 361); has provided against the introduction into interstate commerce of adulterated or misbranded food products (21 U. S. C. 331); has provided against advertising securities without disclosing consideration (15 U. S. C. 77 (b)); has provided against the transportation of contraceptive drugs (18 U. S. C. 896). In the *Eureka Productions v. Lehman* (17 F. Supp. 259) the Court stated that the purpose of this section (18 U. S. C. 896) was to supplement State legislation.

The courts have upheld the regulation by Congress of interstate commerce to supplement State laws. As in the case of *Reid v. Colorado* (187 U. S. 137), it was held that Congress could prevent diseased stock from entering into interstate commerce. In the *Lottery Case* (188 U. S. 321) it was held that Congress could prevent the transmission of lottery tickets in interstate commerce. In the *Hipolite Egg Co. v. United States* (220 U. S. 45) it was held that Congress could prevent the transportation of adulterated articles if it would deceive or injure purchasers.

These instances are merely examples of Congress exercising police power with the field of interstate commerce for the benefit of the people. Congress can regulate interstate commerce to the extent of punishing and forbidding its use as an agency to promote immorality, dishonesty, or the spread of any evil or harm from one State to the people of another State (*Brooks v. United States* (267 U. S. 432)).

The unregulated sale of cigarettes in interstate commerce promotes violation of the law, and therefore the sale of cigarettes in interstate commerce from a nontaxing State to a taxing State where the seller does not collect the tax nor advise the State of those to whom he sells, but actually solicits business on the basis that the people of the State can evade their tax laws by purchasing from him, would be a proper case for Congress to act to prevent these sellers from aiding and abetting tax evasions by the citizens of a taxing State. The *Kentucky Whip case* (299 U. S. 334) states: "Congress has the power to prohibit the movement of harmless and useful goods in interstate commerce. The social interest of protection of life and welfare in business is sufficient to satisfy the due process of law requirement of the Constitution."

One who successfully evades his legal obligations obtains a competitive advantage over his law-abiding competitor. In the interest

of fair competition among the sellers selling to those in taxing States, Congress should pass such legislation as proposed in H. R. 195. Congress should not let interstate commerce be used as a shield by the seller to secure an unfair competitive advantage over those sellers who must collect and do collect taxes under State law. For Congress to deny the right to supplement State tax laws in this instance would be to deny merchants an equal competitive basis under the law and unfair competition would be fostered as would tax evasion.

The opponents to H. R. 195 have questioned the constitutionality of such an act in that it would be a burden on interstate commerce and that such an enactment is not a valid exercise of Federal power.

The requirements set forth in H. R. 195 to require all out-of-State sellers to furnish the tax administrator of the State in which shipment is made with names and addresses of their purchasers, together with the cigarettes and the quantity thereof, is not a burden on interstate commerce in that he may either do this or collect and remit the tax as other sellers within the State. There is no discrimination, in that the State imposes a tax on cigarettes sold in the State as well as a tax on the use of cigarettes which are brought in from outside the State and consumed in the State. The United States Supreme Court has upheld the right of a State to require an out-of-State seller to collect the use tax (*General Trading Co. v. Iowa* (322 U. S. 335)). The effect of the law would not be to burden interstate commerce but, instead, would serve to alleviate unfair competition, as in the case of a resident-seller who must collect the tax whereas the out-of-State seller does not and, as a result, continually undersells the local dealer. However, Congress, within the limits of the fifth amendment, has the authority to burden commerce if they deem it a desirable means of accomplishing a permitted end (*Morgan v. Commonwealth of Virginia* (66 S. Ct. 1050)).

The opponents to H. R. 195 further state that they have a property right in the names and addresses of the customers and that H. R. 195 would violate the provisions against unlawful search and seizure. The same question was raised by Kentucky dealers under a Kentucky statute which required cigarette sellers to report alleged exempted sales to the tax commissioner. Such a list of customers and addresses was furnished Ohio under an agreement for mutual assistance in enforcing the Kentucky cigarette tax on Ohio use tax. *Dixie Wholesale v. Martin* (278 Ky. 275) held that transmitting such report to the commissioner was no violation of the Federal Constitution. Such act would not constitute (1) interference with interstate commerce nor (2) illegal search and seizure inasmuch as there would be no proceeding of any kind against the seller on the basis of information furnished and he may refuse to furnish the names and addresses of his customers by collecting the cigarette use tax. Certiorari was denied by the United States Supreme Court (308 U. S. 609).

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. JENKINS. Mr. Chairman, I yield myself one additional minute.

Mr. COOLEY. I wish to ask the gentleman, in view of the argument made by the gentleman from Georgia [Mr. CAMP], if he knows of any law that requires distillers of alcoholic beverages to transmit invoices to the States to which the whiskey is sent?

Mr. JENKINS. No; they are not nearly as lenient as we are in this bill. They make it a violation of law.

Mr. COOLEY. But they do not require the transmittal of invoices.

Mr. JENKINS. No. That is a complement to this bill. All a man has to do is to send an invoice or statement that he has sent the cigarettes into the State. It is very simple, more simple than in any other law of this kind.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may require to the gentleman from Virginia [Mr. HARRISON].

BUREAUCRACY EYES THE CIGARETTE TAX

Mr. HARRISON. Mr. Chairman, this bill will impose upon the Federal taxpayer the cost of enforcing local tax laws in many States and cities. It will impose unfair and unconstitutional restrictions upon tobacco, a great agricultural industry.

Tobacco is paying an excessive and oppressive share of the taxes collected by the Federal Government, the States, and some municipalities. From each pack of cigarettes the tobacco farmer is lucky if he gets 2 cents. The Federal Government levies 7 cents on every pack. On top of this, 39 States have seen fit to levy a tax of from 1 to 8 cents a pack. In recent years, municipalities have imposed additional sales levies.

And now, in this legislation, these States and large cities want to spend the money of Federal taxpayers, including that of tobacco farmers themselves, to increase the unconscionable burden which tobacco growers already are forced to bear.

I have listened with interest to the distinguished Representatives from large eastern areas in their descriptions of the desperate need of their States and cities for the revenue from taxation of cigarettes. I sympathize with their predicament. Possibly if they could induce the authorities of their States and cities to practice economy in government, as we do in Virginia, their problems would not be so pressing. But that is a matter that lies within the discretion of their local governments. All we in rural areas ask of them is that they manage their own affairs and leave us alone to manage ours.

But this is something the great urban centers of the northeastern section of the country simply will not do. They want this Congress to pass laws telling us who may vote in our local elections; they want Federal laws taking from us our local police powers; in their iniquitous FEPC proposal they want to subject all business and business relations to total control of Washington bureaucracy, enforced by a Federal gestapo.

Although theirs is the wealthiest section of the Nation, we never turn around without finding their governors or mayors, hat in hand, begging for Federal money to bail them out of some trouble of their own making. They want to impose additional crushing taxation upon us to build houses in their great cities to be rented to their citizens on subsidy supported by Federal taxation. They want to tax us to provide for them when they are sick and when they are well, when they are young and when they are old. In extortionate tariff levies they impose heavy burdens upon

us to protect their industries from competition.

In the bill now before the House, they want the Federal taxpayer to put up the money and provide the police to do the budgetary housekeeping in their own States. For this purpose the swollen Federal bureaucracy must have more agents, more prosecutors, more personnel to provide for this adventure in snoopering.

They claim that mail orders for cigarettes paying no State taxes on tobacco have reached the proportions of big business. If this is true, the passage of this bill will add substantially to the large loss in the operation of the Post Office Department by depriving it of the postage revenue from mail-order shipments. It is only in States which have resorted to unreasonable imposts on cigarettes that tax avoidance through mail purchases has become a problem.

It is true that the tobacco farmer is the only producer hurt in this particular bill, but I want to warn those of you who do not represent tobacco-growing areas that those States and cities which tax tobacco so heavily that they have to come to the Federal Government to enforce their levy on their own citizens already are taxing everything in the heavens above, the earth beneath, and the waters under the earth. Once they get the Federal Government to act as policemen over tobacco, they will be here asking for the same bureaucratic control on products grown or manufactured in your district.

For these reasons I urge the defeat of this measure.

Mr. JENKINS. Mr. Chairman, we have no further requests for time on this side.

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Tennessee [Mr. COOPER].

The CHAIRMAN. The gentleman from Tennessee is recognized for 8 minutes.

Mr. COOPER. Mr. Chairman, it is not my intention to ask the indulgence of the House very long on this occasion. I believe that any opposition to the pending bill can readily be cured by reading the bill by sections. The bill is simple, and its purpose is very clear: The main purpose and effect of the enactment of this legislation is to require the citizen of a State to observe the laws of his own State; that is all there is to it. If a man lives in a State that has a State cigarette tax and he wants to order cigarettes from some other State where there is no tax, wants to order them for the purpose of evading the tax levied by his own State, he is the man who should be designated as the tax evader, or whatever you wish to call a man who is evading a tax imposed by his State on cigarettes.

When the distinguished gentleman from North Carolina, my good friend, the chairman of the Committee on Agriculture, said that he was against all tobacco taxes, he covered his field; and that is the reason for his speech. He is against all tobacco taxes. But 39 States of the Union, in the wisdom of their legislatures, have seen fit to levy a cigarette

tax. The purpose of this bill is to assist those States in the collection of that revenue from the citizens of those States, and that is all it amounts to.

The only duty or obligation imposed upon anybody under this bill who ships cigarettes into a State where a State tax is imposed is simply to forward to the taxing authority of that State a copy of the invoice, or a simple memorandum; in other words, if somebody in the great State of Missouri, where they do not have a State cigarette tax, wishes to send a shipment of cigarettes to my State of Tennessee, he simply mails to the commissioner of finance and taxation of the State of Tennessee a copy of the invoice or a simple memorandum that he has shipped those cigarettes, and he is free; no other duties or obligations are imposed upon him. He simply states to the commissioner of finance and taxation of Tennessee in writing that: "On the 17th day of May 1949, I shipped to JERE COOPER, at Dyersburg, Tenn., 10 cartons of Camel cigarettes." That is all. There is no further duty or obligation imposed upon him. It is thought by your committee that this is only a fair and reasonable degree of cooperation for the Federal Government to give these 39 States to help them see to it that the citizens of those States obey the laws of the States.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman has been a member of the Ways and Means Committee for a number of years. Can he tell us of any other single solitary Federal act comparable to this?

Mr. COOPER. The gentleman asked that same question a year ago.

Mr. COOLEY. And I got no answer.

Mr. COOPER. I answered it then and many others have answered it. There are many, many acts of Congress directly comparable with the pending bill. There is no question about that. The hearings amply show it. And if the gentleman will take the time to look them up or simply walk back there to the table, the clerk of the Ways and Means Committee will be delighted to point them out to him and assist him in that respect.

Mr. COOLEY. If the gentleman will mention one of the acts I would appreciate it.

Mr. COOPER. There are plenty of them. The gentleman from Georgia [Mr. CAMP] has already mentioned quite a number of them.

Mr. COOLEY. None of them are applicable.

Mr. COOPER. Every one of them is absolutely and directly applicable.

As I said a moment ago, 39 States of the Union impose a State cigarette tax. By this method that has developed very largely in recent years of people setting themselves up in business in a State where the cigarette tax is not imposed and shipping cigarettes into States where the tax is imposed, the States imposing the cigarette tax are losing around forty or fifty million dollars a year in State revenue by reason of this evasion. As I

said earlier, it simply means that a citizen of that State is evading the law of his own State.

This State tax ranges all the way from 1 cent a pack in West Virginia to 8 cents a pack in the State of Louisiana. Think about that for a moment. Think about what 8 cents a pack on cigarettes means. If they are evading the tax, the profit of that amount will run to an enormous figure. Some States have six, some five, some four, I believe more of them have three than any other figure. When you consider the margin of profit in a package of cigarettes and consider further the fact that you are shipping them in volume—maybe a dozen or 20 or 50 or 100 cartons—you can see how much this tax amounts to. These people are largely setting themselves up in business to make the profit of this tax on the sale of cigarettes, thereby enabling the citizens of a State to evade the law of their own State and prevent the payment of a tax the legislature of that State has imposed upon them.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. The gentleman heard the statement made a while ago that the Post Office Department would lose some \$2,000,000 by virtue of the revenues they were getting. Is it not a fact that Postmaster General Donaldson has stated that the Post Office Department is losing money on the parcel-post business?

Mr. COOPER. That is absolutely true. In all probability the mailing of these invoices and these memoranda by first-class mail will bring in more revenue than the Post Office Department will lose on the parcel-post items.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JENKINS. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I am deeply interested in the gentleman's analysis because he is very basic in his consideration of legislation. Does he think it will follow that cosmetics and other things will come in the same category as we place cigarettes if this legislation is passed?

Mr. COOPER. I appreciate the gentleman's comment, but nothing else can come under this law unless the Congress acts.

Mr. McSWEENEY. Could it not be applied upon cosmetics as well?

Mr. COOPER. I do not think so; the fact remains that nothing of that kind could be done unless the Congress passed legislation providing for that.

Bear in mind another thing, as was pointed out earlier, with the exception of liquor, you can scarcely find any commodity that carries as high a relative tax as cigarettes and tobacco. I do not think it would establish a precedent at all.

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Pennsylvania.

Mr. CAVALCANTE. I used the example of a citizen of Pennsylvania sending a letter to Chicago, a mail-order house, and ordering four cartons of cigarettes. Under this bill the mail-order house will send a copy of the invoice to the State of Pennsylvania that the mail-order house has sold the citizen of Pennsylvania four cartons of cigarettes. Now may I ask the gentleman this question? If the tax is imposed upon the sale of the cigarettes in the State of Pennsylvania, how will any law declare the consumer, the citizen who merely consumes that cigarette, in violation of the law, or a bootlegger—how will this act assist the State in collecting any tax there?

Mr. COOPER. That will depend entirely on your State law. If the State statute in Pennsylvania imposes a use tax on cigarettes, and your State taxing official—in Tennessee it is the commissioner of finance and taxation, but whatever your comparable State official is—when he has knowledge that John Jones in a certain city in Pennsylvania has received this shipment of cigarettes, then it is his duty to apply the law of the State of Pennsylvania. If that law imposes a use tax, he can collect. Of course, if there is a defect in the law of the State of Pennsylvania, that is a job for the State Legislature of Pennsylvania.

Mr. CAVALCANTE. If the State law imposes a sales tax, there has been a sale of cigarettes made, but the State of Pennsylvania cannot collect any tax.

Mr. COOPER. That will depend on your State law.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Oklahoma.

Mr. STEED. The gentleman is aware that while the testimony shows that this year several States are losing forty to fifty million dollars in revenue, the history of this whole thing, since the imposition of cigarette taxes, is that each year it gets larger, and, unless the Congress acts on this bill, as the years go by this loss can be expected to increase to many millions of dollars more than the record now shows is being lost.

Mr. COOPER. The gentleman is correct. On page 72 of the hearings you will see a list of the 39 States that impose a cigarette tax. You will find the amount of the tax ranging from 1 to 8 cents a pack; you will find in the year 1948 the amount received from that tax and then you will find also the amount of the loss of the tax to those different States.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. DONDERO. Not long ago the National Building Administrator came before the Committee on Public Works, Mr. Reynolds, in whom we have a great deal of confidence, and said that if it were not for the parcel post that the present facilities of the Post Office Department in this country were sufficient to handle the traffic. But, this particular item that is brought up under this bill adds to the burden of the handling of the parcel post,

because a great deal of this business goes through that channel, or nearly all of it.

Mr. COOPER. The gentleman is absolutely correct, and to use his great State of Michigan as an example, I believe the figures here show that the State of Michigan is losing about three and one-third million dollars a year in revenue on the State cigarette tax.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That as used in this act the term—

- (a) "person" means any individual, partnership, corporation, or association;
- (b) "disposing of" means any transfer including a gift of more than 200 cigarettes;
- (c) "cigarette" means any roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper or any other substance or material except tobacco;
- (d) "licensed distributor" means any person authorized by State statute or regulation to distribute cigarettes at wholesale or retail;
- (e) "use", in addition to its ordinary meaning, means the consumption, storage, handling, or disposal of cigarettes;
- (f) "tobacco tax administrator" means the State official duly authorized to administer the cigarette tax law of a State.

With the following committee amendment:

Page 1, line 6, after "transfer", strike out "including a gift of more than 200 cigarettes" and insert "for profit."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. Any person selling or disposing of cigarettes in interstate commerce whereby such cigarettes are shipped to other than a distributor licensed by or located in a State taxing the sale or use of cigarettes shall, not later than the 10th day of each month, forward to the tobacco tax administrator of the State into which such shipment is made, a memorandum or a copy of the invoice covering each and every such shipment of cigarettes made during the previous calendar month into said State; the memorandum or invoice in each case to include the name and address of the person to whom the shipment was made, the brand, and the quantity thereof.

SEC. 3. Whoever violates the provisions of this act shall be guilty of a misdemeanor and shall be fined not more than \$1,000 or imprisoned not more than 6 months, or both.

Mr. CHUDOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHUDOFF: On page 3, at the end of the page add a new section, as follows:

"Sec. 4. Any tax recovered by any State by virtue of the enforcement of this act shall pay into the Treasury of the United States a sum equal to 10 percent of all such taxes recovered."

Mr. COOPER. Mr. Chairman, I make the point of order against the amendment that it is not germane to this bill or any provision of the bill.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. CHUDOFF. I will stand by the decision of the Chair, Mr. Chairman.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Pennsylvania adds a new section, section 4, which is, by its own language, legislation that is not germane to the bill in question. The point of order is sustained.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, 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. 195) to assist States in collecting sales and use taxes on cigarettes, pursuant to House Resolution 190, 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.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

THE FEDERAL SECURITY AGENCY, WHEN ESTABLISHED AS A DEPARTMENT OF WELFARE, SHOULD NOT INCLUDE THE UNITED MEDICAL ADMINISTRATION

Mr. HOFFMAN of Michigan. Mr. Speaker, the bill to create a Department of Welfare was on the schedule for consideration today, but was withdrawn with the suggestion that it would come up at some later date.

In anticipation of its reappearance, I wish to ask consideration at this time of some of the reasons why the Hoover reports, rather than the recommendations of the Federal Security Agency, should be followed.

Because the consideration of an action on H. R. 782, a bill to constitute the Federal Security Agency a Department of Welfare, which is the first measure sent to the House purporting to embody recommendations of the Hoover Commission, may establish a precedent, careful consideration by the Members is warranted.

The Congress established the Hoover Commission in a so-called last-ditch effort to bring about economy and efficiency in the sprawling executive departments, about which the Comptroller General of the United States, Lindsay C. Warren, testifying on January 25, 1949, before the House Committee on Expenditures in the Executive Departments on the question of the reorganization of Government agencies, said:

Of course, some of these problems may be solved by the Hoover Commission's report, but it is too much to hope they can all be worked out at once, by any over-all master plan, and, anyway, some method must be provided to translate into law their valid recommendations.

That is why I said, and still, on the whole, reiterate, that the present set-up is a hodge-podge and crazy quilt of duplications, overlappings, inefficiencies, and inconsistencies with their attendant extravagance. It is probably an ideal system for the taxeaters and those who wish to keep themselves perpetually attached to the public teat, but it is bad for those who have to pay the bill. That is why I say the Government should put its own house in order.

The Hoover Commission, made up of men of outstanding ability and character, with its assistants, practically all of whom were experts in their line, spent almost 2 years in gathering facts and reaching conclusions.

The cost of the Commission's activities approximated \$2,000,000 and even a casual reading of the reports shows that the money was well spent.

President Truman approved of the activity and has requested, and will undoubtedly within the month get, enabling legislation permitting him to send to the Congress his recommendations, which, when considered with those of the Commission, should enable the Congress to enact effective legislation which will tend to bring economy and efficiency to the executive departments.

The present bill, which seeks to establish a Department of Welfare, was reported to the House on the 15th of February, this year.

This bill was written by the legal department of the Federal Security Agency. Note the testimony:

Mr. PFEIFFER. Did you or did you not have anything to do with the drafting of this legislation?

Mr. EWING. I saw the draft before it came up here. The bill was originally drafted, I think, in our legal department.

Mr. PFEIFFER. You are not the author of this bill, then?

Mr. EWING. I didn't write it; no. It was written in our legal department.

Mr. PFEIFFER. But you did see it before it was presented?

Mr. EWING. Oh, yes.

In view of the testimony of Mr. Ewing, it may fairly be stated that one of the purposes of the bill was to enlarge the Department, to extend its power.

It is a matter of common knowledge that, although several statutes forbid and make it a criminal offense for executive agencies to use Federal money to propagandize their existing and proposed activities and the claimed need therefor, the line of demarcation between the furnishing of useful and essential information and propaganda is difficult to define.

Mr. Ewing himself was questioned as to his views on propaganda and he quite frankly attempted to justify his own activities along that line. In substance, he claimed that he not only had the right, but that it was his duty to convince people—taxpayers—as to the necessity of spending additional tax dollars for future extended, as well as for the present, activities of the Department in which he was interested.

He insisted that it was his right to travel about the country disseminating information advocating the extension of the activities of the Department over which he was the head, even though that

information was compiled through the expenditure of Government funds.

His testimony along that line does not appear in the record. He evidently deleted it, but he gave it, and specific instances of Mr. Ewing's advocacy of socialized medicine, of the end of segregation, of Federal aid to education, can be cited.

The Hoover Commission's reports were not referred to the House until March, and the present bill does not follow the recommendations of that report.

Nor has the President as yet had an opportunity to send up to us his views as to the establishment of a Department of Welfare and the inclusion therein of the activities of the Public Health Service.

When the bill was reported out, a minority report was filed in which, among other things, it was said:

While the minority members are in favor of the objectives of this legislation, this bill, H. R. 782, is premature and may not be in accordance with the recommendations of the Hoover Commission's report.

And further:

Apparently it is an effort on the part of the Federal Security Agency to, as it were, "jump the gun" to now obtain more power or a wider jurisdiction over additional social services to be rendered by the Federal Government to various segments of the population. It seems on its face to be an effort of this particular agency to "blow itself up" not only from an agency into a department but to give it exclusive jurisdiction over departments or agencies of health, education, and the general welfare of the people.

Subsequent events have shown the wisdom of the minority report, for the Hoover Commission, in its task force report on Federal medical services, supplement to appendix O, page 1, dated February 8, which was not before the committee when H. R. 782 was considered and reported out, as well as in reports, recommended that there be established an independent medical agency, to function either as an independent department or agency.

In deciding that question, among other things, it said:

It remains to consider whether such an alternative would be preferable. This question has been fully considered by our committee, and we have reached the conclusion that such an independent organization would be preferable to placing this function in a larger department, as the Commission originally proposed.

In favoring this, we recognize that such an organization would create some additional problems. For example, the administration of health and welfare require close coordination in certain areas. Their separation would require an adjustment of the dual functions of the Children's Bureau and of the Office of Vocational Rehabilitation. These, however, can be solved without undue difficulty.

The advantages of an independent agency are:

(a) The health agency, if submerged within a multipurpose department, would be more likely to find its health functions impeded by collateral considerations pertaining to welfare and insurance.

(b) Appropriations for health should, if possible, be clearly identified as such and not confused with those for social security, welfare, or other social programs.

(c) Other departments, such as the armed forces, using the medical-service agency

would be concerned only with its health functions as such and would thus be protected from any collateral and irrelevant considerations having to do with welfare, social security, etc.

(d) The special personnel policies which we have recommended in our main report (sec. XI) could be established with much greater freedom and better success for an independent agency than they could be for one of three bureaus standing side by side in a single department. The new plan would, therefore, greatly facilitate obtaining personnel of the highest quality for the key positions. Under the previous plan, this was a problem which occasioned serious concern in our minds because of the contrast between the great responsibilities of the director general and the heads of his three main divisions (especially the Medical Care Division) and the relatively limited governmental position and pay of the head of a bureau and the chiefs of its subordinate divisions. We believe, therefore, that the new proposal would go far to solve this problem which we regard as the most serious affecting the original plan.

(e) The head of such an independent agency should be assisted by an advisory committee, representing the several departments and agencies which would be the principal users of medical services, such as the Medical Departments of the Army, Navy, and Air Force, the new proposed Department of Welfare, and the Veterans' Administration. With the agency independent, it would be more flexible to adapt its services, with the assistance of such advisory committee, to the needs of the several interested departments and agencies in its medical-care facilities, in the training and staffing of professional and technical personnel, in its public health functions, and in other ways.

In considering the establishment of such an independent health agency, our committee again calls attention to a most important consideration pointed out in chapter III (p. 26) of our main report. The agency should be headed by a professional career director general. Under the new plan he should report directly to the President, and should, in the nonmilitary Federal medical organization, be the highest ranking physician in the Government. The supreme medical importance of the position of the Director General should command, irrespective of all other considerations, the ablest medical and health administrator whose services can be obtained by the Government.

For these reasons, the committee views the present proposal for an independent organization as a significant improvement over the previously submitted plan.

The Commission's report on medical activities, which was transmitted by Mr. Hoover to the Congress on the 16th day of March 1949, among other things states:

REORGANIZATION OF FEDERAL MEDICAL ACTIVITIES

The immediate purpose of the Commission, in recommending reorganization of Federal medical activities, is to unite the functions now in five major agencies so as to eliminate overlap, waste, and inefficiency. The proposed form of organization is a unification in which each of the major agencies will have an advisory voice in management.

However, the much wider and critically necessary objectives are:

First. To provide better medical care for the beneficiaries of the Federal Government's medical programs.

Second. To create a better foundation for training and medical service in the Federal agencies.

Third. To reduce the drain of doctors away from private practice. The country is now dreadfully short of doctors.

Fourth. To provide better organization for medical research.

Fifth. To promote a better state of medical preparedness for war.

RECOMMENDATION NO. 1

To accomplish these purposes, the Commission recommends the establishment of a United Medical Administration into which would be consolidated most of the large-scale activities of the Federal Government in the fields of medical care, medical research, and public health (in which we include preventative medicine).

It should be said at once that, under this plan, the military medical services would remain intact, except for hospitalization within the United States. Each of the three services would retain one major teaching and research center (such as the Naval Medical Center at Bethesda, Md., and the Walter Reed General Hospital, Washington, D. C.). The professional personnel of the services may be assigned to the new Administration for duty, research, and training. The proposed United Medical Administration would provide the major part of all hospital care required by the military forces in the continental United States.

The Veterans' Administration would continue to certify patients for treatment and would determine disability, ratings, etc., but the United Medical Administration would look after veterans' medical care.

The recommendation of our task force that medical supply be centralized in a single agency, preferably in one of the armed forces or in the United Medical Administration, merits favorable consideration.

In reaching the conclusion that medical services should be unified, the Commission had the aid of extensive surveys by its distinguished task forces on medical services and on the national security organization. The recommendations set forth in our report are generally in accord with those submitted by these two task forces.

The task force on medical services was instructed to "base its original report on the premise that the Commission will recommend a Cabinet department embracing health, education, and security." However, in view of the size of the medical operations of the Federal Government and the extreme dissimilarities among the activities which would have composed such a department, the task force was later requested to consider the advisability of placing medical-service functions in a single agency. Its supplementary report favors very strongly a separate United Medical Administration. This supplement, with the task force's main report (appendix O) is being transmitted separately, along with this Commission's report.

A proposed United Medical Administration is recommended in subsequent pages of the report beginning on page 15, where it is said:

Only the creation of a new United Medical Administration can remedy the weaknesses of the present organization and give the leadership, direction and planning urgently needed. To it would be transferred the Government's major services in the field of medical care, public health, and medical research.

The Nation's vast medical services, which we have noted lack any central plan of operation, require unified responsibility. The Government must have a central plan if waste and inefficiency are to be avoided. The advantages of unification of Federal medical services include the following:

(a) The general standard of Federal medical care would be improved.

(b) There would be central supervision of the major Federal medical care, public health, and medical research activities. Unified responsibility is the key to good

management. The President, the Congress, and the public could look to one man for results.

(c) Construction costs could be standardized and reduced.

(d) Federal hospitals could be utilized to the fullest extent by eliminating present distinctions as to the particular types of beneficiaries for which each can care. After all, a patient is a patient whether he is a veteran, a merchant seaman, or in the Army, Navy, or Air Force.

(e) The medical manpower at the call of the Federal Government could be used to the fullest extent, and present deficits in skilled personnel could be greatly reduced.

(f) The need for any draft of medical manpower in time of peace would be greatly lessened.

(g) The cost of health and medical services would be clearly identified and known to Congress.

(h) The facilities of private hospitals and the skills of physicians in private life and in the universities could be utilized far more effectively than they are now.

The Commission's report on Social Security, Education and Indian Affairs, which was transmitted to the Congress by Mr. Hoover on the 18th of March, 1949, states, page 4:

In our report on medical services, we have recommended a separate United Medical Administration, reporting directly to the President. That agency would embrace the major hospitalization, medical research, and public health activities of the Government and, by its creation, bring about better medical care, development of medical staff, research, and protection of public health, together with large economies in administration.

The same report on the same page calls attention to the fact that the commission in its report on the Labor Department had recommended the return of several agencies now in the Federal Security Agency to the Labor Department. The report then continued:

There remain, however, certain most important bureaus or agencies relating to education and security which must be organized into a workable department. They are now, with one exception (the Bureau of Indian Affairs), in the Federal Security Agency.

The size of these agencies, after making the changes we have outlined, is somewhat indicated by the fact that they embrace about 20,000 employees. The administrative expenditures would be roughly \$50,000,000. The grants-in-aid to be distributed would approximate \$800,000,000 (in addition, the budget for 1950 includes \$301,200,000 for Federal aid to education and \$65,000,000 for the extension of public assistance programs). For the calendar year 1948, the collections of old-age and survivors insurance approximated \$1,688,000,000, and the disbursements \$550,000,000. The accumulated funds on August 31, 1948, were \$10,388,000,000.

While we discuss the educational problems at greater length later, it may be said here that it has long been suggested that the educational activities of the Federal Government should be given independent or Cabinet status. However, the Federal Government is not engaged in direct educational activities (except in a small way in the case of Howard University). Its function is that of stimulating educational advancement by research, issuing publications, and making grants-in-aid to the States. The administrative staff required is less than 500 persons.

We believe that the functions, including education, which we propose to assign to this Department have such an important re-

lationship to the formation of the domestic policies of the Government that the person in charge of the functions should be a member of the President's Cabinet.

RECOMMENDATION NO. 1

We therefore recommend that a new Department to administer the functions set forth in this report be created and headed by a Cabinet officer.

EVERYONE WANTS IT

Efficiency and economy in the executive departments, the objectives of the Hoover Commission, have the approval of President Truman and every thinking citizen who has the welfare of the country at heart. An overwhelming majority of the people, if communications from our constituents and the comments in the public press are to be considered, support in general the findings and the recommendations of the Hoover Commission.

Action by the House on this bill is the first test as to whether the principles enunciated in the recommendations of the Hoover Commission are to be followed or whether the Congress is to follow the time-honored procedure of permitting the agencies, the bureaus, and the departments in the executive department to write legislation designed, not primarily in the interests of the people as a whole, but to further the purpose and the objectives of the various agencies, bureaus, and departments.

It is only natural that an agency, bureau, or department, once established, should seek to enlarge its sphere of influence, to increase its personnel, bring under its jurisdiction additional activities of the Government. That has been the procedure in the past every time the Congress sought to economize in or make more efficient the executive branch of the Government.

It was because, and only because, the Congress realized the futility of its efforts that it created the Hoover Commission and gave it almost \$2,000,000 to outline the legislation which was needed to accomplish what the people and the Congress have long desired—economy and efficiency.

If we adopt this bill as it is written, we will, in my opinion, have again surrendered to the bureaucrats in the executive department, in this instance to the Federal Security Agency.

We will have denied to the President of the United States the opportunity to send up to us his recommendations under a reorganization bill which we will have adopted before the month is ended.

We will have repudiated the recommendations of the Hoover Commission.

The passage of this bill as written will be a notice to the economy-minded people of the United States that the Congress lacks either the ability, the inclination, or the courage to give them what they so greatly desire—economy and efficiency in the executive branch of their Government.

This bill should be recommitted to the committee, which will undoubtedly shortly have before it some of the President's recommendations on reorganization.

The committee can then, after considering the Hoover recommendations and

the recommendations of President Truman, write a bill creating a Department of Public Welfare and an independent agency to deal with the medical activities of the Federal Government.

A plan for such an agency is outlined in the Hoover reports to which reference has just been made.

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an editorial from the St. Louis Post-Dispatch on the two hundred and fiftieth anniversary of the founding of Cahokia, Ill.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a manuscript entitled "National Constitution and Bylaws of the Auxiliary of AMVETS—American Veterans of World War II."

I have an estimate from the Public Printer that this extension will make three and two-thirds pages in the CONGRESSIONAL RECORD at a cost of \$275; notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Cincinnati Times-Star of May 10.

Mr. SHORT asked and was given permission to extend his remarks in the RECORD.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. DONDERO asked and was given permission to revise and extend his remarks in the RECORD.

AMENDING FEDERAL CROP INSURANCE ACT

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 212 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3825) to amend the Federal Crop Insurance Act. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, House Resolution 212 makes it in order to consider a bill which has to do with the increase of and continuation of crop insurance. Those of us who come from agricultural communities realize how important this legislation is. I learned that this was reported out unanimously by the Committee on Agriculture. Therefore, I am not going to take up the time of the House to discuss it further.

Mr. Speaker, I reserve the balance of my time and yield to the gentleman from New York [Mr. WADSWORTH] one-half hour. The gentleman from New York has consented to represent the minority on the rule.

Mr. WADSWORTH. Mr. Speaker, the gentleman from Ohio has described the purpose of the bill. Since there are no requests for time on this side, I yield back the balance of my time.

Mr. McSWEENEY. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3825) to amend the Federal Crop Insurance Act.

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. 3825, with Mr. MONRONEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] is entitled to 1 hour and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is entitled to 1 hour.

The gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill before us at this time continues the Federal crop insurance program on an experimental basis.

I am sure most of you will recall that the original crop-insurance program was all too ambitious. At the time we embarked upon it, it was contemplated that we might suffer losses aggregating as much as \$100,000,000. The fact is the losses were very substantial, but did not amount to as much as \$100,000,000. This bill provides for authority to write off of the books of the Corporation the amount of accrued losses to date. Those losses were so substantial that everyone knows it will never be possible for the Corporation to earn enough to become solvent. We have, according to our report, a deficit of approximately \$73,000,000.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. The losses to which the gentleman has referred were losses that were incurred prior to the institution of the experimental program?

Mr. COOLEY. The gentleman is correct. Since the program has been on an experimental basis it has operated rather successfully, and according to the information before the committee last year the premiums collected amounted to \$12,500,000. The losses amounted to \$5,200,000.

In addition to authorizing the writing off of the losses which have accrued to date, the program is continued on an experimental basis, on a somewhat broader basis, however, because the Corporation is permitted to increase the number of counties by not to exceed 50 percent in any one calendar year.

Someone asked the question before the Rules Committee as to the participation. According to our information, in wheat the participation has been 37 percent of the eligible growers in the counties in which the program was in effect. The eligible growers of corn in the counties where the program was in effect was 20 percent; flax, 35 percent; tobacco, 35 percent; cotton, 13 percent; beans, 26 percent; multiple crop insurance, 26 percent.

The committee has authorized the Corporation to enlarge its multiple crop insurance program, which we think should be done.

The administrative expenses, of course, are not paid from the premiums, but are borne by the Government.

There is one other provision I would like to call attention to. We have authorized the Corporation to investigate the feasibility of a crop insurance program on livestock. I am sure you will also recall that a provision was inserted in the bill some time ago which required the Corporation to operate on an actuarially sound basis, after the passage of 2 or 3 years, or perhaps 3 or 5 years. That was not considered practical in view of the fact that you could not determine the losses incurred in any 1 year until all the claims had been submitted and adjudicated, and in the event some of the claims were to become involved in litigation court action might result in delay in the payment to many policyholders who would be entitled to benefits. Since it does appear that the program is now operating successfully we thought that it was no longer necessary to have that restriction in the law, so the bill removes the restriction.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Mr. Chairman, I yield myself two additional minutes to yield the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I wish to make this observation in the gentleman's time and have his reaction to it: We have had some very disastrous results in the crop-insurance program. We are now operating it on an experimental basis. The only thing that I fear under the present proposal is a larger expansion of the experimental program than is advisable. We have had the experimental program in operation for 1 year, one of the best crop-growing years we have had in the history of our country; and, of course, it makes a good showing.

They collected more in premiums than they paid out in losses. I only sound this as a word of caution because should we have extensive crop failures under the new experimental and expanded program, crop insurance will be gone forever; that is, if we have to pay out considerable money from the Treasury. I am hopeful that those who administer the law will go slowly in picking out counties and conducting this expanded experimental program, because I feel that one of the strong planks in a sound and long-range farm program would be an insurance program to secure the farmers in the losses they might have at least for the expense of putting in the seed and tilling the soil. I want a self-sustaining program, one that will carry its own weight; and I am sure the gentleman will agree with me on that point as a part of the long-range permanent farm program.

Mr. COOLEY. I agree with the gentleman, and I believe that the entire membership of our committee agrees with him in that regard, but I do not think we have expanded the program too much by this pending legislation; time alone, of course, will tell. I agree with the gentleman that it would be well for the Corporation to go slowly and not to expand too rapidly.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for 10 minutes.

Mr. HOPE. Mr. Chairman, we have had crop-insurance legislation on the books since 1938, and some kind of program in effect most of the time since that date. Crop insurance has had a rather checkered history. It certainly has not been a successful program up until, I would say, the last year when it was on an experimental basis. I believe, however, that we have learned a great deal about crop insurance in the course of these programs, and there is no doubt in my mind but what we are in a far better position now than we have ever been to carry out a successful program. I believe it is only fair to the program to state that a considerable part of the difficulty that we have had with crop insurance in the past has been due to poor management; I think part of it is due to the fact that we started out on the wrong theory in the first place. Crop insurance was begun at a time which was not too far removed from the period of the drought, the dust bowl, and low farm prices. Very frankly, I think that those who were administering the program in the early part of it were more or less of the opinion that they were carrying out a relief program and administered it very much in that fashion.

The losses were so great that in 1943, I believe it was, the Appropriations Committee refused to make any further appropriations for crop insurance and efforts were made to wind up the program altogether. However, following that we amended the law, putting some safeguards in it, but even with those changes we had a very disastrous program in connection with cotton during the 1946 crop

year with a loss of over \$50,000,000 in cotton alone, a very large part of it due to extremely heavy losses in west Texas. I think anyone who has looked into the matter will agree that a great part of those losses was due to mismanagement on the part of the Crop Insurance Corporation.

In 1947 we enacted legislation putting the program entirely upon an experimental basis, one which took into account what we had learned through past experience. Perhaps the greatest change made was one which to a large extent eliminated the moral risk. The fact that we had such a high moral risk in the early crop-insurance program is responsible more than anything else for its failure, because the way the program was set up in wheat and cotton in its early years it was frequently more profitable to have a loss than to grow a crop. You cannot make any kind of an insurance business a success if it is more profitable to have a loss than not.

We have a program now which has very largely eliminated that factor because we do not insure any producer for more than the amount he has invested in a crop. There is no way by which he can gain any advantage for himself by having a loss as compared with producing a crop.

Mr. Chairman, it is only fair to say that the Crop Insurance Corporation at the present time is under extremely good management. Mr. G. F. Geissler who has managed the Corporation during the last 2 years is one of the most competent and able administrators in the Government service. He has done an excellent job and I know the committee has been very much impressed with it.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. MICHENER. I want to impress upon the farmers of the country and in my district in particular, and those interested in this crop-insurance program, the fact that this bill writes off a loss of \$73,000,000. I was one of those in 1938, when this matter was first suggested, who felt, and so expressed my feeling at that time, that this matter should be handled as ordinary insurance by the private insurance industry. We were told at that time by the insurance companies that the risk was too great, that they could not afford to take the chance, in fairness to their other risks; but the assurance came from the farmers and the groups advocating this crop insurance that there would not be any losses. I believe in crop insurance if it can be provided by private companies, and if not, then by the method suggested in this bill. In these days when the Government is being asked to do so much for all of the people all of the time, it is well to point out the cost to the taxpayer. We must proceed with caution. I have much faith in the gentleman from Kansas, whose approach to all farm problems is always sound and objective. We have now done some pioneering work. It has been proven that these experiments cost a lot of money, and I hope we have gotten \$73,000,000 worth of benefit out of the experience. When

I go back home and when other Members from agricultural districts go back home and talk with the farmers who are so enthusiastic about this crop insurance, I hope that they will understand that there has been a loss and that we are trying to work out something now so that we will avoid these losses in the future.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I always turn to the gentleman from Kansas for information on agricultural matters since serving with him on the Committee on Agriculture. Is it necessary to charge off all of the \$73,000,000? Will there not be any possibility for some earnings to come under this present law that might take care of, say, half of it?

Mr. HOPE. I might say this to the gentleman, that if we had a full program now, there would be a better chance, of course, for some earnings that might absorb part of this loss, but the program we are on now is simply an experimental program. It covers only a few commodities. It is in effect in only a comparatively small number of counties, less than 400 counties in the United States, and it would take a very long time under this experimental program to build up reserves to even take up a part of this loss. I think it would be unfair to those farmers who go into the program now—a sound program as I believe it to be, and an experimental program—to charge premiums which would have to be used to make up this loss. I think we simply have to charge this loss to experience and bad management and write it off and start over again.

Mr. McSWEENEY. Mr. Chairman, if the gentleman will yield further, what becomes of any surpluses that are earned under the program? Do they go back to the Treasury?

Mr. HOPE. They go to build up a reserve; that is, the premiums which are charged under this program, just as they are in any insurance business, are based upon what it is estimated the risk will be, and if we have any excess, it goes to build up a reserve. I think it is very important for the Crop Insurance Corporation to build up a reserve as it goes along, and that is especially true as we are expanding, because unless we build up a pretty good reserve on the smaller business this year it will be inadequate as a reserve to take care of the larger business next year, and a still larger business the following years as we expand.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

I believe that we should consider this \$73,000,000 as gone and try to build up a sound reserve under the present program.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As far as building up reserves, I would like to make this observation: We have had 7 or 8 years of ideal production and

growing weather in agriculture, and if the law of averages operates at all, why, we can look for some crop failures in the next 6 or 7 years. In all probability in some of those years the losses will be greater than the income, so whatever reserves are built up now during the good years would have to be used during the poor years when the insurance-premium income would be lower, so I doubt very much if anything could be paid on that \$73,000,000.

Mr. HOPE. I quite agree with the gentleman. I think that without any doubt we have poor years from a crop production standpoint ahead of us, and it is important to have sizable reserves built up to take care of the losses that are bound to occur in those years.

Just very briefly I want to call attention to the principal changes which this bill makes in existing law. For one thing it provides for an orderly expansion of coverage. Under existing law insurance is available to farmers in only approximately 400 counties and there is no provision for expansion except into new commodities. This bill sets up a formula for expansion. It authorizes as to each type of insurance an increase each year of not to exceed 50 percent of the number of counties in which that type of insurance was offered during the previous year.

In the second place, it provides for multiple crop insurance. That is something we have not had heretofore except in an experimental way in a couple of counties this past year. Under that program the Corporation will be able to insure all of the important crops on a farm in one policy. That should be a more stable type of insurance. It will not only be of greater benefit to the farmer, himself, to have all of his major crops insured, but by reason of the fact that there is very seldom a failure of all crops in any particular year it will stabilize the entire program.

It is provided in this legislation that beginning with next year we will try out the multiple-crop-insurance program in 50 counties. That is subject to increase in succeeding years under the formula which I mentioned a moment ago. Reference has already been made to the fact that the bill provides for wiping out the \$73,000,000 loss that has already occurred.

The next matter I want to mention is that this bill repeals a provision in an earlier act which provides that if the premiums are not sufficient to pay all the losses the loss payments must be prorated. That is a very unsatisfactory provision. We are told by the Comptroller General's office and also by the Crop Insurance Corporation that it might in some cases be 2 or 3 years before it could be determined what the indemnity paid to an insured farmer might be, and he would have to wait that long in order to receive his payments, which of course is a very unsatisfactory situation. I do not see how you can build up any sort of an insurance business under conditions of that kind.

Another section of the bill repeals a provision that would go into effect in 1950 which provides that the administrative expenses shall be no more than 25 percent of the premiums collected. I am

advised that for insurance companies generally over the country the administrative expenses amount to about 35 percent. Certainly it would be asking a great deal, I think, to expect this Corporation, which is conducting its business only on an experimental basis, and which cannot for that reason have a very large volume, to carry out its operations with an administrative expense that is considerably lower than private insurance companies.

Furthermore, if we limit the amount to 25 percent in the years when large losses occur, it might be impossible to make adequate adjustments and the Corporation might suffer losses because it was not possible to make careful inspections and adjustments. Therefore, I believe we are fully justified in removing that 25-percent limitation. Of course, we expect the Corporation to conduct its operations in as economical a way as possible, but we do not expect them to do the impossible.

Mr. Chairman, this bill was reported out unanimously by the Committee on Agriculture. I think I can say the committee was very well pleased with the report which the Crop Insurance Corporation made of its operations over the past year. I think we have confidence in the present management of the Corporation and that we are now on the road to working out a successful crop-insurance program. I agree with what the gentleman from Minnesota says, in that I do not think we ought to go too fast. I think it is a question of moving slowly to gain experience as we go along, because, after all, the basis of all insurance business everywhere is experience.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. COOLEY. Mr. Chairman, I have no further requests for time on this side. Does the gentleman from Kansas have any requests for time?

Mr. HOPE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc., That subsection (a) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(a) Commencing with crops planted for harvest in 1948, for the purpose of determining the most practical plan, terms, and conditions of insurance for agricultural commodities, if sufficient actuarial data are available, as determined by the Board, to insure, or to reinsure insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity. Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board. In 1948 insurance shall be limited to not more than seven agricultural commodities (including wheat, cotton, flax, corn, and tobacco) and to not more than three additional agricultural commodities in each year thereafter: *Provided*, That other agricultural commodities may be included in multiple crop insurance (insurance on two or more agricultural commodities under one contract with a pro-

ducer). Insurance shall be limited to producers in not to exceed 200 counties in the case of wheat, 56 counties in the case of cotton, 50 counties each in the case of corn and flax, 35 counties in the case of tobacco, 20 counties in the case of any other agricultural commodity, and, in addition, 50 counties in the case of multiple crop insurance: *Provided further*, That, beginning with crops planted for harvest in 1950, the number of counties for insurance on wheat, cotton, corn, flax, and tobacco, and for multiple crop insurance may be increased each year by not in excess of 50 percent of the number of counties in which such insurance was provided the previous year and the county limitations specified for other insurance may be similarly increased as to any agricultural commodity after insurance for such commodity has been provided for 3 years. Reinsurance for private insurance companies shall be limited to not to exceed 20 counties which may be selected without regard to the other county limitations specified herein. Any insurance offered against loss in yield shall not cover in excess of 75 percent of the recorded or appraised average yield of the commodity on the insured farm for a representative period subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, which are subject to the same conditions, may be fair and just: *Provided further*, That if 75 percent of the average yield represents generally more protection than the investment in the crop in any area, taking into consideration recognized farming practices, the Board shall reduce such maximum percentage so as more nearly to reflect the investment in the crop in such area. Insurance provided under the subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed, or to the failure of the producer to follow established good farming practices. Counties selected by the Board shall be representative of the several areas where the agricultural commodity insured is normally produced. The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved. Insurance shall not be provided in any county unless written applications therefor are filed covering at least 200 farms or one-third of the farms normally producing the agricultural commodity, excluding farms refused insurance on the basis of the risk involved; nor shall insurance on any agricultural commodity be provided in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county. The Corporation shall report annually to the Congress the results of its operations as to each commodity insured."

Sec. 2. Subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended by striking out the proviso in the second sentence and the colon which precedes it and substituting a period therefor.

Sec. 3. Subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(c) To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided*, That indemnities may be determined on the same price basis as premiums are determined for the crop with respect to which such indemnities are paid. The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, any action on such claim hereafter brought against the

Corporation shall be brought in the United States district court sitting in the district in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided further*, That no such claim shall be allowed under this section unless the same shall have been brought within 1 year after the date when notice of denial of the claim is mailed to and received by the claimant."

SEC. 4. Subsection (e) of section 508 of the Federal Crop Insurance Act is hereby repealed.

SEC. 5. Subsection (a) of section 504 of the Federal Crop Insurance Act is amended by striking out the second sentence thereof.

SEC. 6. The Secretary of the Treasury is hereby authorized and directed to cancel, without consideration, outstanding receipts for payments for or on account of the stock of the Corporation in excess of \$27,000,000.

SEC. 7. Subsection (b) of section 504 of the Federal Crop Insurance Act is amended to read as follows:

"(b) There is hereby authorized to be appropriated such sums as are necessary for the purpose of subscribing to the capital stock of the Corporation."

SEC. 8. Subsection (c) of section 505 of the Federal Crop Insurance Act, as amended, is amended by striking out the second sentence and inserting in lieu thereof the following: "The members of the Board who are not employed by the Government shall be paid such compensation for their services as directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed \$100 per day each when actually employed and transportation expenses plus not to exceed \$10 per diem for subsistence and other expenses when on business of the Corporation away from their homes or regular places of business."

SEC. 9. Subsection (b) of section 506 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(h) may conduct researches, surveys, and investigations relating to crop insurance and shall assemble data for the purpose of establishing sound actuarial bases for insurance on agricultural commodities."

SEC. 10. Section 518 of the Federal Crop Insurance Act, as amended, is amended by striking therefrom the words "determined by the Board pursuant to subsection (a) (2) of section 508 of this title" and substituting therefor the words "determined by the Board pursuant to subsection (a) of section 508 of this title."

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, that the bill be considered as read and be printed at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 2, line 20, strike out the word "further."

The committee amendment was agreed to.

Committee amendment: Page 3, line 13, strike out the word "further."

The committee amendment was agreed to.

Committee amendment: Page 3, line 19, change the words "under the subsection" to read "under this subsection."

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendments be considered en bloc and be printed at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The balance of the committee amendments are as follows:

Page 5, lines 6 to 17, beginning with the words "In the event that," strike out the rest of the section and insert in lieu thereof the following: "In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant."

Page 5, lines 18 and 19, strike out all of section 4.

Page 5, line 20, change "Sec. 5" to "Sec. 4."

Page 5, line 23, change "Sec. 6" to "Sec. 5."

Page 6, line 4, change "Sec. 7" to "Sec. 6."

Page 6, line 9, change "Sec. 8" to "Sec. 7."

Page 6, line 15, strike out "\$100" and insert in lieu thereof "\$50."

Page 6, line 17, change the words "per diem for subsistence and other expenses" to read "per diem in lieu of subsistence expenses."

Page 6, line 20, change "Sec. 9" to "Sec. 8" and change "Subsection (b)" to "Subsection (h)."

Page 6, line 24, following the word "crop", insert the words "and livestock."

Page 7, line 2, after the word "commodities," insert the words "and livestock."

Page 7, line 3, change "Sec. 10" to "Sec. 9."

Page 7, after line 8, add the following new section:

"SEC. 10. Subsection (a) of section 507 of the Federal Crop Insurance Act is amended to read as follows:

"(a) The Secretary shall appoint such officers and employees as may be necessary for the transaction of the business of the Corporation pursuant to civil-service laws and regulations, fix their compensation in accordance with the provisions of the Classification Act of 1923, as amended, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require bond of such of them as he may designate, and fix the penalties and pay the premiums of such bonds: *Provided*, That personnel paid by the hour, day, or month when actually employed, and county crop insurance committeemen may be appointed and their compensation fixed without regard to civil-service laws and regulations or the Classification Act of 1923, as amended."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. McCORMACK. Mr. Chairman, may I suggest, for the purposes of the RECORD, that it be understood that any Member who wants to offer an amendment to any of these committee amendments tomorrow may do so, and that the chairman will not object to a unanimous-consent request that such amendments be considered.

The CHAIRMAN. Does the gentleman from Massachusetts make a unanimous-consent request to that effect?

Mr. COOLEY. Mr. Chairman, I make that unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MONRONEY, 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. 3825) to amend the Federal Crop Insurance Act, had come to no resolution thereon.

CONTRACT SETTLEMENT ACT OF 1944

Mr. MADDEN, from the Committee on Rules, submitted the following privileged resolution (H. Res. 220), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 834) to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3704) to provide additional revenue for the District of Columbia, with Senate amendments, disagree to the Senate amendments and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McMILLAN]?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, is this agreeable to the ranking minority member, the gentleman from Massachusetts [Mr. BATES]?

Mr. McMILLAN of South Carolina. It is.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. McMILLAN of South Carolina, Mr. SMITH of Virginia, Mr. JONES of Missouri, Mr. BATES of Massachusetts, and Mr. O'HARA of Minnesota.

EXTENSION OF REMARKS

Mr. LATHAM (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the Appendix of the RECORD and include an article.

INVESTIGATION OF DOMESTIC FISHING INDUSTRY

The SPEAKER laid before the House the following communication, which was read by the Clerk, and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

MAY 17, 1949.

The Honorable SAM RAYBURN,
Speaker of the

House of Representatives.

MY DEAR MR. SPEAKER: I have further reference to your letter of April 5, 1949, transmitting a signed engrossed copy of House Resolution No. 147, requesting the Secretary of State to cause an immediate study to be made of the effect on the domestic fishing industry of increasing imports of fresh-water and salt-water fresh and frozen fish, especially groundfish fillets, and to make his report and recommendation to the House of Representatives not later than May 15, 1949. The requested study has been made and I am enclosing the requested report, with recommendations.

The Department recognizes that the report is not as comprehensive as may be desired, but is the best that could be made within the time limit set by the resolution and with the limited facilities available to the Department for undertaking such a study.

The Tariff Commission and the Fish and Wildlife Service, in accordance with the Department's request, generously supplied much of the basic data which are reproduced in the report. Interdepartmental consideration of the report was undertaken in the Committee on Trade Agreements, whose membership consists of representatives of the Departments of State, Agriculture, Commerce, Labor, and Treasury; the National Military Establishment; and the Economic Cooperation Administration. All of these agencies concur in this report.

Sincerely yours,

ERNEST A. GROSS,
Assistant Secretary

(For the Secretary of State).

(Enclosure: Report on House Resolution No. 147.)

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 30 minutes.

COMMUNISM IN THE HEART OF AMERICAN ART—WHAT TO DO ABOUT IT

Mr. DONDERO. Mr. Speaker, on two occasions recently I have placed in the RECORDS of this Congress my remarks on a situation which I firmly believe to be of serious import to the Nation; namely, the penetration by deception, stealth, and fraud of Communist standards and theories into the great cultural life of our Republic. The evidence which is available upon this subject is so extensive, so difficult of complete analysis that to study the situation comprehensively would require a major investigation on the part of a competent Government agency.

There are, however, two things which I consider it my duty to do, and which I now propose to do. The first is to turn the revealing light of publicity on a limited area, which I believe to be typi-

cal of the general condition of which I speak, and by informing the public, put them on guard to successfully resist encroachment by subtlety and falsehood into our national traditions. I wish to talk more about the abasement of our art standards by Communist infiltration and by the willing coservice of unprincipled, radical adherents to Marxist theories. I want to talk about a spearhead of radical influence. It is the ACA Gallery at 61 and 63 East Fifty-seventh Street in New York City. These letters ACA are particularly interesting and are typical of a practice, which has long existed in Communist circles, of stealing a word, a good word, a constructive word, and, by misappliance and distortion, changing its meaning completely. ACA stands for American Contemporary Art. I might go so far as to say that not only is the word "contemporary" stolen and misapplied, but so are the other two words, in that this so-called art is no more American than it is Russian; it is no more contemporary in the true sense than smallpox, cancer, and bubonic plague are contemporary. It just happens that the human race is afflicted with such ailments in our present day. I might say further that it is not even art in its true sense. It signifies a caricature of art, art that is abortive, that is distorted, and that is repulsive. The word "contemporary" has been stolen, as the word "modern" has been stolen, by the same Marxist advocates, but it would be truer to say that the art of the Communist and the Marxist is the art of perversion, just as communism itself is political perversion, and as depravity is moral perversion. God forbid that I should admit or charge for one instant that the great throng of illustrious, competent, distinguished, patriotic American artists, modern and contemporary in the true sense of the word, are afflicted with this Marxist disease of art perversion.

This so-called American Contemporary Art Gallery, of which I now speak was organized just 17 years ago by a man named Herman Baron who still guides its destiny.

A somewhat casual scrutiny discloses to me the fact that Herman Baron first receives official mention in the reports of the Special Committee on Un-American Activities under a date in the year 1936, when he was one of the signers of the "call," which was directed to radical artists throughout the United States to assemble and unite in solidarity. This "call" was essentially communistic in its form and largely so in its subject matter, protesting against oaths of allegiance, investigation of colleges for radicals, discrimination against foreign-born, demanding preservation of civil liberties, and deploring the imprisonment of revolutionary artists and writers. The "call" resulted in the organization of the American Artists Congress in December of 1936. In the book titled "Citations," by official Government agencies, and on page 5 thereof, the American Artists Congress is classified as "typical of Communist created and controlled organizations."

I next find Baron mentioned in the reports of the Special Committee on

Un-American Activities as being a sponsor of a meeting held in October of 1942 by the Artists Front to Win the War. The official report states that many of the sponsors of the Artists Front to Win the War were leading sponsors of the American Artists Congress, which I have just mentioned. Among these sponsors of the American Artists Congress is Comrade Herman Baron, and also many of those individuals whom I have mentioned in my previous remarks as being prominent among the radicals in art organizations. It was at this meeting of the Artists Front to Win the War that Charles Chaplin, its honorary chairman, addressed his audience as "comrades," and I have no doubt that Chaplin was right in his designation. The individuals in the art section of the Artists Front to Win the War are 42 in number. Thirteen of these individuals, namely: Paul Burlin, Philip Evergood, William Gropper, Chaim Gross, Minna Harkavy, Joe Hirsch, Sidney Hoff, Rockwell Kent, Leon Kroll, Anton Refregier, Raphael Soyer, Paul Strand, and Max Weber, who were associated with Baron back in 1942, were sponsors for the pro-Soviet cultural and scientific conference held at the Waldorf Astoria in March of the present year.

We next find Herman Baron as one of the sponsors of a meeting of the American Russian Institute. This was held at the Commodore Hotel in New York City. The American Russian Institute is twice designated in the book Citations, by official Government agencies, as "a Communist organization supported by intellectuals" and again as "a direct agent of the Soviet Union engaged in traitorous activities under the orders of Stalin's Consular Service in the United States."

I think these references to Comrade Herman Baron give a pretty clear picture of him and the purposes which motivate him, but perhaps it would be more interesting to see what he, himself, has to say about his connection with the American Artists Congress, designated as "typical of Communist created and controlled organizations." Comrade Baron published a little booklet about the ACA Gallery, and on page 7 thereof he writes, when speaking of the American Artists Congress:

Aside from the fact that the congress was organized at the ACA Gallery, the two were too closely related to separate them.

In this little booklet Comrade Baron sets forth the aims of the ACA Gallery as he sees them. He says: "Behind the ACA lies the idea of building a people's art gallery," and in explanation of his use of the descriptive phrase "a people's art gallery," he continues, "above all, those who direct a people's art gallery must be convinced that art serves a social function." He enlarges upon the meaning of "social function" by saying: "The ACA is proud of having been the cradle of the social content movement." Further explaining the scope of "social content," he adds, "social protest is only one aspect of the social content school of art."

Now this would seem to be a very frank statement, in plain language, and one might be persuaded readily that this

ACA Gallery went into business to meet a popular demand and give a constructive service. Any thought to this effect, however, may be destroyed completely if one finds that in practice the gentle sounding phrase of "social content" is sinister and destructive of our inherited and traditional values. We are certainly justified in further exploring how the ACA Gallery and Comrade Baron practiced their announced credo.

The first exhibit was held at an address on Madison Avenue from August 15 to September 6 in 1932. This was the original address of the ACA Gallery. The display of paintings was very meager and entirely unimportant. The first real exhibit in which the gallery expresses pride is that which was held from November 7 to November 20 of the same year. This exhibit was under the aegis of the John Reed Club, which is three times cited in the official Government agencies publication "Citations," and is unquestionably a Communist Party organization. If there could be any shadow of doubt that this early exhibit was for the purpose of foisting Communist propaganda on the American public under the guise of social protest, one has only to cast an appraising eye on the 20 individuals who exhibited their works. Six of them were members of the International Workers Order, listed eight times in "Citations" as Communist, subversive and un-American. At the time these members of the International Workers Order were exhibiting their paintings at the ACA Gallery, the president of their organization was William Weiner, an individual who paid large sums to Samuel Carr, the head of the atom spy ring in Canada.

Of the 14 additional individuals displaying their works at that time at the ACA Gallery, 13 are cited 81 times in the reports of the Committee of the House of Representatives on Un-American Activities, and they were active in no less than 23 different organizations or publications found by this committee to be Communist or Communist front, and cited as such in the committee's report dated December 18, 1948.

At that early date the ACA Gallery was favored with very little publicity in the press, but the New York Evening Post of that time stated:

The paintings concern themselves more with social propaganda than with aesthetic ideas. On the aesthetic score there is little to be recommended.

But this critic lets the cat out of the bag, if there ever was much of a bag around the cat, because the critic names "social content" in art by its true name—"propaganda."

During that year the ACA Gallery held many auctions and gave benefit shows, the purpose of which was to render financial assistance to "causes which had social implications." Some of the organizations helped were the Spanish Aid Committee, Russian War Relief, the American Artists Congress and the New Masses. It does not take any amplification from me to reveal to you the true character of these causes which were aided—you know them, and they are all Communist. The booklet from which I

have quoted when speaking of the John Reed Club exhibition states:

It settled the fate of the ACA as far as its Madison Avenue location was concerned. The propaganda label proved too much for the neighborhood.

I applaud the neighbors who forced them to get out, bag and baggage.

For 2 weeks in March of 1935 the ACA Gallery housed an exhibition which was sponsored by the John Reed Club, the Artists Union, the League of Struggle for Negro Rights, and the International Labor Defense, which exhibition was undisguised political propaganda for the Costigan-Wagner antilynching bill. It has always been a part of the Communist Party line to cultivate discontent and unrest among our Negro citizens, and in promoting this exhibition the ACA Gallery was adhering strictly to the Communist Party line. The sponsoring organizations are cited as Communist and subversive.

The first one-man show held by the ACA Gallery was during May and June of 1935. The exhibitor was Joe Jones, and Comrade Baron recites that "this exhibition helped to establish 'social content' as a dominant school in art." Now this Joe Jones clutters up the record of the congressional Committee on Un-American activities to such an extent that it would be a waste of a lot of time for me to recite details of his Red activities. He is recorded on 16 different occasions, and he has not deviated from activities in Communist movements, activities in Communist front organizations and general conduct that is subversive and un-American.

According to the November 1937 issue of New Order, a publication of the International Workers Order, Joe Jones is a member of the IWO, and so popular with that organization that branch 521 held its meeting on November 12 at the ACA Gallery, where they not only admired the art of their fellow member, but conducted their regular business affairs and had a doctor present to examine new members. Continuing to quote an article from this publication it is said:

Of course, this couldn't happen in the average snobby art gallery. The ACA Gallery is devoted to the work of social conscious artists. Its director, Herman Baron, an IWO member himself, has the great desire of bringing art and culture to the masses of people, and he was happy to see the gallery filled with workers.

There was another exhibition in the ACA Gallery in 1935, of which I wish to speak briefly. It was the first exhibition of the American Artists Congress, and established a precedent which was continued in subsequent years. It was in the exhibition of 1937 by this organization at the ACA Gallery that there was an exhibit which indicates as accurately and clearly as possible the true meaning of art with social protest. Comrade Baron recites that "one of the works on exhibition was a Fascist head under glass with live ants crawling all over it." For my part, I do not know of any way to distinguish the detached head of a Fascist from, let us say, the detached head of a martyr such as that of John the Baptist. It seems to me that in death all political evaluations cease most definitely. I can-

not contemplate that the brutal, cruel, repulsive, and repugnant can ever cease to be abhorrent to all decent persons and become "art with a social content," or any other kind of art.

The year 1936 was outstanding in the history of the ACA Gallery, because in February of that year there was featured the exhibition of the paintings of William Gropper. This is the individual whom I mentioned in my recent speech concerning the Artists Equity Association, and I have little to add to his record as it was then given, namely, connections with over 60 radical movements, other than to say that he, likewise, is a member of the International Workers Order.

The outstanding exhibition of 1937 at the ACA Gallery was sponsored by such persons as George Seldes, who bartered his soul to the Communist Party; Rockwell Kent, president of the IWO, the man who cursed his own country, damned as traitorous its legislators and applauded the brutal and aggressive acts of Russia; John Howard Lawson, a Communist who even now is under indictment for contempt of this congressional body; Van Wyck Brooks, cited 15 times in the 1948 issue of the Tenney Report on Communist and Communist front organizations; and Lewis Mumford, cited 3 times in this same Tenney Report.

The year 1938 was a milestone in the history of the ACA Gallery because it marked the exhibition of the works of Philip Evergood, who is regarded by the radical element as a master of social protest propaganda. To recite his complete history of Communist affiliations is unnecessary, and I have only to point out that he was one of those individuals who sponsored the recent pro-Soviet gathering at the Waldorf Astoria Hotel, and that he is a contributing editor of the Communist publication, Masses and Mainstream.

In 1940 the ACA Gallery presented for public exhibition a collection of woodcuts and colored cartoons purported to depict phases of the Chinese struggle for liberation. That liberation into Russian-dominated Communist servitude is now being effected before the eyes of the world. But in July and August of 1940, when this exhibition was held, Russia was an ally of Germany and the Communists throughout the world were naming World War II a capitalistic and imperialistic war of aggression. The exhibition at the ACA Gallery opened on an unbearably hot night, but nevertheless the gallery was crowded, and why do you suppose so many persons came to the gallery, and what was the lodestone of attraction? Comrade Baron in his booklet on the ACA Gallery says, and I quote: "The guest of honor was the late Constantine Oumansky, then Soviet Ambassador to the United States." Comrade Baron comments lightly that, "Soviet Russia was unpopular in many American circles in those days," but that the men and women present at the gallery "surrounded him"—Oumansky—"with warmth and good fellowship." Evidently the Fascist head crawling with ants, which had been on exhibit earlier, must have been removed to spare the

delicate sensibilities of the Russian Ambassador when so viewing his ally.

My remarks are becoming more lengthy than I intended, and I shall speak but briefly on the exhibits of 1941, 1942, 1943, and 1944. These years featured the works of Harry Gottlieb, another member of the International Workers' Order; Robert Gwathmey, contributing editor of Communist publications and quite recently a sponsor of the pro-Soviet conference at the Waldorf Astoria; Hugo Gellert, another member of the International Workers' Order; and Moses Soyer, art critic for the Communist publication *New Masses*.

Can there now be in your minds any least shadow of doubt that this so-called American Contemporary Art Gallery is, in fact, a hotbed of Communist-inspired impulses, thinly veiled propaganda that is intended to undermine and destroy the fine heritage and traditions which have been built up over the generations of our existence as a great Republic? I believe it to be the hub, the gathering point of Marxists in art, where subtle, nefarious un-American schemes receive their prime incitement. It should be shunned like a plague center of infection.

On the last page of the booklet from which I have made quotations there appears a list of 39 individuals who are noted as ACA artists. Many of these names have already been mentioned, but I wish to classify them generally so that we can better judge their motives.

Of the 39 individuals named as ACA artists by Comrade Baron in his booklet, 24 have a total of 123 references to their names appearing in the index volumes of the congressional committee investigating un-American activities in the United States. A study of the references reflects that these persons were affiliated with 23 different organizations and publications found by the committee to be Communist or Communist fronts and cited by the committee as such in its Citations Report, dated December 18, 1948. While the names of the remaining 15 ACA artists do not appear in the committee's index volumes, they have, with few exceptions, been equally active in the Marxist movement in distorted art and have participated in the activities of such organizations as the American Artists' Congress, the International Workers' Order, and the National Council of Arts, Sciences, and Professions.

The pamphlet by Comrade Baron, from which I have made these selections and which I have now laid aside, is not the only booklet which has been published by the ACA Gallery. I do not know that I have the complete list, but there are several which have been brought to my attention. There is a booklet devoted entirely to David Burliuk. In the Communist clique Burliuk is an heroic figure. Born in Russia in 1882, he came to America when he was 40 years of age. Among Communists he is accredited with being the friend, discoverer, and teacher of the Russian Communist poet, Mayakovsky, who is heralded as the poetic instrument of the revolution. The pamphlet on Burliuk was written by Michael Gold, who is a self-confessed, militant Communist. He says of Burliuk, "He lectured on the new art,

published manifestos, encouraged other young rebels, and in every other conceivable manner maintained an offensive barrage against traditions and the academies."

There is a booklet on Robert Gwathmey, whose Red record I have called to your attention, and this pamphlet is written by Paul Robeson, Communist, who has avowed that he would fight for Communist Russia against his own native land, if he had that choice to make.

A booklet on the John Reed Club member, Jan Matulka, was written by Dr. Isaac Kloomak, cultural director for the International Workers Order. There is another booklet put out by the ACA Gallery, which deals solely with the works of Benjamin Kopman. He is another of the radical group in art, and not worthy of any particular attention, but it is important to know that this book was written for the ACA Gallery by Clifford Odets. Probably every member of this body has heard this name, generally present whenever Communist infiltration, Communist front organizations, and subversive activities are the subjects of consideration. In the Tenney report there are 21 references to Clifford Odets, and in the report of the Congressional Committee on Un-American Activities he is mentioned 48 times.

It is obvious that the persons who have written these books for the ACA Gallery are comrades of the first order. I am amazed to find another name in this company, and to me it is a startling indication of the degree to which Marxist influence in American art has been promoted and foisted upon a complacent public. I find the name Elizabeth McCausland, who has written several booklets, especially that on the Spanish Communist artist Picasso. Picasso, as you will recall, is that individual concerning whom the retiring President of the Royal Academy of England, Sir Alfred Munnings, recently expressed a desire to kick hard in a certain part of his anatomy. Winston Churchill voiced his complete willingness to add his boot to the treatment.

Miss McCausland is the art critic of the *Springfield Republican*, of *Springfield, Mass.*, and of the *Magazine of Art*. She has long been a devotee of Marxism in art and has given a great deal of aid and comfort to this debasing influence to American art standards. This art critic is prolific in her writings, and is credited with having written the report on which was formulated the socialized art plank in the platform of the Henry Wallace party. More recently she was one of the sponsors for the pro-Soviet conference held at the Waldorf Astoria Hotel in New York City. She was one of those persons whose name appeared in the *Daily Worker* of March 5, 1941, as defending the Communist Party. She was a member of the advisory board of the Photo League School, denominated a Communist front, and like all sponsors of radicalism, she was one of those who opposed the renewal of the Congressional Committee on Un-American Activities. She is six times mentioned in the reports of the Un-American Committee.

This matter of favorable press for perverted art is, to my mind, a very serious

matter indeed. For some reason, art critics seem to enjoy complete freedom from directional supervision. Many of them have gone overboard for Marxist art and have given aid and support to an enemy which is undermining the traditions of our academies. With many of them it has become the fashion to sneer at that which is long established and of high quality, or to ignore it completely, and to give great space and laudatory comment to an influence which is principally destructive.

In this connection I must again refer to the history of the ACA Gallery in which Comrade Baron states that—

The first show which broke the ice in the metropolitan press was that of Joe Jones in the spring of 1935. Since then news of the ACA in art columns has increased in volume and favorableness.

For a time the ACA Gallery published regularly a news pamphlet, but this was discontinued in the spring of 1946. In looking through this publication, we find that in the year 1945, 10 years after the ACA Gallery first crashed favorably into the metropolitan press, Comrade Baron caused a survey to be made to show graphically how favorably the reviews in the metropolitan press had become. There is a chart published which measures the favor with which the critics viewed the shows of six art exhibits at the ACA Gallery. These exhibits were by the following painters: Benjamin Kopman, Harry Sternberg, Margaret Lowengrund, Anton Refrigier, Moses Soyer, Mervin Jules.

If there were time, I would like to give you the list of Communist-front and subversive organizations to which these six have subscribed, but there is no difference in them, except that of degree. Margaret Lowengrund is mentioned in the reports of the Committee on Un-American Activities only three times; once as a member of the American Artists Congress, to which has been appended the official Red tag, whereas Anton Refrigier has many references. All of these individuals are left-wingers, and as painters they all produced work which creates social unrest. The chart shows that in this year, 1945, the exhibitions were reviewed by the art critics of the *New York Times*, the *Herald Tribune*, the *World Telegram*, the *New York Sun*, the *Brooklyn Eagle*, the *New Yorker Magazine*, *Art News*, *Art Digest*, and *Pictures on Exhibition*. The *New York Times* gave one courtesy mention, three favorable reviews, and two very favorable reviews; the *Herald Tribune* gave a favorable review in every instance; the *World Telegram* gave one favorable review and otherwise all very favorable reviews; the *New York Sun* gave one very favorable review, two favorable, and three with mixed favorable and unfavorable content; the *Brooklyn Eagle* gave one very favorable and two favorable criticisms; *Art News* gave one favorable criticism and two that were mixed favorable and unfavorable; the *New Yorker* gave two reviews which were partly favorable and partly unfavorable; *Art Digest* gave one very favorable review, two favorable reviews, and one of mixed content; *Pictures on Exhibition* gave two

complimentary mentions and two favorable reviews.

Now, I must admit that the evaluation of the criticisms and reviews is that of the ACA Gallery, but taking their own estimate of the situation, it is apparent that the metropolitan press was generally very kindly in its attitude toward these left-wing so-called artists. It is an amazing condition to discover that the World Telegram, which has fought communism and Communist infiltration in an outstanding manner, to win the applause of the entire Nation, gave not one single review, according to this chart, which was in any degree unfavorable; in fact, the publicity varied from favorable to very favorable.

One of the artists among these six on the chart is noted as Margaret Lowen-grund. Since that time she has become associate editor of the Art Digest, and it is not unexpected that she should now laud and magnify the work of the left-wingers with whom she has associated in the past.

It is not my purpose to suggest that newspapers should clap censorship on their art critics, but I do say that, if this condition of overemphasis and an attempt to glorify the vulgar, distorted, and the perverted has come about due to neglect and lack of proper supervision, then it is high time that some of our newspapers start cleaning house in the smaller compartments of their organizations.

When I commenced my remarks today, I said that there were two things I felt it my duty to do, and I think I have accomplished the first by casting the bright light of publicity on an unhealthy and un-American condition which I know to exist, and I wish now to present the second part of my premise.

It is my conclusion that this unhealthy condition in the American field of culture has come about primarily because the hard-working, talented, reserved, patriotic proponents of academic art in the United States have been reluctant to engage in an argument or a quarrel with the highly organized minority group which has invaded their associations and preempted their offices, or set up new organizations with false standards. I well know that there are thousands of able artists in the United States who abhor the conditions which I have been discussing. Some of them are unaware of the magnitude of the invasion; others are unwilling to act alone. It is my firm conviction that the time has come when the loyal, patriotic, clean-minded, right-thinking artists of this country must rouse themselves, band together and purge their establishment of this social disease. The labor organizations of the country are doing a noble task in throwing out the Communists and the Communist sympathizers head over heels, and it would indeed be an admission of transcendent weakness and feeble manhood if such powerful and healthy organizations as the National Academy of Design, the American Artists Professional League, the Allied Artists of America, the Illustrators Society, and the American Watercolor Society were unwilling, or reluctant, now to gird

themselves for battle in a common cause, and throw the Marxists out.

Where the radicals and proponents of communism have taken over organizations as a minority group in control, let the right-thinking members, or a militant part of them, organize themselves and fight these traducers of our American inheritance with their own weapons, if need be. It is time that those persons and organizations which believe in the American tradition reestablish their standards of work, and that there be no appeasement at any time which will permit a form of art distortion and perversion to further lower our standards. It is time for the reluctant warriors of the right and center to take up their swords and not to sulk in their tents, and where they find that the lists and the juries are loaded against them, as many are, to smite for the right and purge them, as it is their duty to do. Let them meet their obligation and regain for America that which belongs to Americans.

The SPEAKER. Under the previous order of the House, the gentleman from Wisconsin [Mr. BYRNES] is recognized for 20 minutes.

GOVERNMENT FINANCING

Mr. BYRNES of Wisconsin. Mr. Speaker, I do not intend to use the full 20 minutes that have been allotted to me, but I cannot help making a few statements on what to me seems to be the most serious program confronting this Congress and confronting the Nation: the problem of determining upon a sound fiscal policy. The spending and taxing procedure of the Federal Government certainly demand our attention, and its importance to us today is certainly amply demonstrated by what is happening in this first session of the Eighty-first Congress. We see even today a recognition of the fact that we have already outappropriated our anticipated revenues, and any neutral observer of this Congress can only conclude that we have let the appropriating processes run wild; we have spent money with little thought to where it is coming from, how much it will total, or what its effects will be upon our economy and our national life. Unless Congress corrects its spend-thrift habits by a sounder method of budgeting and appropriating, we shall shortly be faced, in my judgment, with fiscal disaster.

We hear a good deal today, Mr. Speaker, about the reorganization of the executive branch of our Government; and I, for one, sincerely hope that the recommendations of the Hoover Commission are carried out and carried out very promptly and at the earliest possible date; but I wish the Members of the Congress would think back to 1946 when we passed the Congressional Reorganization Act. Many forward steps were taken in the passage of that legislation, but I believe we all recognize today that if it had any weaknesses its principal one was in the field of reorganization of the spending procedures of Congress. In that act we set up a provision for a legislative budget. That budget was to be submitted to the Congress by a Committee on the Legislative Budget on the 15th of February. This year, Mr. Speaker,

when the 15th of February arrived, the date for the submission of that budget, it was put off and postponed until May 1; and since May 1 we have heard nothing about it. In other words, it is just another piece of legislation on the statute books that we are completely ignoring but which in itself could have the possibility of being of value to us if proper corrections were made.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I am happy to yield to the distinguished gentleman from Oklahoma who was the vice chairman of the committee which set up the Reorganization Act of Congress back in 1946 and who did a splendid job in that regard.

Mr. MONRONEY. I appreciate very much what the gentleman has said.

I feel that the principal task facing any Congress is to plot its financial chart before it starts the session, to know how much it expects to spend and how much it expects to take in. That is the purpose, as the gentleman has well described, of the legislative budget. It has not worked this year, it did not work last year, and it did not work the year before; but I do believe that the principal reason for its failure to work is that the men who were supposed to make it work were not enthusiastically supporting it and that a sufficient staff was not provided to do the necessary work to make it effective. I hope the gentleman may have some suggestions by which the procedure can be tightened up so that we shall be able to file a flight plan before we take off and know where we are going before the time comes when we must land.

Mr. BYRNES of Wisconsin. I appreciate the gentleman's attitude on this subject. I would say, however, that at least the Eightieth Congress did make an attempt to have the legislative budget work, but this year we have even discarded the idea of trying to make an attempt to make it work.

I propose, Mr. Speaker, that this Congress, instead of condemning the legislative budget to a lingering death or abandonment, breathe new life into it by correcting its defects and providing it nourishment and giving it its rightful place in the sun.

As a basis for further investigation by the Congress I would like to make here today a series of proposals leading toward the reform of our budgetary and appropriation processes. Some of these proposals, I should say, are not new; many of them have been suggested before; but my attempt today is to try to collect them into one place along with some suggestions of mine as the basis for a comprehensive program of reform that we can at least start out from.

I made three principal categories for reform:

First. Changes in the budgeting procedure.

Second. Change in the appropriation procedure.

Third. Reform in reporting and considering legislation authorizing the expenditure of funds.

First, let us look at the matter of budgeting procedure. We get in this

Congress various reports from the executive branch and from our own committees which have to do with either appropriations or with the establishment of a budget. I believe, Mr. Speaker, that much advantage can be gained by a new timetable for the receipt of these reports and I, therefore, suggest the following timetable:

(a) The President's state of the union message: First day of regular session.

(b) The President's Economic Report: January 15.

(c) Report of the Joint Economic Committee: March 1.

(d) The President's budget message: March 15.

(e) Report of the Legislative Budget Committee: April 15.

(f) Report of the Appropriations Committee: May 1.

With this timetable, we could reasonably expect the following:

The state of the Union message would be studied without the competition of the economic report since the latter would be submitted 2 weeks later. Similarly, the President's Economic Report and the report of the Joint Committee on the Economic Report, reflecting the economic situation with its important bearing upon governmental income and outgo, would be available to Congress unhampered by the budget document.

Postponing the President's budget message to March 15 would remedy two defects in present timing, as reported by the Hoover Commission task force, on fiscal, budgeting, and accounting activities. The present timing "requires a budget to be submitted by an outgoing President whenever there is a new President" and makes for "poor estimates and incomplete budget recommendations"—see pages 72-74, appendix F, Hoover Commission reports. Submission of the budget message on March 15 does not preclude, however, earlier submission of budgets for individual agencies and departments to the Appropriations Committees as they become available. The Appropriations Subcommittees would begin work, as at present, early in the session.

The report of the Legislative Budget Committee would come 1 month after receipt of the budget message, or on April 15. Through reconstitution of the committee and adequate staffing—discussed later—1 month should be sufficient time for this committee to report. Since it is suggested that this committee should study the budget picture continuously, the 1-month period might be considered as a time to put the final touches to its recommendations, which would take into consideration all of the important reports which have preceded it.

It should be emphasized here, perhaps, that the most we can expect of the legislative budget report, and its subsequent adoption by Congress if that is politically possible, is to focus the attention of Congress and the people upon governmental income and outgo and its relation to increased taxation and the national debt. Congress cannot require future Congresses to adopt the legislative budget, but it should be morally binding upon congressional leadership to bring the

legislative budget to the floor for debate. At an extremely important time in the appropriations process, it focuses public opinion and congressional attention upon the important questions involved in Government spending and taxation. Therein lies its vital contribution to sound procedure.

A REVISED MEMBERSHIP ON THE JOINT COMMITTEE ON THE LEGISLATIVE BUDGET WITH PROVISION FOR AN ADEQUATE STAFF TO PROVIDE YEAR-ROUND OPERATION

I propose that the Joint Committee on the Legislative Budget be composed of the following members:

(a) The members of the Joint Committee on Internal Revenue Taxation.

(b) The members of the Joint Committee on Appropriations—to be discussed later.

(c) Five members from the Joint Committee on the Economic Report, three from the majority party and two from the minority party, appointed by the chairman of the committee.

This would provide a 25-member Joint Committee on the Legislative Budget instead of the present unwieldy one-hundred-odd-man committee. It would contain the top fiscal-policy makers and would have representation from the top economic committee. It would be almost evenly weighted between House and Senate, equally weighted between the spending and taxing committees, and it would have a 15-10 majority-minority ratio. Its staff would be small, but expert, and would draw largely upon studies being continuously made by the Joint Committees on Taxation, appropriations and Economics. Its job would be to collate rather than collect facts.

THE ESTABLISHMENT OF A JOINT COMMITTEE ON APPROPRIATIONS

This committee would consist of the three members of the majority party and two members of the minority party from both the Senate and House Appropriations Committees, 10 members in all, with the chairman of the House Committee on Appropriations as chairman and the chairman of the Senate Committee on Appropriations as vice chairman.

At present, the Appropriations Committees of the House and Senate are divided into subcommittees concerned with separate agencies and departments. This is necessarily so. As a consequence, it is difficult, if not impossible, for these committees to look dispassionately at the whole picture, nor do they have the staffs which permit this.

It would be the duty of this committee to determine the over-all expenditure aspects of the budget, based upon continuing and exhaustive studies of an effective professional staff. It would not trespass upon any functions of the separate committees but would work closely with them. It would set goals for the subcommittees in the light of its knowledge of over-all requirements. It is to be hoped that it can be made as continuously effective as the present Joint Committee on Internal Revenue Taxation. Like that committee, it should be in close touch with executive agencies in its field.

SUMMARY THUS FAR

I have attempted to provide for the orderly submission of pertinent data to

the Congress; for a workable Joint Committee on the Budget, well-staffed and having available to it expert and exhaustive information provided from a joint committee on taxation and a joint committee on spending; for all of the machinery necessary for a report on the legislative budget which will represent the sum total of exhaustive study and expert advice from the best minds that Congress can bring to bear upon the subject. An objective is, in short, a report on the legislative budget which will receive serious consideration by Congress because it will be backed by prestige, competence, authority, and experience.

It should be emphasized again that, thus far, we have only arrived at a budget. It represents what we think we will receive and what we think we should spend. It does not represent what we will actually receive and what we will actually spend. It does provide the Congress, however, as a family budget provides for the family, attainable objectives set up in advance.

CONSOLIDATION OF APPROPRIATIONS INTO A SINGLE BILL

This is the Byrd proposal. It has the merit of providing an exact comparison between the goal, as established in the legislative budget, and the actual appropriation itself. Any attempts to increase individual appropriations in the bill would concentrate attention upon the effect of such action upon the grand total of the bill, and upon the legislative budget.

Any attempt to strengthen the legislative budget would be largely nullified if we retain the present system of appropriating funds in a dozen different bills and at a dozen different times. If we are to establish a goal, then we must know whether or not we are reaching that goal. This cannot be done unless we consider the total of all appropriations in one bill and at one time, so that our action can be mathematically compared with our budget.

Under the revised time schedule here proposed, the Appropriations Committee of the House would have been considering individual appropriations as they were made available after the beginning of the session and would have the Presidential budget document by March 15. The same information would, of course, be available to the Senate Committee and the Joint Committee on Appropriations. Likewise, a goal would have been established, taking into consideration the substance of the appropriations requests, in the legislative budget on April 15.

It is suggested, therefore, that the single appropriation bill be scheduled for House debate during the first 2 weeks of May, so that it might be reported to the Senate by May 15. In the meantime, there is nothing to prevent the Senate Committee on Appropriations from conducting its own hearings on the President's requests so that it might be prepared to report the House-originated appropriations bill as quickly as possible to the Senate Chamber. In fact, the present role of the Senate Appropriations Committee as a "court of appeals" on budget cuts leaves much to be desired. Too often, because of this role,

the committee is subject to intense pressure on isolated items and is prevented from giving over-all appropriations requests the diligent study which is the essence of sound fiscal control by Congress. The only solution to this problem and to the time problem is for the Senate committee to hold hearings during the same period as the House committee.

At any rate, it is important that the single appropriations bill be on the Senate floor by June 1 or thereabouts, permitting its passage by the end of the fiscal year. Definite scheduling of the single appropriation bill during the latter days of the session by the leadership would have the subsidiary effect of a more precise programing of other legislation during the earlier days.

ADOPTION OF RULES IN THE HOUSE AND SENATE TO PREVENT THE CONSIDERATION OF AUTHORIZING LEGISLATION WITHOUT KNOWING ITS COST AND EFFECT UPON THE BUDGET

Too often authorizations for new programs are approved by Congress without adequate consideration of the immediate and projected cost of such programs. Too often the prevailing attitude on the floor is to let the Appropriations Committee determine the cost and appropriate the funds. This not only makes for bad budgeting but for bad legislation as well. It is impossible to legislate intelligently unless benefits can be related to costs.

For this reason I propose:

(a) That all bills authorizing appropriations, or involving the expenditure of Federal funds, be referred, after having been reported by the legislative committee concerned, to the Joint Committee on the Budget for a report.

(b) That the joint committee's report shall contain the estimated immediate and projected cost of the legislation, the number of employees required for its implementation, its effect upon the legislative budget, and a statement as to whether or not, in the committee's opinion, implementation of the legislation would require an increase in the national debt or increased taxation, or both.

It is contemplated that the report on authorizing legislation would be largely factual, the staff, for the most part, gathering the data and preparing the report. Hearings would be permitted, if necessary, and the committee would work closely with the Bureau of the Budget and any other agencies of the Government which might be involved.

The legislation could not be held in the committee longer than 21 days. It could be discharged by unanimous consent, but in normal practice neither body would consider the legislation until the cost analysis had been made by the joint committee and a report had been issued.

ADOPTING THE PERFORMANCE BUDGET, AS RECOMMENDED BY THE HOOVER COMMISSION

The compelling reasons for the preparation of a budget based upon functions, activities, and projects are discussed fully in the Hoover Commission Report on Budgeting and Accounting—page 8. Submission of a budget in this form will give new meaning to the proposals already mentioned.

XCV—402

I hope, Mr. Speaker, to have legislation covering a major share of the proposals I have made today ready for introduction at an early date.

EXTENSION OF REMARKS

Mr. O'SULLIVAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LICHTENWALTER (at the request of Mr. GRAHAM), indefinitely, on account of illness.

To Mr. HOBBS (at the request of Mr. ANDREWS), through the week of May 30, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2632. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes; and

H. R. 3762. An act to amend title 18, entitled "Crimes and Criminal Procedure," and title 28, entitled "Judiciary and Judicial Procedure, of the United States Code," and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 460. An act to authorize the Administrator of Veterans' Affairs to reconvey to the Helena Chamber of Commerce certain described parcels of land situated in the city of Helena, Mont.;

S. 461. An act to clarify the provisions of section 602 (u) of the National Service Life Insurance Act of 1940, as amended;

S. 812. An act to protect scenic values along Oak Creek Canyon and certain tributaries thereof within the Coconino National Forest, Ariz.;

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; and

S. 1704. An act to strengthen and improve the organization and administration of the Department of State, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on May 16, 1949, present to the President, for his approval, bills of the House of the following titles:

H. R. 679. An act to authorize the admission of Mrs. Julia Balint to the United States; and

H. R. 2360. An act for the relief of Theodore Papachristopoulos.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 18, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

623. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948"; to the Committee on Agriculture.

624. A letter from the Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of March 1949; to the Committee on Agriculture.

625. A letter from the Director, Division of Territories and Island Possessions, Department of the Interior, transmitting a copy of a joint resolution enacted by the Legislature of the Territory of Hawaii requesting the Congress of the United States to undertake the development of water facilities for the protection of hydroelectric power and for the irrigation of certain upper land areas at Waimea, county of Kauai; to the Committee on Public Lands.

626. A letter from the Assistant Secretary of State, transmitting a report authorized under House Resolution 147 with reference to the domestic fishing industry (H. Doc. No. 180); to the Committee on Merchant Marine and Fisheries 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. KEE: Committee on Foreign Affairs. H. R. 4708. A bill to amend the United Nations Participation Act of 1945; without amendment (Rept. No. 591). Referred to the Committee of the Whole House on the State of the Union.

Mr. MANSFIELD: Committee on Foreign Affairs. House Joint Resolution 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938; without amendment (Rept. No. 592). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 220. Resolution for consideration of H. R. 834, a bill to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes; with an amendment (Rept. No. 593). 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. BOGGS of Louisiana (by request):

H. R. 4723. A bill to amend the act of June 18, 1934, in order to extend foreign trade zone privileges to certain types of warehouses; to the Committee on Ways and Means.

By Mr. BOLLING:

H. R. 4724. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

H. R. 4725. A bill to provide for research relating to child life and development; to

disseminate information as to the practical application of such research by parents, professional persons, and others; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HAGEN:

H. R. 4726. A bill conferring jurisdiction upon the Indian Claims Commission to hear and determine the claims of the Wisconsin Band of Pottawatomie Indians; to the Committee on Public Lands.

By Mr. HALE:

H. R. 4727. A bill to increase the pensions of certain helpless adult children of veterans; to the Committee on Veterans' Affairs.

By Mr. McMILLAN of South Carolina (by request):

H. R. 4728. A bill to authorize Washington Gas Light Co. to consolidate or merge with any of its subsidiary companies; to the Committee on the District of Columbia.

H. R. 4729. A bill to amend an act entitled "An act to incorporate the Washington Gas Light Co.," and for other purposes; to the Committee on the District of Columbia.

By Mr. MILLS:

H. R. 4730. A bill to provide that any corporation, estate, trust, or nonresident alien electing to pay the income tax in installments shall make payment thereof in two installments instead of in four installments, and for other purposes; to the Committee on Ways and Means.

By Mr. NORBLAD:

H. R. 4731. A bill for the relief of the city of Corvallis, Oreg.; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 4732. A bill to direct the Secretary of the Army to convey certain lands to the Two Rock Union School District, a political subdivision of the State of California, in Sonoma County, Calif., and to furnish said school district water free of charge; to the Committee on Armed Services.

By Mr. VINSON:

H. R. 4733. A bill to authorize the appointment in the Navy of additional officers for special duty in the field of law, and for other purposes; to the Committee on Armed Services.

By Mr. KLEIN:

H. R. 4734. A bill to provide for the issuance of a special stamp in tribute to the lawyers of America; to the Committee on Post Office and Civil Service.

H. R. 4735. A bill to amend the Alcoholic Beverage Control Act of the District of Columbia of 1934, as amended; to the Committee on the District of Columbia.

By Mr. MULTER:

H. R. 4736. A bill to prohibit the Home Loan Bank Board from revising its regulations so as to change the essential character of Federal savings and loan associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. BYRNE of New York:

H. R. 4737. A bill to protect livestock while in the course of interstate commerce and to repeal the act of Congress approved June 29, 1906 (34 Stat. 607; 45 U. S. C., 1946 ed., 71-74); to the Committee on Interstate and Foreign Commerce.

By Mr. WEICHEL:

H. R. 4738. A bill to amend the Public Health Service Act to provide for research and investigation with respect to the cause, prevention, and treatment of multiple sclerosis and related neurological diseases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCHANAN:

H. J. Res. 244. Joint resolution to establish the Near East Survey Commission; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Con. Res. 61. Concurrent resolution to authorize the reprinting of 5,000 copies of (Committee Print) Appendix IX, Commu-

nist-Front Organizations With Special Reference to the National Citizens Political Action Committee, 1944, being appendix to public hearings and in sections 1 to 6, inclusive, with accumulative index; to the Committee on House Administration.

By Mr. BUCHANAN:

H. Con. Res. 62. Concurrent resolution creating a Joint Committee on Lobbying Activities; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to take the necessary steps to secure the establishment of a national cemetery at Fort Custer; to the Committee on Public Lands.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to amend the Servicemen's Readjustment Act so that veterans' readjustment allowances may be extended for at least five additional years after July 25, 1949, as proposed in H. R. 1374, Eighty-first Congress; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States relative to making application to the Congress of the United States for the elimination of the 15-percent Federal transportation tax on rail, air, and bus transportation; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. HAVENNER:

H. R. 4739. A bill for the relief of Mrs. Mercedes Marinas (formerly Mrs. Mercedes Santos); to the Committee on the Judiciary.

By Mr. LANE:

H. R. 4740. A bill for the relief of Mrs. Nancy Belle Norton; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 4741. A bill for the relief of Angelo Incorvaia; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 4742. A bill to provide for the extension of patent No. 1,885,846, issued November 1, 1932, to Edgar Earle Littlefield; to the Committee on the Judiciary.

H. R. 4743. A bill to provide for the extension of patent No. 1,862,937, issued June 14, 1932, to Edgar Earle Littlefield; to the Committee on the Judiciary.

H. R. 4744. A bill to renew and extend certain letters patent; to the Committee on the Judiciary.

H. R. 4745. A bill to provide for the extension of patent No. 1,893,627, issued January 10, 1933, to Edgar Earle Littlefield; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 4746. A bill to record the lawful admission of Miran John Arahamian to the United States for permanent residence; to the Committee on the Judiciary.

By Mr. WHITE of Idaho:

H. R. 4747. A bill for the relief of Miss Louise Ahting; to the Committee on the Judiciary.

H. R. 4748. A bill for the relief of Ben W. Schubert; to the Committee on the Judiciary.

By Mr. SHORT:

H. J. Res. 243. Joint resolution for the relief of Benton Wilson; 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:

877. By Mr. BARING: Certified copy of Assembly Joint Resolution 9, approved by Governor Pittman March 29, 1949; to the Committee on Foreign Affairs.

878. Also, certified copy of Assembly Joint Resolution 25, approved by Governor Pittman March 29, 1949; to the Committee on Public Works.

879. By Mr. BOGGS of Delaware: Petition of Woman's Christian Temperance Union of Blades, Del., containing 63 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.

880. Also, petition of Woman's Christian Temperance Union of Seaford, Del., containing 71 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.

881. Also, memorial of House of Representatives, State of Delaware, One Hundred and Fifteenth General Assembly, memorializing the Congress of the United States with respect to a national compulsory sickness-insurance program and requesting the Delaware delegation in the United States Senate and House of Representatives to oppose the enactment of such legislation; to the Committee on Interstate and Foreign Commerce.

882. Also, memorial of the Senate of the State of Delaware, One Hundred and Fifteenth General Assembly, memorializing the Congress of the United States with respect to a national compulsory sickness-insurance program and requesting the Delaware delegation in the United States Senate and House of Representatives to oppose the enactment of such legislation; to the Committee on Interstate and Foreign Commerce.

883. By Mr. HALLECK: Petition of citizens of Otterbein, Ind., favoring repeal of wartime excise taxes; to the Committee on Ways and Means.

884. Also, petition of citizens of Winamac, Ind., favoring repeal of wartime excise taxes; to the Committee on Ways and Means.

885. Also, petition of citizens of Valparaiso, Ind., favoring repeal of wartime excise taxes; to the Committee on Ways and Means.

886. By the SPEAKER: Petition of Delta Council of Mississippi, Stoneville, Miss., urging the Congress of the United States to speedily enact the necessary laws outlawing and banishing communism and its related agencies and fronts from the United States; to the Committee on Un-American Activities.

887. Also, petition of Association of Interstate Commerce Commission Practitioners, Washington, D. C., requesting an investigation to correct the individual injustice and grave public disservice threatened by the action of the Civil Service Commission, purportedly under the Administrative Procedure Act; to the Committee on Post Office and Civil Service.

888. Also, petition of San Antonio Council of Churches, San Antonio, Tex., relative to their opposition to any provision in S. 246 that would permit diversion of Federal funds to other than public schools; to the Committee on Education and Labor.

889. Also, petition of Connecticut Dental Hygienists' Association, Bridgeport, Conn., urging that the United States Congress not enact any legislation which will hamper that freedom such as embodied in the current proposals for compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

890. Also, petition of Oklahoma State Dental Association, Oklahoma City, Okla.,

stating opposition to, and requesting that no legislation be enacted containing the principle of, compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

891. Also, petition of Board of Supervisors of Erie County, Buffalo, N. Y., urging approval of the General Pulaski's Memorial Day resolution now pending before the United States Congress; to the Committee on the Judiciary.

892. Also, petition of Mrs. Effa K. Collings and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

893. Also, petition of O. L. Williams, president, Tampa Townsend Club, No. 1, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MAY 18, 1949

(Legislative day of Monday, April 11, 1949)

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

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

O Thou God of grace and glory, in hours of perplexity and confusion we are sure of no light but Thine, no refuge but in Thee. With swift and unpredictable events tumbling upon us without warning in a violent and chaotic world, O Thou God of the changing years, in a still moment like this as we bow at our noontide altar, may a holy hush within our spirits whisper words of courage and fortitude and fidelity. In these days of decision and destiny may we not miss the things belonging to our peace and to the peace of the world. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 17, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 1152) for the relief of certain officers and employees of the Office of United States High Commissioner to the Philippine Islands who suffered losses of personal property by reason of war conditions, with an amendment, in which it requested the concurrence of the Senate.

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

H. R. 195. An act to assist States in collecting sales and use taxes on cigarettes;

H. R. 623. An act for the relief of Sadako Takagi;

H. R. 656. An act for the relief of the Peerless Oil Co., of Brooklyn, N. Y.;

H. R. 703. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of Mrs. Otecin Foxworth;

H. R. 1009. An act for the relief of the Central Bank, a California corporation, as assignee of John C. Williams, an individual operating under the fictitious name and trade style of Central Machine Works, of Oakland, Calif.;

H. R. 1042. An act for the relief of Hoy C. Wong;

H. R. 1173. An act for the relief of Florence Bryant Peters and E. B. Peters;

H. R. 1297. An act for the relief of Alvin G. Patton;

H. R. 1470. An act for the relief of the estate of James F. Delahanty, deceased;

H. R. 1496. An act for the relief of Mrs. Thelma Lee Rynaard;

H. R. 1619. An act for the relief of St. Elizabeth Hospital, Yakima, Wash., and others;

H. R. 1620. An act for the relief of Robert E. Bridge and Leslie E. Ensign;

H. R. 1676. An act for the relief of Thomas M. Bates;

H. R. 1790. An act to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska;

H. R. 2349. An act for the relief of Col. Wlodzimierz Onacewicz;

H. R. 2588. An act to confirm title in V. LeBlanc and C. Riccard to certain lands in West Baton Rouge Parish, La.;

H. R. 2850. An act for the relief of Denise Simeon Boutant;

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor;

H. R. 3138. An act for the relief of Arthur Holbert; the estate of Ernest L. Gass, deceased; and the estate of James L. Thomas, deceased;

H. R. 3320. An act for the relief of Ignacio Colon Cruz;

H. R. 3321. An act for the relief of Gloria Esther Diaz, Lydia Velez, and Gladys Prieto;

H. R. 3471. An act for the relief of Mrs. Sarah J. Miller;

H. R. 3616. An act authorizing the issuance of a patent in fee to Lulu Two Spears Iron Bird;

H. R. 3720. An act for the relief of Erwin F. Earl;

H. R. 3886. An act authorizing the Secretary of the Interior to issue a patent in fee to Jeanette Pearl Burns;

H. R. 4106. An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions;

H. R. 4186. An act for the relief of Jan Liga;

H. R. 4307. An act for the relief of Ever Ready Supply Co. and Harold A. Dahlborg;

H. R. 4366. An act for the relief of Pearson Remedy Co.;

H. R. 4373. An act for the relief of Ray G. Schneyer and Dorothy J. Schneyer; and

H. R. 4559. An act for the relief of Louis Brown.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. LONG asked and obtained consent that a subcommittee of the Committee on Post Office and Civil Service considering pay and classification legislation be

permitted to meet this afternoon at 3 o'clock during the session of the Senate.

Mr. BALDWIN asked and obtained consent for a subcommittee of the Armed Services Committee to hold hearings during the session of the Senate today.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, the Senate has met after a recess, and before the Senator proceeds I ask unanimous consent that Senators may introduce bills and joint resolutions, submit routine matters, and ask to have insertions made in the RECORD without debate.

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

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Agricultural Adjustment Act of 1938, as amended by the Agricultural Act of 1948, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry.

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 Territory of Hawaii; to the Committee on Appropriations:

"Joint Resolution 14"

"Joint resolution memorializing the Congress of the United States of America to provide funds for the maintenance and care of veterans' memorial cemeteries in the Territory of Hawaii

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States of America is hereby respectfully requested to provide \$40,000 annually for the maintenance and care of veterans' memorial cemeteries on each of the islands of the Territory of Hawaii, as follows:

Kauai	\$10,000
Hawaii	10,000
Maui	10,000
Molokai	10,000

"SEC. 2. Duly authenticated copies of this joint resolution shall be forwarded to the Delegate to Congress from Hawaii, the Secretary of the Interior, and to each of the two Houses of the Congress of the United States.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 4th day of May A. D. 1949.

"INGRAM M. STAINBACK,

"Governor of the Territory of Hawaii."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"Joint Resolution 13"

"Joint resolution memorializing the Congress of the United States of America to undertake the development of water storage facilities for the production of hydroelectric power and for the irrigation of certain upper land areas at Waimea, County of Kauai

"Whereas in the upper land area of Waimea, near Kokee, County of Kauai, there is approximately 15,000 acres of land which