

Also, memorial of the Legislature of the State of Massachusetts memorializing the President and the Congress of the United States to repeal the Federal tax on oleomargarine; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Tennessee requesting the repeal of Federal excise tax on admissions; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii memorializing the President and the Congress of the United States to enact legislation authorizing the United States of America to convey and the Hawaii Housing Authority to acquire the land, improvements, and appurtenances comprising the Kalihi war homes project (TH-51030) at Honolulu, T. H.; to the Committee on Banking and Currency.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ADDONIZIO:

H. R. 4717. A bill to provide for the readmission of Carolina Maria Giardina to United States citizenship; to the Committee on the Judiciary.

By Mr. BATES of Massachusetts:

H. R. 4718. A bill for the relief of John A. Spartacos, concert pianist and composer from Greece; to the Committee on the Judiciary.

By Mr. FURCOLO:

H. R. 4719. A bill to admit Hiedi Cleff to the United States for permanent residence; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 4720. A bill for the relief of Stella Avner; to the Committee on the Judiciary.

By Mr. MURPHY:

H. R. 4721. A bill for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades; to the Committee on the Judiciary.

By Mr. SABATH:

H. R. 4722. A bill for the relief of Vasilios Serbeniades; 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:

853. By Mr. ELSTON: Petition of the Cincinnati Automobile Club, Cincinnati, Ohio, in behalf of its more than 36,000 members, urging Congress to repeal the 15-percent Federal transportation tax; to the Committee on Ways and Means.

854. By Mr. FORAND: Resolution passed by the General Assembly of the State of Rhode Island and Providence Plantations, requesting the Senators and Representatives from Rhode Island to use their best efforts to see that the recommendation of the Secretary of Labor be carried out and that those agencies which rightfully belong in the United States Department of Labor shall be returned to said Department—Conciliation and Mediation Service, United States unemployment compensation and reemployment agencies; to the Committee on Education and Labor.

855. Also, resolution passed by the General Assembly of the State of Rhode Island and Providence Plantations, memorializing the Congress with relation to Senate Act No. 362 to bring about substantial equity between local and Federal taxpayers with respect to Federal-owned real property in the respective States; to the Committee on Public Lands.

856. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, asking Congress to repeal the Federal tax on oleomargarine; to the Committee on Agriculture.

857. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachu-

setts, asking repeal of the Federal tax on oleomargarine; to the Committee on Agriculture.

858. By Mr. MERROW: Petition of the Claremont (N. H.) City Council, memorializing and petitioning the Congress to pass, and the President to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the Congress; to the Committee on the Judiciary.

859. By Mr. SMITH of Wisconsin: Petition of the Racine Woman's Christian Temperance Union, Racine, Wis., urging passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio, similar to the Bryson bill, H. R. 2428; to the Committee on Interstate and Foreign Commerce.

860. By Mr. SULLIVAN: Petition of the general executive board of the United Shoe Workers of America, CIO, protesting the trial and sentencing of Josef Cardinal Mindszenty, prince of the church and primate of all Catholics of Hungary, and the indictment of the 15 Protestant clergymen in Bulgaria, and the arrest and imprisonment of Bishop Lajos Ordass, of the Lutheran faith, by the Communist government of Hungary; denouncing such actions as actuated solely by the desire to destroy religious freedom and freedom of worship; and calling upon the Congress and the State Department to register the protest of the American people through the United Nations; to the Committee on Foreign Affairs.

861. By Mr. WHITE of California: Memorial of the Assembly and Senate of the State of California, asking enactment of pending legislation which will provide a secondary market for veterans' loans under the Servicemen's Readjustment Act of 1944; to the Committee on Banking and Currency.

862. Also, memorial of the Assembly and Senate of the State of California, urging the State Department to take such steps as are necessary to secure the release by foreign countries of frozen assets belonging to the American film industry, or so to alter the basis upon which these assets are presently released by foreign countries as to minimize the present disruption of the domestic film industry economy; to the Committee on Foreign Affairs.

863. Also, memorial of the Assembly and Senate of the State of California, asking that an open hunting season on wild pigeons be established; to the Committee on Merchant Marine and Fisheries.

864. Also, memorial of the Assembly and Senate of the State of California, to provide for public recreation and fish and wildlife development in project plans and to authorize them as project purposes along with flood control, irrigation, and power production; to the Committee on Public Lands.

865. By the SPEAKER: Petition of Louis de Bourbon, New York, N. Y., transmitting a supplement to his petition of March 5 requesting an investigation of his lost American citizenship; to the Committee on the Judiciary.

866. Also, petition of William M. Fountain and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

867. Also, petition of Mrs. Ida M. Kinney and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

868. Also, petition of Laura F. McBride and others, Albuquerque, N. Mex., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

869. Also, petition of Mrs. Dora Mathers and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

870. Also, petition of E. H. Jones and others, Delray Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan, to the Committee on Ways and Means.

871. Also, petition of Dessa Gaines and others, Hollywood, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

872. Also, petition of Mrs. Lillian Rhynas and others, Sandusky, Ohio, requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

873. Also, petition of Lela Clay Owen and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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

875. Also, petition of B. W. Kellogg and others, St. Cloud, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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

## SENATE

TUESDAY, MAY 17, 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 whose throne is truth, frail creatures of dust serving out our brief day on the world's confusing stage, we would set our little lives in the midst of Thy eternity and feel Thy greatness and Thy peace. So guide by Thy wisdom the deliberations of this body, entrusted with such power that awes and solemnizes our hearts, that in this forum of freedom there may be heard by a listening world the solemn summons to men of good will, of all races and of all nations, to a new commonwealth of global brotherhood in which power shall be administered as a sacred trust dedicated to the common good. Amen.

#### THE JOURNAL

On request of Mr. Lucas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 16, 1949, was dispensed with.

#### MESSAGES FROM THE PRESIDENT

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

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 326) to amend the War Claims Act of 1948, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and

joint resolution, in which it requested the concurrence of the Senate:

H. R. 86. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf;

H. R. 142. An act excepting certain persons from the requirement of paying fees for certain census data;

H. R. 162. An act to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes;

H. R. 1720. An act to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 2108. An act to amend the act entitled "An act to provide increases of compensation for certain veterans with service-connected disabilities who have dependents" to define the term "wife" to include "dependent husband";

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2296. An act to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes;

H. R. 2432. An act restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes;

H. R. 2737. An act to establish the decoration Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany;

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bactiracin, or any derivative thereof;

H. R. 3196. An act to authorize appropriations for roads, trails, and other aids to transportation serving lands and facilities under the jurisdiction of the Bureau of Indian Affairs in Alaska;

H. R. 3444. An act to provide for the collection and publication of cotton statistics;

H. R. 3482. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Canadian River by the States of Oklahoma, Texas, and New Mexico;

H. R. 3512. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to authorize the exemption of certain employees of the Library of Congress and of the judicial branch of the Government whose employment is temporary or of uncertain duration;

H. R. 3576. An act to repeal certain obsolete laws and parts of laws relating to the sale of public lands;

H. R. 3851. An act to amend Public Law 289, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property;

H. R. 3881. An act to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein;

H. R. 3974. An act to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes;

H. R. 4082. An act to improve the administration of the Civil Aeronautics Act of 1938, and for other purposes;

H. R. 4151. An act to grant the consent of the United States to the Arkansas River compact;

H. R. 4251. An act to amend section 4 (g) of the Communications Act of 1934 to permit the Federal Communications Commission to make expenditures for land for radio monitoring stations, and for other purposes;

H. R. 4289. An act to require settlers on public lands in Alaska to record notice of their settlement claims in the land office for the district in which the lands are situated, and for other purposes;

H. R. 4471. An act to regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard;

H. R. 4566. An act to revise, codify, and enact into law, title 14 of the United States Code, entitled "Coast Guard"; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

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.

#### APPOINTMENT OF COMMITTEE TO ESCORT GEN. LUCIUS D. CLAY TO SENATE CHAMBER

The VICE PRESIDENT. In view of the expectation that General Clay will visit the Senate as soon as he completes his assignment in the House of Representatives, the Chair deems it proper to appoint a committee to escort General Clay from the House to the Senate Chamber. The Chair will do that now so that those who are appointed may be informed. The Chair appoints the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from Nebraska [Mr. WHERRY] as the committee. The Chair has been advised that General Clay will probably finish his visit to the House at 20 or 25 minutes after 12 o'clock.

#### CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Graham	Kem
Anderson	Green	Kilgore
Butler	Gurney	Langer
Byrd	Hayden	Lodge
Capehart	Hendrickson	Long
Chavez	Hill	Lucas
Cordon	Hoey	McCarthy
Donnell	Holland	McClellan
Douglas	Humphrey	McGrath
Ecton	Hunt	McKellar
Ellender	Ives	Martin
Ferguson	Jenner	Miller
Frear	Johnson, Colo.	Morse
Fulbright	Johnston, S. C.	Murray
Gillette	Kefauver	Neely

Pepper	Sparkman	Wherry
Robertson	Taylor	Wiley
Russell	Thomas, Okla.	Williams
Saltonstall	Thye	Withers
Schoeppel	Tydings	Young
Smith, Maine	Vandenberg	

Mr. LUCAS. I announce that the Senator from Kentucky [Mr. CHAPMAN], the Senator from California [Mr. DOWNEY], and the Senator from Mississippi [Mr. EASTLAND] are absent on official business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. MAYBANK], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Texas [Mr. JOHNSON], the Senator from Oklahoma [Mr. KERR], the Senator from Nevada [Mr. McCARRAN], the Senator from Arizona [Mr. McFARLAND], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. O'CONNOR], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Mississippi [Mr. STENNIS], and the Senator from Utah [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Washington [Mr. MAGNUSON] is absent on public business.

The Senator from Connecticut [Mr. McMAHON] is presiding at a hearing being held by the Joint Committee on Atomic Energy, and is therefore necessarily absent.

The Senator from Texas [Mr. CONNALLY] and the Senator from Florida [Mr. PEPPER] are excused by the Senate for the purpose of attending sessions of the Committee on Foreign Relations, which is holding hearings on the North Atlantic Pact.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from New Hampshire [Mr. BRIDGES] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate.

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

The Senator from Nevada [Mr. MALONE] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is excused by the Senate for the purpose of attending sessions of the Committee on Foreign Relations holding hearings on the North Atlantic Pact.

The Senator from Connecticut [Mr. BALDWIN], the Senator from Washington [Mr. CAIN], the Senator from California [Mr. KNOWLAND], the Senator from Colorado [Mr. MILLIKIN], the Senator from South Dakota [Mr. MUNDT], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Utah [Mr. WATKINS] are detained on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Kansas [Mr. REED] are detained on official committee business of the Committee on Interstate and Foreign Commerce.

The VICE PRESIDENT. A quorum is present.



## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

DEVELOPMENT OF MISSOURI RIVER—  
RESOLUTION OF CITY COUNCIL OF  
MITCHELL, S. DAK.

Mr. HUMPHREY. Mr. President, I present for appropriate reference a resolution adopted by the City Council of Mitchell, S. Dak., relating to the development of the Missouri River, and I ask unanimous consent that it may be printed in the RECORD.

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

Whereas the governing body of the city of Mitchell has been informed that the completion of the present plans for the development of the Missouri River will provide inadequate safeguards for the health of persons residing in the vicinity of such river, cause at least one community, namely Chamberlain, S. Dak., to be substantially relocated, and may in other ways have certain undesirable results: Now, therefore, be it hereby

*Resolved by the City Council of Mitchell, Davidson County, S. Dak.,* That any plans for the development of the Missouri River be reviewed for the purpose of eliminating therefrom, wherever possible, such features thereof as may be undesirable to, or impose undue hardship upon, persons residing in the vicinity of such Missouri River; and be it further

*Resolved,* That this governing body is expressing no opinion with respect to the various plans and programs for the development of the Missouri River, but is limiting its position strictly to the objectives set forth in the preceding paragraphs.

Passed and approved this 2d day of May 1949.

DAMON CLARK,  
Mayor.

Attest:

MARGARET GALES,  
Auditor.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHOONEY, from the Committee on Interior and Insular Affairs:

H. R. 55. A bill to include certain lands in the Carson National Forest, N. Mex., and for other purposes; without amendment (Rept. No. 397);

H. R. 1337. A bill to authorize the sale of certain public lands in Alaska to the Alaska Council of Boy Scouts of America for recreation and other public purposes; with an amendment (Rept. No. 401);

H. R. 2566. A bill granting the consent of Congress to the States of Montana, North Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River; without amendment (Rept. No. 391);

H. R. 2812. A bill to direct the Secretary of the Interior to sell certain land at South Naknek to the Russian Orthodox Greek Catholic Church of North America; without amendment (Rept. No. 398);

H. R. 2931. A bill to provide for the conveyance by the United States to Frank C. Wilson of certain lands formerly owned by him; without amendment (Rept. No. 399);

H. R. 3181. A bill to provide for more effective conservation in the arid and semi-arid areas of the United States, and for other purposes; without amendment (Rept. No. 392);

H. R. 3259. A bill to add to the Abraham Lincoln National Historical Park, Ky., cer-

tain land acquired by the United States for that purpose; without amendment (Rept. No. 393); and

H. R. 3396. A bill to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin; without amendment (Rept. No. 400).

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

S. 478. A bill for the relief of Carl Plowaty and W. J. Plowaty; without amendment (Rept. No. 394); and

H. R. 2906. A bill to provide a 1 year's extension of time for the disposition of farm labor camps to public or semipublic agencies or nonprofit associations of farmers; without amendment (Rept. No. 395).

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

S. 1659. A bill granting the consent and approval of Congress to an interstate forest fire protection compact; without amendment (Rept. No. 396).

## BILLS INTRODUCED

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

By Mr. TYDINGS:

S. 1872. A bill to clarify the active duty status of certain officers of the Army of the United States and the Air Force of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. REED:

S. 1873. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. McFARLAND (for himself and Mr. HAYDEN):

S. 1874. A bill to protect scenic values along the Grand Canyon Park South Approach Highway (State 64) within the Kaibab National Forest, Ariz.; to the Committee on Interior and Insular Affairs.

JOINT COMMITTEE ON LOBBYING  
ACTIVITIES

Mr. KILGORE submitted the following concurrent resolution (S. Con. Res. 41), which was referred to the Committee on the Judiciary:

Whereas there has developed much doubt and confusion concerning the application of the laws relating to the registration and reporting of lobbyists; and

Whereas there is widespread public belief that lobbying activities are being carried on by persons not making reports thereof, as prescribed by law, in some instances because they do not believe the law applies to them and their activities; and

Whereas Members of the Congress and citizens petitioning their Congress in behalf of measures are not able to ascertain through the disclosures now being made under the law the affiliations of many of those persons who are lobbying; and

Whereas it is desirable in strengthening the democratic process to have complete identification of all individuals and organizations lobbying before Congress, the nature, sources, and amounts of their support; and

Whereas there is every evidence of general public support for enactment of legislation to strengthen the Lobbying Registration Act of 1946: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That there is hereby established a joint congressional committee to be known as the Joint Committee on Lobbying Activities (hereinafter referred to as the committee), which shall be composed of seven Members of the Senate to be appointed by the President of the Senate, and seven Members of the House of Representatives to be appointed by the Speaker of the House of Representatives.

Sec. 2. A vacancy in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original appointment. The members of the committee shall select a chairman from among their number. The members of the committee shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

Sec. 3. It shall be the duty of the committee—

(1) to make a full and complete investigation of all lobbying activities, and all efforts to influence, encourage, promote, or retard legislation, directly or indirectly;

(2) to report from time to time to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to Clerk of the House if the House is not in session) the results of its study and investigation, together with such recommendations as it deems advisable.

Sec. 4. The committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act at such places and times, to require by subpoena or otherwise the attendance of such witnesses, and the production of such books, papers, documents, and tangible things, to administer such oaths, to take such testimony, to procure such binding and printing, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman of the committee, and shall be served by any person designated by him. The cost of stenographic services in reporting such hearings as the committee may hold shall not be in excess of 25 cents per hundred words.

Sec. 5. The committee is authorized to appoint and fix the compensation of such experts and such clerical, stenographic, and other assistants as it deems advisable.

Sec. 6. The expenses of the committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

DEPARTMENT OF AGRICULTURE APPRO-  
PRIATIONS, 1950, AMENDMENTS

Mr. PEPPER submitted an amendment, and Mr. LANGER (for himself and Mr. HUMPHREY) submitted three amendments, intended to be proposed by them, to the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION  
REFERRED, OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 86. An act to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the Columbia Institution for the Deaf;

H. R. 142. An act excepting certain persons from the requirement of paying fees for certain census data;

H. R. 3444. An act to provide for the collection and publication of cotton statistics; and

H. R. 3512. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to authorize the exemption of certain employees of the Library of Congress and of the judicial branch of the Government whose employment is temporary or of uncertain duration; to the Committee on Post Office and Civil Service.

H. R. 162. An act to provide basic authority for the performance of certain functions and activities of the Department of Commerce, and for other purposes;

H. R. 4082. An act to improve the administration of the Civil Aeronautics Act of 1938, and for other purposes;

H. R. 4251. An act to amend section 4 (g) of the Communications Act of 1934 to permit the Federal Communications Commission to make expenditures for land for radio monitoring stations, and for other purposes;

H. R. 4471. An act to regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 1720. An act to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University;

H. R. 1922. An act to amend section 10 of the Reclamation Project Act of 1939;

H. R. 2197. An act to authorize acquisition by the county of Missoula, State of Montana, of certain lands for public-use purposes;

H. R. 2432. An act restoring to tribal ownership certain lands upon the Colville Indian Reservation, Wash., and for other purposes;

H. R. 3196. An act to authorize appropriations for roads, trails, and other aids to transportation serving lands and facilities under the jurisdiction of the Bureau of Indian Affairs in Alaska;

H. R. 3482. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Canadian River by the States of Oklahoma, Texas, and New Mexico;

H. R. 3576. An act to repeal certain obsolete laws and parts of laws relating to the sale of public lands;

H. R. 3881. An act to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein;

H. R. 3974. An act to promote the rehabilitation of the Standing Rock Sioux Tribe of Indians and better utilization of the resources of the Standing Rock Indian Reservation, and for other purposes; and

H. R. 4289. An act to require settlers on public lands in Alaska to record notice of their settlement claims in the land office for the district in which the lands are situated, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 2108. An act to amend the act entitled "An act to provide increases of compensation for certain veterans with service-connected disabilities who have dependents" to define the term "wife" to include "dependent husband;" to the Committee on Finance.

H. R. 2296. An act to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 2737. An act to establish the decoration Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany; to the Committee on Armed Services.

H. R. 3151. An act to amend the Federal Food, Drug, and Cosmetic Act of June 25, 1938, as amended, by providing for the certification of batches of drugs composed wholly or partly of any kind of aureomycin, chloramphenicol, and bactiracin, or any derivative thereof; to the Committee on Labor and Public Welfare.

H. R. 3851. An act to amend Public Law 239, Eightieth Congress, with respect to surplus airport property and to provide for the transfer of compliance functions with relation to such property; to the Committee on Expenditures in the Executive Departments.

H. R. 4151. An act to grant the consent of the United States to the Arkansas River compact; ordered to be placed on the calendar.

H. R. 4566. An act to revise, codify, and enact into law, title 14 of the United States Code, entitled "Coast Guard"; to the Committee on the Judiciary.

**RESPONSIBLE AMERICAN CITIZENS—THEIR JOB IN NATIONAL POLITICS—ADDRESS BY SENATOR AIKEN**

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an address entitled "Responsible American Citizens—Their Job in National Politics," delivered by him before the Fourth National Conference on Citizenship, in New York City, on May 16, 1949, which appears in the Appendix.]

**FIRST ANNIVERSARY OF ESTABLISHMENT OF ISRAEL—ADDRESS BY SENATOR O'CONNOR**

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an address by Senator O'CONNOR at the exercises in the Fifth Regiment Armory, Baltimore, May 15, 1949, commemorating the first anniversary of the establishment of the State of Israel, which appears in the Appendix.]

**A TRIBUTE TO NORWAY BY SENATOR WILEY**

[Mr. WILEY asked and obtained leave to have printed in the RECORD a tribute by him to Norway, on Norwegian Independence Day, May 17, 1949, which appears in the Appendix.]

**EDITORIAL COMMENT REGARDING SENATOR BYRD**

[Mr. BRICKER asked and obtained leave to have printed in the RECORD several newspaper comments regarding Senator BYRD, which appear in the Appendix.]

**PROGRAM FOR GOVERNMENT ECONOMY—STATEMENT BY SENATOR HUMPHREY**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement prepared by him entitled "Program for Government Economy," which appears in the Appendix.]

**CAN FARMERS AFFORD IRRIGATION UNDER THE PICK-SLOAN PLAN?—EDITORIAL FROM THE BISMARCK (N. DAK.) LEADER**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Can Farmers Afford Irrigation Under the Pick-Sloan Plan?" from the Bismarck (N. Dak.) Leader of May 13, 1949, which appears in the Appendix.]

**EUROPE RELIEVED BY OPPOSITION TO FRANCO SPAIN—ARTICLE BY C. L. SULZBERGER**

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "United States Stand on Spain Calms Moderates," by C. L. Sulzberger, from the New York Times of May 15, 1949, which appears in the Appendix.]

**REORGANIZATION OF GOVERNMENT AGENCIES—ARTICLE BY LINDSAY C. WARREN**

[Mr. O'CONNOR asked and obtained leave to have printed in the RECORD an article regarding reorganization of Government agencies, by Lindsay C. Warren, which appears in the Appendix.]

**EVIDENCE OF UNCONTROLLED BUDGET—ARTICLE BY RAYMOND MOLEY**

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article entitled "Evidence of Uncontrolled Budget," written by Raymond Moley, and published in the Lincoln (Nebr.) Journal of May 10, 1949, which appears in the Appendix.]

**HEART AND CANCER RESEARCH—ADVERTISEMENT BY NATIONAL HEART COMMITTEE**

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an advertisement entitled "Senators, Please Think This Over!" published in the Washington Post of May 16, 1949, and the Washington Times-Herald of May 16, 1949, which appears in the Appendix.]

**AID FOR NON-COMMUNIST FORCES IN CHINA**

Mr. KNOWLAND. Mr. President, last Saturday the State Department issued a bulletin, an outline of foreign affairs called Building the Peace, in which they suggest that the arms implementation program that will follow the Atlantic Pact for consideration by the Congress should contain the provision that all projects of United States military aid should be brought together in one program.

I reluctantly have come to the conclusion, from a careful reading of this document issued by the Department of State, that the Department has no intention of giving any aid to the non-Communist forces of China to prevent that country from being overrun by the Communist forces now making an effort to do so.

I wish to serve notice, on behalf of myself and a number of other Senators on both sides of the aisle, that I shall be prepared to offer an amendment to the implementation legislation when it comes before the Senate, to provide aid to the non-Communist forces in China at the time we are supplying aid to enable the democratic forces in western Europe to keep from going behind the iron curtain.

Mr. President, I ask to have inserted in the RECORD at this point as part of my remarks a resolution passed by the Texas State Legislature, pointing out to the Congress the feeling of the legislative body of that important and great State of the Union that they believe our foreign policy in the Far East has not been following a sound course.

The VICE PRESIDENT. Is there objection?

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

Whereas Stalin has clamped a stranglehold on 120,000,000 Europeans and is now attempting to add another 450,000,000 Chinese to his war machine for the very evident purpose of strengthening the Russian military machine for a third world war; and



Whereas the Communist threat to these United States is at present far more dangerous than the combined threat of Nazi Germany, Fascist Italy, and imperialistic Japan ever was; and

Whereas the confidence of American citizens in the atomic bomb is beginning to resemble the foolish confidence the French people had in the Maginot Line and is comparable to the false sense of security the United States had in the supposedly invincible American fleet prior to Pearl Harbor; and

Whereas today we are permitting Stalin to make the Chinese people his vassals through enslavement which will possibly involve us in a struggle not for security but for survival to maintain the fruits of our victory won at the expense of thousands of American lives in World War II; and

Whereas the Chinese Communist leader, the leader of the French Communists, and the leader of the Italian Communists have publicly stated that they would fight on the side of communistic Russia in the event of a war with United States; and

Whereas China is the key to all Asia and if it falls, Indochina, Siam, Burma, and Malay states, and Indonesia will surely fall into the hands of the Communists which will then leave India well within the sphere of Soviet influence; and

Whereas we have been so proud of the record our aviators have made in supplying Berlin by air that we have almost forgotten the daily insults which the Russians inflict upon our country by preventing us from using the ground approach to Berlin; and

Whereas our State Department has seemingly adopted a policy of passive resistance toward the Soviet Union at the expense of American prestige built up by the sacrifice of thousands of American lives and has also gone so far as to employ people whose loyalty to the American way of life has been openly questioned; all of this allowing valuable time to run in favor of the Communists; and

Whereas the American people live by the beliefs expressed in our Declaration of Independence that men are "endowed by their creator with certain inalienable rights;" that the state is a tool of man, a means and not an end, and that man is responsible for the moral behavior of the state; and

Whereas the Communist creed is the exact reverse and directly opposed to this American doctrine and teaches that there is no God, no moral law, but that the communistic state is above all morality; and

Whereas from eastern Germany to China, men have already learned the terrible truth of William Penn's words, "Those people who are not ruled by God, will be ruled by tyrants"; and

Whereas public opinion in the United States has not been alerted to our present peril which is increasing daily; and

Whereas we know an American is a free man or he is nothing; that we, like our forefathers, are ready to face without flinching whatever fate the Lord God may bestow, ready to give all that we have and all that we are to defend the greatest adventure in human freedom that this earth has ever known—our America: Now, therefore, be it

*Resolved, by the house of representatives of the fifty-first legislature in regular session (the senate concurring),* That the Government of the United States should immediately use all its influence and power to diminish the burden on our own country and increase Europe's chances to survive by bringing about the creation of a European federation; and that

The Government of the United States should dismiss from the Department of State and the foreign services the men whose records show that they have helped to bring our country into its present peril by following the policy of treating the Soviet Union

as a peace-loving democracy and the Chinese Communists as mere agrarian reformers who have no connection with Moscow; and that

The Government of the United States should take immediate steps to prevent Stalin from controlling China and should cease to throw away all that was won for us by our men who fought and died in the Pacific; and that

The American Government should immediately reassert our rights to supply our section of Berlin by train or truck by putting through trains or trucks to Berlin; and be it further

*Resolved,* That a copy of this resolution be forwarded to the President of the United States, the Secretary of State for the United States, and each Senator and Member of the House of Representatives in the Congress of the United States from Texas.

Mr. KNOWLAND. Mr. President, I also ask that there be printed as part of my remarks at this point an article which appeared in the Houston Chronicle under date of April 27, 1949, containing the address of the Honorable William Bullitt, former United States Ambassador to France and Russia, in which he discusses our foreign policy, with particular relation to that followed in the Far East.

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

**EX-ENVOY TELLS SOLONS OF MENACE TO PEACE—STATE DEPARTMENT POLICY CRITICIZED IN ADDRESS DELIVERED TO TEXAS LEGISLATURE**

AUSTIN, April 27.—A challenge to accomplish the impossible in arousing public opinion to the danger of the Soviet menace to world peace was issued to Texas legislators here Wednesday by William C. Bullitt, former Ambassador to France and Russia.

Texans, Mr. Bullitt added, have always known they could accomplish the impossible.

In a speech delivered to a joint session of the Texas Legislature, Mr. Bullitt flayed the State Department's policies in the Far East and predicted that Russia would probably have an atomic bomb by 1952.

World War III is certain, he warned, if we allow Russia to conquer China, as it is now doing.

The full text of Mr. Bullitt's address follows:

"Your invitation to me to address you today I value as an exceptional honor. For Texas is both a great State and a great state of mind—the state of mind of men who know that the good life is the free life, that the adventure of life is in striving, making mistakes, striving again, and bending circumstances by human will.

"In these days of atomic energy and jet planes, history has become the biography of the impossible. Texans—from Sam Houston to Jesse Jones—have always known they could accomplish the impossible.

"And if we are to bring to fulfillment the promise of American life, in spite of the enemies who are striving to destroy us, it will be because we, as a nation, begin to act with the spirit which is yours in Texas.

"What is the threat that we face today?

"The Soviet Government is directing all the forces of world communism toward the objective of conquering not only Europe, Asia, Africa, and Latin America, but also the United States. Stalin, like Hitler, will not stop. He can only be stopped. We cannot get off this earth.

"Therefore, we shall have to stop him or submit to his rule. Our forefathers came to this continent because they would submit to no master but God. We will not submit to Stalin.

"What, then, lies before us? War?

"Our chance to preserve our freedom without fighting has decreased each day since the close of the Second World War. We never had a chance, of course, to achieve lasting peace by appeasing Stalin.

"The Communist creed demands the installation of Communist dictatorship throughout all the world. And Stalin embraces a free country in pretended friendship only in order to get close enough to strangle it."

**FAILED TO USE POWER**

"We did have a chance during the war, when the Soviet Union was dependent for survival on lend-lease aid, to make certain that the countries we were liberating from the Nazis and the Japanese would not be enslaved by Stalin.

"But we did not use our power while we had it, and Stalin mounted the saddles of both Hitler and the Japanese militarists.

"We had a chance also at the close of the war to build up throughout the world such moral and physical force against Soviet imperialism that Stalin would have stopped his aggressions in fear.

"But our Government was still wandering, like Alice, in a wonderland created by Communist propaganda, a wonderland in which the Soviet Union was a peace-loving democracy and the Chinese Communists were mere agrarian reformers who had no connection with Moscow.

"So we threw away most of the arms we had manufactured—at considerable cost—and destroyed the arms we had captured, and demobilized, and waited for the United Nations to bring us peace.

"Meanwhile, Stalin clamped a stranglehold on 120,000,000 Europeans, and set out to conquer Asia. Our Government did not wake up till he threatened to invade Turkey. Then it began to realize that it must do something to prevent him from taking over the Near East and the rump of Europe which was still outside his grasp.

"But it did not awake sufficiently to make the small effort which was then necessary to prevent his conquest of China. In consequence, Stalin has grown so strong that it will no longer be easy to build up the overwhelming force necessary to convince him that he had better not, at some future date, risk war.

"And it will certainly be impossible if we leave the initiative in the cold war in Stalin's hands. No war—hot or cold—was ever won by defensive action. Yet we are leaving the offensive to Stalin.

"Today, using his Chinese accomplices as instruments, Stalin is conquering China. The Chinese Nationalists, our friends, the same men who fought as our allies against the Japanese, abandoned today by us, are still fighting a desperate fight to preserve the independence of their country.

"And our Government is saying that we must sit by and watch Stalin add 450,000,000 Chinese to his war potential."

**PERVERSION OF UNITED STATES POLICY**

"The most conspicuous triumph of Soviet psychological warfare has been the gradual perversion of American policy toward China.

"Roosevelt and Hull rightly believed that control of China by a power which might become hostile to us would constitute such a threat to the security of the United States that we must prevent it—by war if necessary.

"On the basis of that conviction we got into the Second World War. And our fighting men, by defeating Japan, won for us what might have been security on the Pacific side. But the 1941 policy of Roosevelt and Hull has been reversed, although the Communist threat to our country is far more dangerous than the Japanese threat ever was.

"We are allowing a power which is hostile to us to conquer China, and thus we are

making certain the coming of a third world war.

"Moreover we are doing this in spite of the fact that no ranking American general has been able to devise any method by which we could compel the Soviet Government to surrender if the 450,000,000 Chinese should be added to the Soviet war potential.

"We could destroy Russian cities with the atomic bomb; but the idea that the Russians would sue for peace if we should destroy their major cities is illusion. They are made of tougher stuff than that, and they would continue to fight even though they might have to retreat into the wilds of Siberia and China."

#### TOO CONFIDENT OF A BOMB

"The confidence of Americans in the atomic bomb is beginning to resemble the confidence of the French in the Maginot line. Many Americans believe that because we have the bomb we are certain to win a war against the Soviet Union.

"That is not true. We would run into great difficulties with Soviet fighter planes in our attempt to deliver the bomb, and it is not an efficient weapon against dispersed bodies of men.

"Unless we are more exact in our thinking, our overconfidence in the atomic bomb may become as fatal to us as overconfidence in the Maginot line was to France.

"Without Chinese allies, or a new weapon of mass destruction as deadly to groups of men as the atomic bomb is to cities, we would not have the men or the means to root the Communists out of Siberia and the Far East. We have no such new weapon, and we are permitting Stalin to make the Chinese his allies.

"One of the healthiest traditions of our country is that when a general loses an army or a division through incompetence he is court-martialed. But the officials of the Department of State lose whole countries and even continents through incompetence, and receive not dismissals but promotions.

"We are today in a struggle not for security but for survival. We owe that bitter fruit of our victory in the Second World War to the men who based our foreign policy on the lie that the Soviet Union was a peace-loving democracy and the brother lie that the Chinese Communists were mere agrarian reformers who had no connection with Moscow.

"The State Department and the Foreign Service are still rancid with those men.

"They are now advising our President that we should wash our hands of China—in spite of the fact that the Chinese Communist leader Mao Tse-tung announced on the third of this month that Communist China would fight as the ally of the Soviet Union against the United States. Our President can try to wash his hands of China, but he cannot wash them clean."

#### OPPOSE OR ASSENT

"Unless we oppose Communist conquest of China we assent to it. And our children will face assault by overwhelming masses of Communist driven slaves. Pontius Pilate washed his hands, but the world has never forgiven him. History does not forgive craven evasions—whether by Roman governors or American Presidents.

"China is the key to all Asia. If China goes, Indochina, Siam, Burma, the Malay States, and Indonesia will fall into the hands of the Communists. India will be at Stalin's mercy, and the Japanese who depend on Asia for raw materials and food, and markets for their products, will know that they can become self-supporting only by crawling under Stalin's iron curtain and making their country a Soviet satellite.

"The Japanese and many other Asiatics are already beginning to say that to be a friend of the United States is too dangerous.

Our present policy in Asia is defeatism—scuttle and run. We are in full retreat—in abject flight—and Stalin is advancing triumphantly.

"But Europe—can we not congratulate ourselves on our European policy? Have we not seized the initiative in Europe from Stalin? We have not. Our policy in Europe is not deadly to our national interests, as is our policy in Asia. It is now, at last, on the right line. But it is weakly right. And in international affairs to be weakly right is often as fatal as to be absolutely wrong."

#### ATLANTIC PACT LATE

"We have concluded a North Atlantic Pact—3 years late. But the North Atlantic Pact is a frame without a picture; an excellent idea without substance. It will have substance when the European democracies are once more able to feed themselves and defend themselves without doles from the American taxpayer.

"Our Congress voted ECA aid to Europe as a great gift to end the need for further gifts after 1952. But our European friends have already informed us that they will need some billions of dollars annually in gifts from us even after 1952.

"And they have also informed us that they cannot pay for their essential rearmament. Today they have only six divisions armed to meet a possible assault by the Red Army. They would need from 40 to 60 divisions, armed in the most modern manner, to have a chance of preventing the Red Army from marching to the Atlantic. The cost of western European rearmament will run to at least \$12,000,000,000.

"Who is going to pay that sum? The American taxpayer?"

#### NEED STANDARDIZATION

"It is clear today that the western European democracies will never be able to feed and clothe themselves and defend themselves unless they introduce efficient standardization and specialization of production of the sort we have in America.

"But fully modernized production with large volume and low costs cannot be achieved anywhere without the existence of a broad market in which products can be sold without barriers or restrictions.

"The states of western Europe are separated by tariff barriers, quotas, export and import licenses, different currencies and exchange restrictions.

"If our 48 States had been thus separated, we should never have been able to develop our effective mass-production system. The markets open to the individual European democracies are not broad enough to permit fully modernized production.

"Unless they will, by some form of union or federation, break down the barriers which now obstruct the flow of goods, manpower and capital among them, they will not be able to support themselves without annual doles from the American taxpayer—and they will not be able to carry more than a small fraction of the cost of their military defense.

"The individual states of western Europe cannot survive as disunited competitors, but if they unite themselves freely as members of a federation they may be able to avoid being united forcibly by Stalin.

"To attempt to build the economic prosperity and the defense of western Europe without laying the foundation of European federation is to attempt to build a skyscraper on quicksand. That is what we are doing.

"In consequence, the Soviet Government is confident that the problems of European economic life and defense will not be solved, and that we, by attempting to carry the burden of rehabilitating and rearming Europe, will produce in our own country an inflation which will hit all Americans so hard that we shall begin to quarrel among ourselves—farmers against city dwellers, employees against employers, race against race—

until we lose our national unity and our will to resist.

"The Soviet Government, therefore, has no fear that time is running against it in Europe. And nothing short of the creation of a European federation—including western Germany—and the rapid rearmament of western Europe will put us in position to wrest the offensive in Europe from Stalin."

#### REDS IN WEST EUROPE

"To take the political offensive in Europe, we shall, in addition, have to deal successfully with the problem of the Communists in western Europe. Today about one out of four of the French votes Communist, and about one out of four taken into the French Army is a Communist sympathizer.

"The head of atomic research in France is an open and avowed member of the Communist Party. And the French Communists have announced that they will fight on the Soviet side against their own country in case of war. In Italy about one out of three voters votes Communist.

"We shall not be able to have much confidence in either the economic or the military strength of France and Italy until Stalin's fifth columns are eliminated from those countries.

"ECA has prevented the conquest of France and Italy by the Communists. It has arrested the growth of the Communist cancer, it has not eliminated the cancer. But a healthy France and Italy are essential if Europe is to survive and if we are to take the political offensive on a broad scale in Europe.

"Is there any place in Europe where we can seize the initiative now? Yes; Berlin.

"We have been so proud—and rightly proud—of our aviators who have been supplying Berlin by air that we have almost forgotten the daily insult which the Russians inflict on our country by preventing us from using the ground approaches to Berlin. We have a right to supply our section of Berlin by train or truck.

"The Russians daily forbid us to exercise that right. If you were to go home tonight and find a thug on your doorstep who threatened to slug you if you went in your front door, and if you were then to get a ladder and climb in a second-story window, and if you were to repeat that humiliating performance night after night, you would not be likely to boast of your cleverness and courage in finding a way to get into your house."

#### NO PRAISE FOR LEADERS

"That is our situation in Berlin. No praise is too high for our aviators who carry on the airlift in spite of fog and storm. But no praise at all is due to our political leaders who let that situation continue month after month.

"Would Stalin order his troops to shoot if we should send a truck convoy into Berlin? He might, if he were very foolish. But he has not been foolish in the past. And he knows that war today would prevent him from adding the races and resources of Asia to his war potential and prevent him from getting the atomic bomb before attacking us.

"He also knows that he is increasing the armed might of the Soviet Union and its satellites at a far greater rate than we and the European democracies are increasing our means of defense.

"We are spending all we can on armaments while living at the world's highest standard of consumption and contemplating further expenditures for welfare benefits.

"Stalin is keeping the standard of existence of the peoples of the Soviet Union and the satellite states at the lowest endurable point, while turning all their best energies into production for war. He is working feverishly to increase his air force."

#### BUILDING BOMBERS

"He already has hundreds of copies of our efficient long-range bomber, the B-29. And he is beginning production of bombers with



even greater range. He is striving with every resource he possesses to manufacture an atomic bomb.

"Our experts estimate that he will have an atomic bomb by 1952 and that he will have quantities by 1956. He is sure that time is running in his favor, and he is not likely to risk war now.

"This is a moment when we can afford to be bold. Indeed, it is a moment when we cannot afford not to be bold. For it is true that we are allowing time to run in favor of the Communists. Yet there is no indication in the recent statements of our State Department that our Government will act intelligently, vigorously, and rapidly in either the Far East or Europe.

"What can we do about it? We cannot lead our leaders, but we can drive our leaders by arousing public opinion.

"The legislature of this great State of Texas—you gentlemen here present—have it in your power to create such a public opinion. You can do your part in this time of cold war as Texans always do their part when the shooting starts.

"You can pass resolutions telling our national leaders that you will not consider them good stewards unless they diminish the burden on our own country, and increase Europe's chance to survive, by bringing about the creation of a European federation.

"You can demand that they throw out of the State Department and the Foreign Service the men whose records show that they have helped to bring our country into its present peril.

"You can tell them that you will hold them responsible if, by allowing Stalin to control China, they throw away all that was won for us by our men who fought and died in the Pacific.

"You can demand that we furnish officers to help the Chinese Nationalists to organize a last-ditch defense which would be also, in the final analysis, a defense of the United States; that we furnish planes, arms, munitions, and silver for troop pay; that we stop Stalin—not in Alaska or California or Texas but where he stands today.

"We are, in fact, already in a war in which there is no discharge. But if our situation is serious, it is also thoroughly inspiring. We live by the belief expressed in our Declaration of Independence that men are 'endowed by their Creator with certain unalienable rights,' that man as a son of God is an end in himself, that the state is a tool of man, a means not an end, and that man is responsible for the moral behavior of the state."

#### OPPOSITE BELIEF

"The Communist creed is the exact reverse of this American doctrine.

"It teaches that there is no God, that there is no moral law, that the Communist state is above all morality, that the state is man's master not his tool, that man is not an end in himself but a means to produce world conquest for the Communist state.

"And the Communists are determined to force us to accept the life of fear and slavery which is produced by their doctrine.

"From eastern Germany to China, men have already learned the terrible truth of William Penn's words:

"Those people who are not ruled by God will be ruled by tyrants." And we too shall learn that terrible truth in the sweat of slavery unless we arouse ourselves now and say to our Government that we do not ask for privileges but for duties; that we do not want to hear what we can get from our country but we do want to hear what we can give to our country; that we know an American is a free man or he is nothing; that we, like our forefathers, are ready to face without flinching whatever fate the Lord God may bestow, ready to give all that we have and

all that we are to defend the greatest adventure in human freedom that this earth has known—our America."

#### EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

#### LABOR-FEDERAL SECURITY APPROPRIATIONS—MOTION TO RECONSIDER

Mr. RUSSELL. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside in order that the Senator from Rhode Island [Mr. GREEN] may make a motion.

The VICE PRESIDENT. The Chair would suggest that instead of the Senator making a motion, which, if carried, would displace the unfinished business, the Senator ask unanimous consent to proceed to the consideration of the motion.

Mr. RUSSELL. I do not know how we could proceed with the consideration of the motion until the Senator from Rhode Island has made it, but I would ask—

The VICE PRESIDENT. The Senator from Rhode Island entered the motion several days ago, and he can now make it, but unanimous consent can be granted temporarily to lay aside the unfinished business and take up the motion.

Mr. RUSSELL. That was the effect of the unanimous-consent request I made.

Mr. WHERRY. Mr. President, reserving the right to object, my understanding is that the unfinished business is the so-called extension of the reciprocal trade agreements legislation.

The VICE PRESIDENT. The Senator is correct.

Mr. WHERRY. The unanimous-consent request is temporarily to displace that bill, and take up for consideration the motion made by the distinguished Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which the Labor-Federal Security appropriation bill was recommitted.

Mr. RUSSELL. With instructions.

Mr. WHERRY. Yes; with instructions.

Mr. RUSSELL. The Senator from Nebraska is correct.

Mr. WHERRY. Mr. President, I wish to make an inquiry of the distinguished majority leader. The motion made by the Senator from Rhode Island is debatable, of course. After the motion is disposed of, what will be the program for the day?

The VICE PRESIDENT. Automatically the Senate will return to consideration of the unfinished business, which is the reciprocal trade-agreements legislation.

Mr. WHERRY. Yes; I understand that. But my inquiry of the majority leader is whether he intends to have the Senate consider that legislation today, or whether he plans to have it set aside so the Senate may consider some other measure during the afternoon.

Mr. LUCAS. Let me say, Mr. President, that following the disposition of

the motion made by the Senator from Rhode Island it is expected that a unanimous-consent request will be made to lay aside the unfinished business, for the purpose of considering the Department of Agriculture appropriation bill. The senior Senator from Georgia [Mr. GEORGE] who is in charge of the reciprocal trade agreements bill, is indisposed today; therefore it is necessary for us to move on to some other part of the Senate program.

Mr. WHERRY. Mr. President, I have no objection to consideration of the motion made by the Senator from Rhode Island in view of the announcement just made by the Senator from Illinois, which has clarified for us what the program will be for today.

The VICE PRESIDENT. Without objection, the Senate will now proceed to the consideration of the motion made by the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which the appropriation bill was recommitted.

The question now is on agreeing to the motion to reconsider.

Mr. GREEN. Mr. President, is my motion to reconsider now before the Senate?

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which House bill 3333 was recommitted to the Committee on Appropriations with instructions.

Mr. GREEN. Mr. President, it seems to me that the discussions reported in the RECORD are ample. Most Senators had already made their decision when they acted on a former occasion. In the meantime, those who were absent, as I unfortunately had to be at the time of the vote, have made up their minds. Personally I feel that there is no occasion for debating the matter further.

Mr. CAPEHART. Mr. President, I wish to repeat what I have said many times on the floor of the Senate during the past 4 months, namely, that we should reduce all the appropriation bills and should cut the expenses of the Government. We have been talking about cutting them 5 percent. In my opinion they should be cut not less than 20 percent.

Yesterday I voted for the reorganization bill. I think it is a fine thing, and I hope the President will be successful in reorganizing the Federal Government and in reducing expenses. However, I remind the Senate that the responsibility for reducing expenses, the responsibility for cutting appropriations, and the responsibility for not appropriating money belong to the Congress, and not to the President of the United States.

I cannot help feeling that in the fiscal year ending June 30, 1950, we shall incur a deficit of between \$5,000,000,000 and \$15,000,000,000 unless we reduce expenses by that amount. Possibly we could correct the situation somewhat by increasing taxes; but I am of the opinion that if we increase taxes they will show a diminishing return.

I think there is no question, if one reads the business signs correctly, that the volume of business is declining. The number of dollars business is handling today is less than it was a year ago. In

my opinion it will grow smaller. I am thinking now in terms of volume, in terms of dollars. I am not saying that I think we are going to have a depression. I do not think we shall. But we must remember that only a year ago the President of the United States, the Congress, and the people were complaining that prices were too high, and must come down. There were those who said that if they did not come down of their own weight we should enact legislation to reduce them. Prices are now falling. They have been reduced by their own weight.

I cannot think of anything worse for this Nation than to continue to operate at a deficit in peacetime. That is particularly true when taxes are as high as they are, and when our budget and our appropriations at the moment are running above \$40,000,000,000. I am thoroughly convinced that Federal revenues for the fiscal year ending June 30, 1950, will not be more than \$35,000,000,000. I made that statement 3 months ago, and I repeat it today. I remember that 3 months ago it was estimated that revenues would amount to \$40,000,000,000. The other day someone in authority stated that it seemed that they would go to \$33,000,000,000. That is only \$3,000,000,000 more than my estimate. My estimate is only an opinion; but suppose I am wrong. Suppose the revenues are \$40,000,000,000 or \$42,000,000,000. Is it not much more sound, more businesslike and more in the interest of world peace and in the interest of our economy and our people that we stay within our income and run a surplus rather than a deficit?

I do not know what we are thinking about. I cannot understand why Members of the Senate should deliberately, day in and day out, pass appropriation bills which we know will run our Government in the red during the fiscal years for which we are appropriating money. Is there a single Member of the Senate who feels that our Government can remain strong and run a deficit in peacetime, adding that deficit, whether it be \$1,000,000,000, \$2,000,000,000, \$5,000,000,000, \$10,000,000,000 or \$15,000,000,000 to a national debt of \$252,000,000,000?

What are we thinking about? When are we going to cut expenses? Why do we "pass the buck" to the President of the United States? Why do we not accept the responsibility ourselves? Why do we not do what the Reorganization Act calls for, namely, arrive at the estimated revenues for the fiscal year, and then appropriate not one dollar more than the revenues reasonably to be anticipated? An expenditure of \$40,000,000,000 does not frighten me. An expenditure of \$50,000,000,000 does not frighten me. An expenditure of \$60,000,000,000 does not frighten me. The thing that frightens me is the fact that we are spending more money than we are going to take in. I agree that the time might come when we might well spend \$50,000,000,000, if the national income and the volume of business should warrant it. The fact that the expenditure is \$40,000,000,000 does not frighten

me. It is not the amount of money that should frighten us. It is the fact that we are spending more money than we are taking in, and adding the deficit to a national debt of \$252,000,000,000.

I repeat that in my personal opinion every appropriation bill that comes before the Senate should be reduced, so that the sum total of appropriations will be not more than \$35,000,000,000. I think we owe it to the American people to do so. We could well appropriate more money later if we saw that our revenues were going to be greater than it seems at the moment they will be. I plead with the Congress not to appropriate a single penny more than it is reasonably expected we shall receive in revenues.

This morning I noted in the press that last night or the night before the President of the United States made a Nation-wide radio appeal to the American people to buy \$1,000,000,000 worth of E bonds, on the basis that we need the money in order to maintain world peace and for our own security. I have no objection to that. I think it is a fine thing. We need to borrow money because we are running deficits each day.

Mr. President, I am sincere when I say it is my opinion that the great majority, if not all, of the 147,000,000 Americans are looking to this Congress to reduce governmental expenditures, to reduce the Government's budget, to balance the budget, to reduce the national debt. I do not know how any man in his right mind can feel that any individual, any institution, any company, any government, any organization can continue, year in and year out, to spend more money than it receives. The end of such a course must be calamity. Of course a government does not go bankrupt, but a government can get into such a position or condition that the people lose confidence in its money and bonds and management. When that time comes, there is chaos and inflation.

I have in my pocket a certificate issued by the Chinese Government, supposedly worth \$2,500,000. It is a 25,000 unit certificate. Of course, today this certificate is practically valueless because the Chinese people have lost confidence in their Government.

Mr. President, I say this matter is extremely serious. We talk about reducing governmental expenditures by 5 percent. However, thus far we have not been able to make even a one-penny reduction in the appropriations. We were not able to reduce by one penny the \$5,880,000,000 ECA appropriation. We have not been able to reduce by one penny any appropriation which has come before the Senate to date. It is my understanding that the House has increased the amounts carried in either six or nine appropriation bills by a total of approximately \$4,500,000,000 more than was spent last year by the agencies for which the appropriations are made.

So, Mr. President, this situation is extremely serious. The very fact that the President of the United States spoke on the radio, on a Nation-wide hook-up, several evenings ago, in an endeavor to increase the sale of Government bonds,

the very fact that we now have to use the President of the United States and organized bond-selling drives in an effort to obtain more funds for the Government, in itself should sober every Member of the Senate and should bring to all of us a realization that the time has come when we must reduce governmental expenditures. After all, how can we expect to ask the people to pay more taxes, when the Government is spending more money?

Mr. President, I shall not take further of the time of the Senate to discuss this matter. I simply say in closing, let us have the courage to do what each and every one of us knows should be done. Let us have the courage to face our own responsibility in this matter, the responsibility which the Congress has to appropriate the necessary money and to cut governmental expenses. We can pass all the reorganization acts we wish to, and the President of the United States can do the best he can under them, but I say we shall never stop the growth of governmental bureaucracy and we shall never stop the wasting of hundreds of millions of dollars by Government spending until the Congress of the United States has the courage to cut off and shut off appropriations.

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

Mr. CAPEHART. I am very happy to yield to the Senator from Nebraska.

Mr. WHERRY. In line with the very forceful remarks the distinguished Senator from Indiana has made, I should like to ask him a question. Is it not true that the correspondence the distinguished Senator from Indiana is receiving from his State today and from the places where he has gone shows that there is a grass-roots demand that Federal Government expenditures be reduced in the appropriation bills now before the Congress?

Mr. CAPEHART. Mr. President, there is no question about that. On Friday night I am to go to Fort Wayne, Ind., at the invitation of the labor unions of that city, to consult with them regarding unemployment. More than 10,000 persons are unemployed in Fort Wayne, Ind.; and in the invitation which the labor unions have sent me, they state that they wish me to explain to them why and how it is possible for our Government to be spending billions upon billions of dollars, and yet there is widespread unemployment in Fort Wayne.

Mr. President, if Senators do not believe that the American people are aroused over the failure of this Congress to cut expenses, then Senators are making a great mistake.

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

Mr. CAPEHART. I yield.

Mr. PEPPER. I wonder whether the Senator from Indiana noticed in yesterday's newspapers a statement that the value of the national product has, in the course of the last few weeks, declined approximately \$9,000,000,000; and I wonder whether the Senator would attribute a part of the unemployment to some of the deflationary trends which have appeared in the last few months, and



whether he will agree that this so-called economy drive which is accelerating the deflationary trends is likely to produce more unemployment, rather than less.

Mr. CAPEHART. Mr. President, it simply does not make sense that that would be true. If we are going to proceed on the premise that we must have a synthetic prosperity or a synthetic economy in our Nation, if we are going to develop into a 100-percent welfare state, if we are going to abandon the private enterprise system, and if the Government is going to take over all business and is going to provide employment, that is one thing. Personally, I am 100 percent opposed to it. I think that if we have unemployment today, it is due to the fact that there is lack of confidence in the financial situation in Washington.

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

Mr. CAPEHART. I am happy to yield.

Mr. PEPPER. Does not all our economic experience show that what causes lack of confidence is the fear of a prospective loss of business, which means that the opinion of business is that purchasing power is less, that the market is smaller and has shrunk, and are not the people who are shouting from the housetops about Government economy and cutting all Government expenditures setting an example to private enterprise in the United States to do the same thing? And if manufacturers cut down their production because inventories are being reduced by wholesalers and jobbers and distributors, is not that the very sort of thing that produces unemployment in factories and on farms?

Mr. CAPEHART. Mr. President, first let me say that I cannot and I will not debate this subject with anyone who does not agree that no individual, no company, no institution, or no organization can long exist if it spends more money than it takes in. I simply refuse to debate this subject with anyone who does not agree with that premise.

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

Mr. CAPEHART. I yield.

Mr. PEPPER. If the Senator from Florida gave any impression that he advocates having the Government spend more money than it takes in, he certainly welcomes the opportunity to correct the error or misunderstanding.

Nor is the President of the United States advocating an unbalanced budget. On the contrary, he is advocating that when governmental expenditures exceed receipts, the proper course is to increase taxes, and I agree.

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

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. CAPEHART. I am very happy to yield.

Mr. SALTONSTALL. I should like to call to the Senator's attention, for any comment he may desire to make in connection with what he has just said, to the daily statement of the United States Treasury, dated May 12, 1949, which shows, on page 2, that the receipts this

year amounted to \$32,345,000,000, as opposed to the receipts of the corresponding fiscal period 1948, in the amount of \$36,434,000,000, a decrease of \$4,100,000,000. Meanwhile, along the line of what the Senator from Florida has stated, the total expenditures in the same period, for this year, amounted to \$30,800,000,000, as opposed to \$28,700,000,000 a year ago. Therefore, if my arithmetic is correct, the United States Government is about \$6,000,000,000 worse off this year, at this moment, than it was last year. Does the Senator have any comment on that, in connection with the statement made by the Senator from Florida?

Mr. CAPEHART. Of course, that is what we have been talking about. That is the position we have been taking all along, that revenues are dropping, and that the Government is spending more money. Receipts and expenditures are out of balance. Each day the deficit is increased. Instead of conditions getting better, they are getting worse, because we are appropriating and getting ready to spend more money in the next year than we spent this year.

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

Mr. CAPEHART. I am very happy to yield.

Mr. WHERRY. I thank the Senator for yielding, because I wanted him to bring out primarily the demand that is coming from the grass roots. I am in total agreement with the distinguished Senator when he states that he refuses to debate with anyone who fails to differentiate between real prosperity and synthetic prosperity. I ask the Senator, is it not true that the reason business today is apprehensive is because of the very fact that it looks as though there is nothing ahead but increased taxes, and therefore business is fearful of expanding or of going on with the present volume and with the program it has today?

Mr. CAPEHART. Businessmen are apprehensive because of that situation and likewise because the President and the administration—I could well say all of us—felt a year ago that prices were too high and had to be reduced. Prices have been reduced, and they are going to be reduced still more, because certain prices are still high. As prices are reduced, it will be found that the number of dollars we have is likewise reduced. When the volume is reduced and when the market is falling, there is a natural reaction on the part of business interests, whether the businessman be a farmer or engaged in some other line. A man contemplating a \$50 purchase will wait to see whether the price is going down. Last year we complained that prices were too high. Now we are beginning to complain that they are too low. Industry and business are now doing what the administration and the President of the United States advocated last year. Revenues are declining, as a result. That was the natural consequence of handling fewer dollars, or everybody reducing prices, and doing what many people thought should have been done last year. But they forget, in doing that, that the Government is going to have less reve-

nue. We, in the Government, have forgotten to reduce our expenses and our "prices," if we care to call them that, in proportion to what the people of the United States are doing.

#### GREETING TO RED CROSS WORKERS IN THE GALLERY

Mr. TAYLOR. Mr. President, I have noticed in the Senate gallery a group of ladies in Red Cross uniforms. In recognition of the wonderful work that is being done by the ladies of the Red Cross, I move that the Senate stand for a moment in their honor, and give them a hand.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Idaho.

The motion was unanimously agreed to; and the Members of the Senate rose and applauded.

#### COMMITTEE MEETING DURING SENATE SESSION

Mr. MYERS. Mr. President, I ask unanimous consent that a subcommittee of the Committee on Interstate and Foreign Commerce which is considering certain legislation with regard to the Natural Gas Act be permitted to meet this afternoon while the Senate is in session.

The VICE PRESIDENT. Without objection, permission is granted.

Mr. MYERS. I wish to announce that the committee met this morning, and that the following Senators were in attendance: The Senator from Arizona [Mr. MCFARLAND], the Senator from Kansas [Mr. REED], the Senator from Ohio [Mr. BRICKER], the Senator from Texas [Mr. JOHNSON], and I, all of whom missed the first quorum call because they were in attendance upon the committee at that time.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 2361) to provide for the reorganization of Government agencies, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON, Mr. HOLIFIELD, Mr. MCCORMACK, Mr. HOFFMAN of Michigan, and Mr. RICH were appointed managers on the part of the House at the conference.

#### ECA HAS FURTHERED BRITISH SOCIALISM

Mr. KEM. Mr. President, there appeared recently in the Washington Post, an article by Frank Gervasi, prominently displayed under the headline, "ERP hasn't financed socialism." I understand the same article appeared in other leading newspapers.

The article evidently was aimed at the amendment to be proposed to the forthcoming ECA appropriation bill, to prohibit Marshall plan funds being used to finance further nationalization of basic industries in the participating countries.

#### BRITISH PROPAGANDA LINE

Since Mr. Gervasi was writing from London, it is perhaps not unnatural that his article reflects the propaganda line

of the British Information Service; which, of course, is the propaganda line of the Socialist Government and the Socialist Party in Britain.

At an appropriate time, I expect to speak at some length upon the manner and extent to which Marshall-plan funds have been used to further the socialization program in England. However, I feel that I should not delay until the appropriation bill comes before the Senate to correct certain entirely erroneous impressions that were conveyed by the Gervasi article.

I do not intend at this time to discuss either the merits or demerits, or the work or failure to work, of the Marshall plan as a whole. I do intend to show, in brief outline, that American funds are being used to further the nationalization of industry, and the medical profession, in England.

Mr. Gervasi, in his article, states:

Such socialist enterprises as the nationalization of the Bank of England, of transportation, of electric light and power and of the coal industry were purely internal transactions involving sterling, not dollars. Nationalization of the bank, which was little more than the creation of a British version of our own Federal Reserve System, was accomplished by issuance of \$232,000,000 in Government bonds to the former stockholders.

So it was with the other enterprises which were transferred to the Government from private to public ownership. The shareholders received stocks and bonds paying from 2½ to 3 percent interest. No dollars changed hands.

Now, Mr. President, that is the type of clever half-truths that have become a favorite weapon of certain propagandists in our own Government. Of course, no dollars actually went directly from the American Treasury to pay for the purchase of the socialized industries. But that is simply a bookkeeping technicality.

#### COUNTERPART FUNDS USED TO CANCEL DEBT

What did happen was this:

The bonds for the purchase of the industries were charged to the British national debt. The assumption of this added debt put such a strain upon the financial structure of the British Government that last year ECA came to the rescue. The British Government was permitted by ECA to use \$2,000,000 pounds sterling of the Marshall Plan counterpart funds for the cancellation of debt. This figure appears as a part of Mr. Hoffman's testimony, on page 41 of the Senate Foreign Relations Committee's hearings on the extension of European aid.

For what are the counterpart funds supposed to be used? It was insisted from the very beginning that European aid could not simply be for relief. It must also be for the rehabilitation of the western European economy. Therefore, for every dollar given in aid, each country must match that dollar in its own funds in a segregated account that must go for capital investment. The intention of Congress was that these counterpart funds should be used only for recovery or rehabilitation. But ECA dumped \$2,000,000 pounds sterling of this fund into the laps of the Labor

Government to cancel debt—British national debt—which had been swollen by the cost of the purchase of the socialized industries. And yet, Mr. Gervasi and the hand-outs of the British Information Service insist that Marshall-plan aid is not helping to socialize Britain.

#### EFFECT OF AID ON SOCIALISM PROGRAM

The industries which Britain has socialized have lost great sums of money. The civil aviation industry, for example, lost \$100,000,000 the first 14 months. These losses must be made up.

The money which has gone to meet these deficits could have otherwise been used for goods and services, thereby lessening the load, to quote Winston Churchill, upon the heavily burdened people of the United States.

Raw materials have been flowing from the United States in a constant stream, further mitigating the strain which the nationalization program places upon the British economy.

It may possibly be said that the British Laborites would have attempted socialization even if they had had no American aid. If so, it is interesting to speculate as to what a Pandora's box of economic troubles would have been opened. As it is, the smooth and undisturbed flow of American billions, the rivers of cotton, wheat, and raw materials of all kinds, have enabled the Labor Party to cushion the transition and render socialization relatively painless.

The lower volume of production and consequent lower standard of living which are implicit in the Socialist program have been avoided. William A. Richardson, editor of *Medical Economics*, recently spent a month in England. He quotes a Member of the House of Commons as dismissing the huge cost of the socialization plan with this comment:

What does it matter? the Americans are paying for it.

Socialism in England is being accomplished by the use of sedatives. The United States is supplying the economic soothing sirup which does the job.

It is interesting to note that Mr. Gervasi conceded that without Marshall-plan aid the present British Government probably would have had to delay its biggest Socialist venture, the National Health Service. Here, then, is a frank confession from an apologist for the Marshall plan, that without the aid of our money socialized medicine in England probably would not now be in effect.

It is the opinion of many intelligent observers that without the Marshall-plan money, the whole Socialist program in England would have collapsed long since. These funds, provided by the American taxpayers, which should have gone into rebuilding the British economy have gone, instead, to bolster the British Socialist Government and to implement its program of nationalizing industry.

#### NEW PROGRAM FOR SOCIALIZATION IN BRITAIN

There is one more point in Mr. Gervasi's article on which I will comment briefly. Mr. Gervasi states:

The evidence is that Marshall-plan aid has slowed up rather than accelerated British socialism.

Mr. President, no evidence is offered in support of this statement. I submit that the evidence is to the contrary.

Let us look at the record:

On April 12, 1949, a new 5-year program for socialization in Great Britain was announced by the executive committee of the Socialist Party. In addition to the activities already socialized, it is now proposed that the Government take over the cement industry, all suitable mineral deposits, cold storage facilities not already publicly owned, sugar manufacturing and refining, and appropriate sections of the chemical industry, together with two great insurance companies, both of which have vast investments in other business enterprises.

Mr. MYERS. Mr. President, I wonder if the Senator from Missouri would yield for a request that the Senate stand in recess. I understand General Clay is on his way to the Senate.

Mr. KEM. I shall detain the Senate only briefly.

This announcement of the program was followed by the passage of the second ECA authorization bill by the Congress, on April 19, 1949. At that time the same argument was made as has since been advanced by Mr. Gervasi, that is, that our money would "slow up" the socialization program in Great Britain.

But there has been no announcement, official or otherwise, of any departure from the official program promulgated by the Socialist Party on April 12, 1949.

To confirm and to substantiate that program two important developments have occurred. These occurrences may be surprising to Members of this body who have hitherto accepted at face value the assurances of socialism "slowing up." In my judgment, these developments require the reexamination and the reappraisal of the entire ECA program by the Congress of the United States.

These events of great significance are:

First. On May 1, 1949, the British Government took over the gas industry.

Second. On May 9, 1949, the House of Commons passed the bill to socialize the all-important iron and steel industry.

Does this look like the nationalization of industry is being "slowed up"? If so, it is pertinent to ask: What would the program have been in the absence of the Marshall plan and its golden flow of dollars from the United States?

#### UNFAIR COMPETITION FOR UNITED STATES INDUSTRY

The plain fact is that funds which the Congress appropriated for economic rehabilitation are being used to achieve a competing economic system that will rise to plague us. It is obvious that these nationalized industries enjoy advantages of freedom from taxation, monopoly of home markets, and governmental financial support. American industry and American workers may find it extremely difficult, in the years ahead, to cope with this type of competition which is now being thoughtlessly subsidized by their tax dollars.

It is interesting to recall that when Mr. Truman was a Member of the United States Senate, he was an outstanding crusader against cartels and monopolies. Yet during his administration as Presi-



dent, this type of competition is being created in much of Europe today through the application of Marshall-plan dollars.

My position is that we should cease to underwrite these nationalized monopolies. I bespeak thoughtful consideration of the subject when the ECA appropriation bill reaches the Senate.

VISIT TO THE SENATE OF GEN. LUCIUS D. CLAY—RECESS

The VICE PRESIDENT. Under the order of the Senate of yesterday, the Senate will stand in recess subject to the call of the Chair in order that we may receive a very distinguished American as our guest.

Thereupon (at 1 o'clock p. m.) the Senate stood in recess, subject to the call of the Chair.

During the recess, Gen. Lucius D. Clay and Mrs. Clay, escorted by the committee appointed by the Vice President, consisting of Mr. Lucas, Mr. Tydings, and Mr. Wherry, and accompanied by Gen. Omar N. Bradley, Chief of Staff, United States Army, and Lt. Col R. V. Strauss, entered the Chamber.

General Clay and the members of the committee proceeded to the seats assigned them immediately in front of the desk of the Vice President.

The VICE PRESIDENT. Members and guests of the Senate, it gives me the greatest of pleasure to present to you a very distinguished American, who combines in his character and his services a composite of America hardly ever, if ever, excelled. A great engineer, a great soldier, he was assigned to a great task in a great country. By his patience, his foresight, his courage, he performed that task to the satisfaction of the American people, as has been evidenced by their acclaim, and by the organization of a self-governing nation in the jurisdiction over which he in part presided. His father was a distinguished Member of the Senate for 13 years, from 1897 to 1910.

It gives me great pleasure to present to you Gen. Lucius D. Clay.

[Great applause, Senators and guests rising.]

ADDRESS BY GEN. LUCIUS D. CLAY

General CLAY. Mr. President, honorable Members of the Senate, I think you will understand that today, when a soldier returns home after having tried to do his duty, it is difficult indeed for him to find words to express the deep gratitude which he holds in his heart. I know that in permitting me to be here today you are animated by a desire to express a feeling of satisfaction with the men and women of the occupation forces in carrying out American policy in Germany, and that, also, it is a tribute to the men who flew the airlift, subjecting themselves to hazards of weather and of minimum safety conditions which led to a number of them giving their lives in the effort to sustain the city of Berlin. I think that we can measure their work well.

It would be impossible in a few minutes to summarize the events of the past 4 years in Germany. For 2 years the United States, both in international

conferences and within Germany, devoted its every effort to live up to the international agreements which called for a four-power rule of Germany. In those 2 years we found that there was no common ground then existing for agreement. While we had joined with others in exacting security measures which would prevent Germany from again being an aggressive nation, while we fully intended that Germany would pay the costs thus exacted, we always had as a constructive purpose the effort to redirect these 65,000,000 people into a democratic way of life in which they could again be received into the comity of nations.

We failed, but perhaps in that failure came our greatest success, because as a result we realized that the free nations of the world had to be given support and encouragement so that they could again raise their heads and prevent the inroads then being made by forces which believe in the rights of the state being superior to the basic rights of the individual.

The climax in this struggle came when it appeared certain that with our aid European recovery would take place, and that Germany would be included in the program for European recovery, which was designed to bring the free nations of Europe not only into a common economic effort, but into a general program which would make possible freedom of the individual.

The threat of that program led to a blockade of Berlin. Technical difficulties, currency reform, and even other reasons, were alleged to be the cause of the blockade. Primarily it was designed to retard European recovery, to force the Allied Powers from Berlin, and to re-create the conditions of fear which are the only conditions under which a police state can be created.

Even with that decision made, there still remained a feeling of fear among the western European nations who were Germany's neighbors, and who remembered well Germany's part in aggressive war. Therefore, it was not until we had entered into a common security pact with these nations that fear became allayed, and that our Secretary of State, in a few hours of conference, was able to agree on a clear-cut, well-defined program to be supported by Great Britain, France, and the United States, which would lead to the establishment of democratic government in Germany, which could be accepted into the European concept as rapidly as Germany's neighbors were prepared to accept her into that concept.

The German people responded to this magnanimous gesture of the three western powers, and through their parliamentary council quickly adopted a constitution which guarantees free electoral processes and which is devoted to re-establishing in Germany the dignity of man. [Applause.]

At the risk, perhaps, of saying something that sounds sentimental, I wish to recall two personal incidents. Almost 4 years ago, in early August of 1945, the American flag was raised over our headquarters in Berlin in the presence of the

President of the United States. At that time, in a short and simple speech, he said that out of victory we had no desire for territorial or material gain; that the United States wanted only a world in which there could be peace and freedom. [Applause.]

I saw the people of Berlin, two and one-half million strong, have their second choice, their second opportunity to choose freedom, and this time they did not repeat the error they first made. They decided that they would live by airlift; that they would undertake the discomforts of a cold winter without electricity and with employment for only a few. They had decided to cast their lot with those who loved freedom. I think that perhaps the example which they have set may indeed become an example for all of Germany.

As I said a few minutes ago in the House of Representatives, it is impossible either to forget or to forgive Germany for what she has brought upon the world, but it is also unfair to hold forever against 65,000,000 people the fact that their moral integrity deteriorated under a police state. I have seen the police state at close hand for 4 years, and I can testify how difficult indeed it would be for a people once under its control to raise their heads and voices for freedom.

Sunday, 2 days ago, I saw my last retreat in Berlin. I watched our flag being lowered, in the full knowledge that it would be raised again on the following morning. I felt that in these 4 years it had become a symbol of firm justice and not of oppression, of a rule of law, but not arbitrary law, and that indeed it had become to millions of people not of our land the same symbol of freedom and of the dignity of man that it is to us.

I am very grateful to have been able to have spoken to you today. Thank you very much. [Great applause, Senators rising.]

Following his address, General Clay and Mrs. Clay and the distinguished visitors accompanying him were escorted from the Chamber.

At 1 o'clock and 16 minutes p. m., the Senate reassembled, when called to order by the Vice President.

LABOR-FEDERAL SECURITY APPROPRIATIONS—MOTION TO RECONSIDER

The Senate resumed the consideration of Mr. GREEN's motion to reconsider the vote by which the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, was recommitted to the Committee on Appropriations with instructions.

Mr. MARTIN. Mr. President, I rise in opposition to the motion to reconsider. In my opinion, the adoption of this motion would be an error of serious proportions and of grave consequence to the whole picture of Government spending.

From many sources I have heard enthusiastic approval of the step taken by the Senate when it acted for a 5-percent reduction in all items of the Labor-Federal Security agencies appropriation bill

not fixed by law. To reverse that step now would be an admission that we have dismissed from our minds all thought of economy and prudence in the conduct of our Government.

For my own part, I believe that the 5-percent reduction which we instructed the Appropriations Committee to make was not enough. I am convinced that we could cut much deeper without impairing the essential services of the agencies in question or any other agency or department. Are we now to proclaim that we no longer regard the practice of economy, prudence, and efficiency as an essential attribute of good government? Are we to surrender sound principles because we encounter opposition to every suggestion for a reduction in the cost of government?

It is not surprising that there are some among us who have almost reached the conclusion that resistance to the ever-rising tide of spending cannot have any hope of success. Mr. President, I do not subscribe to that kind of thinking. I believe that the solvency of our Republic must always be maintained as one of the great bulwarks of our freedom and independence. I believe that this body should be the front line of attack against unrestricted spending by an entrenched bureaucracy.

There can be no doubt that we are approaching a period of reduced national income. The other day the Department of Commerce, in its monthly survey, revealed a drop in consumer income to an annual rate of \$214,300,000,000 from the high of \$221,000,000,000 reached last December. This drop in income, according to the Department of Commerce, was the third successive decline since the beginning of the year.

Can we at a time of declining national income and consequent reduction in Federal revenue give approval to new or expanded spending programs without danger to the national economy? Shall we close our eyes to the alarming deficits that will add more billions of debt to the present mortgage of nearly \$252,000,000,000? Or shall we face the situation with courage and determination to fight for sound fiscal policies, for a balanced budget, and a realistic common-sense approach to our financial problems?

A decision of tremendous importance is before us. One need not be an economist to recognize that our national wealth is not inexhaustible. One does not need to be a fiscal expert to recognize that national bankruptcy awaits at the end of the road we have been traveling.

Simple arithmetic gives the answer. An individual, a family, a business concern, or a nation is subject to the same fundamental laws. Spending beyond one's means is the way to disaster. When a nation goes broke, state socialism or some other form of dictatorship gains control and the freedom of the individual citizen is destroyed.

Mr. President, all recorded history from ancient times to the present day proves that excessive taxation robs the people of initiative and deprives them of incentive.

I submit that the time to cut the cost of government is here—now. Retrenchment all along the line should be uppermost in our thinking, even when we consider projects that are of unquestioned merit.

I appeal to my colleagues on both sides of the aisle to stand firm for the 5-percent reduction and to vote in opposition to the motion to reconsider.

Today we have heard from one of the great soldiers of America. He is a disciplined man, and for that reason he could bring order out of chaos. A few moments ago he told us that in Germany they were observing not the rule of men, but of a government of laws. When we have an entrenched bureaucracy, that situation does not exist.

I know some of my well-meaning colleagues have stated that we can cut the appropriations when all the appropriation bills are completed. I feel that, if we do not do it now, we may fail to do it; and if we do not cut the appropriations to fit the amount of our revenues, the Nation is doomed to bankruptcy. Bankruptcy in government means a dictatorship of some kind. If America is to continue the leadership which it has had during the past few years, when it has saved the world from chaos and ruin, America must remain solvent; and we can remain solvent only by cutting down the cost of government. The time to do it, Mr. President, is now.

The PRESIDING OFFICER (Mr. KERR in the chair). The question is on agreeing to the motion of the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which House bill 3333 was recommitted to the Committee on Appropriations with instructions.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Hill	Miller
Anderson	Hoey	Morse
Baldwin	Holland	Murray
Bricker	Humphrey	Myers
Butler	Ives	Neely
Cain	Jenner	O'Mahoney
Capewhart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Russell
Chavez	Kefauver	Saltonstall
Connally	Kern	Smith, Maine
Cordon	Kerr	Sparkman
Donnell	Kilgore	Stennis
Douglas	Knowland	Taylor
Downey	Langer	Thomas, Okla.
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Frear	McCarthy	Tydings
Gillette	McClellan	Vandenberg
Graham	McFarland	Watkins
Green	McGrath	Wherry
Gurney	McKellar	Williams
Hendrickson	McMahon	Withers
Hickenlooper	Martin	Young

By order of the Senate, the following announcement is made after each quorum call:

The members of the Committee on Foreign Relations have been granted permission to be absent from the sessions of the Senate while the Committee on Foreign Relations is conducting hearings on the North Atlantic Pact.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from Rhode Island to reconsider the vote by which House bill 3333 was recommitted with instructions.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator who made the motion what his understanding or interpretation is of the status of the bill to which the motion relates. The motion is to reconsider the vote by which the bill was recommitted to the Appropriations Committee with instructions.

The Senator from Rhode Island knows the procedure in such cases. Is it his understanding that, if the motion to reconsider is adopted and if subsequently the motion to recommit is rejected, the bill will return before the Senate exactly as it was when it was previously voted to be recommitted?

Mr. GREEN. That is my understanding.

Mr. WHERRY. There has been considerable discussion to the effect that the moment the bill was recommitted it was stripped of all the amendments which had been added on the floor of the Senate. Of course, several views are taken of that point. One opinion even is that under such circumstances the bill would return to the Senate with the figures inserted by the House of Representatives.

So I should like to have the opinion of the distinguished Senator from Rhode Island as to whether, if the Senate adopts the motion to reconsider the vote by which the bill was recommitted, and subsequently rejects the motion to recommit, the bill will again be before the Senate in exactly the same form that it was when the motion to recommit was originally agreed to; in other words, with all the amendments which the Senate added to it.

Mr. GREEN. Mr. President, I cannot do better than to quote the statement made by the distinguished Vice President in this connection. He said the following:

The Chair will advise Senators that when a bill is recommitted to the committee from which it emanates, such action nullifies all amendments that have been agreed to on the floor of the Senate, and the bill goes back to the committee—if it happens to be a House bill—in the same shape in which it came to the Senate from the House, regardless of the intention of any Senator.

Mr. WHERRY. Then, under that interpretation, the bill will be stripped of the amendments made on the floor of the Senate; is that the view of the Senator from Rhode Island?

Mr. GREEN. That is correct.

Mr. WHERRY. Then I ask this question: If the motion to reconsider prevails, will it be necessary for the Senate again to proceed to the consideration of the bill and of all the amendments which previously were adopted by the Senate?

Mr. GREEN. That would not be necessary; the Senate could pass the bill as it was reported by the committee.

Mr. WHERRY. I know that. However, if amendments are to be offered, the bill will be open to amendment; will it not?

Mr. GREEN. Yes.



Mr. WHERRY. So, if the bill is again before the Senate, it will come before the Senate as it came from the Appropriations Committee in the first place; will it not?

Mr. GREEN. Yes.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. If the motion to reconsider is adopted, then the question will be on agreeing to the motion to recommit, on which another vote would be had.

Mr. WHERRY. If the motion to reconsider prevails, we shall return to the consideration of the motion to recommit; shall we?

The PRESIDING OFFICER. That is correct.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Until the bill is re-committed, it seems to me that the amendments which already have been adopted remain in the bill. Why is it stripped of all the amendments which have been added on the floor of the Senate? That is the point I wish to make, and the question I wish to ask.

The PRESIDING OFFICER. That would depend upon the action taken by the Senate.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. If the motion to reconsider prevails, and if the motion to recommit does not prevail, then does not the bill stand before the Senate in the form in which it was amended previously on the floor of the Senate?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. Then, that is all there is to it.

Mr. FERGUSON. Mr. President, the Senate now has before it a motion to reconsider its previous action in voting to recommit to the Appropriations Committee, with certain instructions, the Labor-Federal Security appropriations bill. The instructions to the committee were that it should attempt to perform that which had been moved in the Senate, namely, to make a cut of 5 percent in all appropriations carried by that particular bill.

For a moment, a couple of weeks or so ago, the Senate became economy-minded. In other words, the Senate marched up the hill, saying, "We realize that we must cut expenditures of the Federal Government, for if we do not do so we shall be compelled to increase taxes or resort to deficit spending, or even to both deficit spending and an increase in taxes."

I say we became economy-minded for a short time. But, within less than 24 hours, the majority side of the Senate decided that it wished to march right back down that hill again, and to insist upon the expenditure of a sum of money which in the opinion of the Senate was so great that we would not be able to provide it unless we engaged in deficit spending or increased taxes, or even both.

There seems to be no doubt in the minds of many persons who understand the present situation that there has been a marked decrease in the national income which, after all, is the basis for the collection of taxes, since the Government has no money of its own, and must take from the citizens every dollar that it wishes to spend.

Only last night on the radio the United States Government had a number of Hollywood stars, the Secretary of the Treasury of the United States, and the President of the United States asking the people to invest in Government bonds in order that the United States Government might obtain money with which to conduct its operations. During that radio broadcast, the people were told in no uncertain words that Government bonds of the United States of America were the safest investment in all the world. If the Senate today is to march down the hill again, after having voted to recommit the bill with instructions that the committee must reduce it, then we are saying to the people that United States Government bonds may not be the safest investment in the world. We have at times seen bonds of the United States Government selling at less than par; but why are they not selling at less than par today? Not entirely because of the financial condition of the United States. It is because the Government itself will buy in any bond at its full par value. But there will come a time when, if we do not receive enough money from the taxpayers, we may be unable to do that.

There came from the White House only a few days ago a statement that the present administration had paid on the national debt the greatest sum of money that has ever been paid in the history of this or of any other nation. Let us analyze the situation and see what really happened. Let us determine whether the Government actually made a debt reduction of \$27,000,000,000, as was claimed. Four years ago our Nation was at war, proceeding with full force and at full speed. In 1945 we conducted a great bond sale. Billions of dollars worth of bonds were sold. Not knowing how long the war would continue, we were, as I say, going ahead with full force, raising every dollar we could, paying no attention to deficit spending or to the amount the people were taxed. We faced the common enemy and we had to win. We contracted an immense debt. The war ended abruptly. Then what did we do? Did we actually begin to retire that debt? What we did was simply to cancel obligations in the amount of \$20,000,000,000, and returned to the bondholders the money. Is that what is meant by paying off the debt? Oh, yes; we did pay off \$7,000,000,000. But that was in 1947 and 1948. The present administration was not in control of the Congress which accomplished that reduction.

Today many promises are made to us. I say to the people of the United States that the time has come when they must distinguish between promises and performance. A great deal is said about economy in Government. It is only a promise, when we hear it said we are

going to reduce expenditures by so much. The test is whether we, as Members of the Senate, are willing to vote for cuts and a balanced budget, so that we shall not have to resort to deficit spending or to an increase in taxes, or even both.

Action is what will speak, and the Senate has acted. It voted to recommit the bill with instruction for a reduction. But before it reached the Appropriations Committee and before any positive economy steps were taken, a motion was made to reconsider the Senate's action. The bill is now on the desk of the Senate, and we are about to vote whether it shall be returned to the Appropriations Committee, and whether the committee shall be required to follow the instructions which were the expressed will of the Senate.

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

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

Mr. FERGUSON. I yield.

Mr. IVES. The junior Senator from New York would like to ask the able Senator from Michigan whether it was not the Senator's understanding, when the bill was recommitted the other day by the vote on which we are about to take action on a motion to reconsider, that the Senate intended to have the committee act on the bill as it was at the moment when the motion to recommit was agreed to?

Mr. FERGUSON. That is correct. It was intended that none of the amendments which had been adopted should be taken out, that they would be included by the committee but less the amount by which we were instructing the committee to reduce the various items over-all.

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

Mr. FERGUSON. I yield to the Senator from New York.

Mr. IVES. The interpretation which has been placed upon the action taken by the Senate apparently is that, when the bill was returned to the committee, it was returned in its original form, without any amendment whatever being attached to it. Is that correct?

Mr. FERGUSON. That was the ruling of the Chair; but that was not the intent of the Senate. That was not the intent of the Senator from Ohio, as shown by the statement read by him on the floor of the Senate since that day. The legislative history of the vote clearly demonstrates that the Senate did not intend that the bill should come back from the Committee on Appropriations without the amendments which had been adopted on the floor.

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

Mr. FERGUSON. I yield to the Senator from New York.

Mr. IVES. Then, that being the case, is it the Senator's idea at the present time, assuming the motion to reconsider prevails, as it may, in the present instance, to move to recommit the bill with specific instructions that the Senate committee shall act upon it in the condition in which it actually leaves the Senate.

Mr. FERGUSON. I shall have to answer that by saying I do not know. I have no knowledge of what motions may be made if the motion to reconsider prevails. The able Senator from New Hampshire is not on the floor, and he is the ranking minority member of the committee which has charge of the bill. Therefore, I do not have knowledge at present upon which I can advise the Senator.

Mr. CHAVEZ. Mr. President, will the Senator yield for a moment?

Mr. FERGUSON. I yield.

Mr. CHAVEZ. I was handling the bill on the floor, and it was my understanding and interpretation that what the motion of the Senator from Ohio meant was that the bill should be recommitted as it was, in the same status that it had at the time the motion was made, including the amendments that had been adopted on the floor.

Mr. FERGUSON. That is correct. That is the legislative history. The record shows that.

Mr. CHAVEZ. That was the understanding of the chairman of the subcommittee. If we are still to carry out the mandate of the Senate, unless the motion of the Senator from Rhode Island prevails, so far as the chairman of the subcommittee is concerned, that will be the understanding.

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

Mr. FERGUSON. I yield to the Senator from New York.

Mr. IVES. That being the situation, the committee was then, I take it, instructed by the Senate—up until the present time of reconsideration, at least, this condition would appear to prevail—to take 5 percent off the bill, in line with the terms of the amendment, and to have that 5 percent cover not only what was in the bill when originally reported to the Senate, but also the amounts added for heart research and for cancer research, together with other items which were added by amendment in the Senate. Is that correct?

Mr. FERGUSON. I will yield to the Senator from New Mexico to give his version.

Mr. CHAVEZ. That is correct, so far as the chairman of the subcommittee is concerned.

I further understood from the debate and the reasons given as to why the bill should be recommitted that the committee was instructed that the reduction of 5 percent was to apply generally to all the items in the bill, including administrative expenses.

Mr. FERGUSON. That is correct. But the committee would have the discretion of reducing one item more than another, so that it would average a 5-percent cut, but it could not cut below 20 percent on any particular item. That is just as the agency would have been instructed and required to do by virtue of the motion of the Senator from New Hampshire and the Senator from Michigan if the motion had been agreed to.

Mr. IVES. Mr. President, will the Senator yield once more, in order that I may have the question clear in my own mind?

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

Mr. IVES. In the present instance a vote against the motion to reconsider would be, in effect, a vote further to instruct the Senate committee to take off 5 percent from the over-all bill, as amended, when it was returned to the Senate committee. Is that correct?

Mr. FERGUSON. That would be the fact; 5 percent of the amount of the bill as it was when it went back to the committee.

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

Mr. FERGUSON. I yield to the Senator from Florida.

Mr. PEPPER. If the Senator will allow, that is not the effect of the statement of the Chair when the matter was under consideration a few days ago, and it is not the advice of the Parliamentarian. The advice of the Parliamentarian, as confirmed by the Vice President when the subject was under discussion, was that the effect of the Taft motion to recommit, if it should be allowed to stand, was, first, to strip the bill of all amendments added in the Senate; the second, to strip the bill of all amendments added by the Senate Appropriations Committee; and, third, to take off 5 percent of the over-all volume of the bill as it came from the House of Representatives.

The PRESIDING OFFICER. The present ruling on the question before the Senate is that if the motion to reconsider shall be agreed to, the question will then recur on the motion to recommit the bill to the committee, to carry out the instructions of the Senate as contained in the motion to recommit.

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

Mr. FERGUSON. I yield.

Mr. PEPPER. We were talking about what would be the effect of the motion to recommit. Of course, if the motion to reconsider should be agreed to, the Senate would vote on the motion to recommit. If the Senate should adhere to its previous action in agreeing to the motion to recommit, the effect would be what the Senator has stated.

Mr. FERGUSON. But the able Senator from New Mexico has stated what he would do with the bill, according to the instructions laid down by the motion to recommit, and the further explanation by the able senior Senator from Ohio—

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

Mr. FERGUSON. I shall yield in a moment.

When the bill came back to the Senate it would have all amendments in it; it would come back to the floor with the instructions taken care of. The committee would attempt to reduce the bill an over-all of 5 percent.

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

Mr. FERGUSON. I yield.

Mr. CHAVEZ. I think we are losing a good deal of time by debating that particular question, because what we are now working on is the problem as announced by the Chair at the moment, that, after the motion of the Senator from Rhode Island, if it shall prevail, the next step will be to revert to the motion of the Senator from Ohio.

Mr. FERGUSON. That is correct.

Mr. CHAVEZ. What I have in mind is that if the motion to recommit shall prevail and the bill goes back to the Senate committee, the instructions of the Senate will have to be carried out, but I think we have not yet reached that point, because, first, we shall have to vote on the motion to reconsider made by the Senator from Rhode Island. We do not have to worry about what happened before, because we have the motion of the Senator from Ohio just as if it had not previously been made. So why should we worry about the other at the moment? It seems to me it is perfectly possible to reach a solution of the problem. If the motion to reconsider is adopted, and then a motion is made to recommit, and there is attached to the motion to recommit the proviso that the bill shall go back to the committee with all the amendments adopted in the Senate, that would make it perfectly clear and would avoid any ambiguity or misunderstanding.

Mr. FERGUSON. But if the motion shall not prevail, as the able Senator from New Mexico has said, the understanding of the subcommittee of which he is chairman—

Mr. PEPPER. That does not bind the Senate.

Mr. FERGUSON. It binds the committee.

Mr. CHAVEZ. It cannot bind the committee if no action has been taken. If the motion of the Senator from Ohio shall prevail, we shall be in the same status as if no action had been taken heretofore.

Mr. FERGUSON. But if the motion shall prevail, the bill will be sent back to the Appropriations Committee.

Mr. CHAVEZ. Of course; and then the committee will act.

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

Mr. FERGUSON. I yield to the Senator from New York.

Mr. IVES. It is still not clear in my own mind. If the motion to reconsider does not prevail, as I understand, the bill is still in committee, under instructions to cut 5 percent the over-all amount appropriated. It is in its original form, without the amendments made in committee and amendments made on the floor. Is that correct?

Mr. FERGUSON. That is the ruling of the Chair. But the ruling of the Chair does not overrule the understanding of the Senator from New Mexico in what he has stated this afternoon with reference to what he considers the instructions to be.

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

Mr. FERGUSON. I yield.

Mr. IVES. Let us see if we cannot trace it out, step by step. Let us leave it as stated, and assume that that is its status. Assuming the motion now before the Senate should prevail, it would be followed by a motion to recommit. Is that correct?

Mr. FERGUSON. There would be a vote upon the motion of the Senator from Ohio.

Mr. IVES. The motion would be to recommit, and that would be the question immediately before the Senate.



Mr. FERGUSON. That is correct.

Mr. IVES. If that motion should prevail, does the bill return to the committee with instructions to do exactly as the Chair has apparently ruled it was instructed to do, in the present instance? We had better find out where we are on this question.

Mr. FERGUSON. I should say, because of the statement of the Senator from Ohio, the instructions would not be according to the ruling of the Chair, and also because of the statement made by the able Senator from New Mexico, that he would accept the instructions that the amount was to be cut.

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

Mr. FERGUSON. I yield.

Mr. IVES. I think we are speculating now. Is it not possible for this body to recommit a bill to a committee, or to commit it to a committee, with definite instructions to have the committee act on it as instructed, and to have it reported forthwith following the carrying out of those instructions?

Mr. FERGUSON. There is no doubt about that.

Mr. IVES. Cannot that be done in this instance?

Mr. GREEN. Mr. President, that was the suggestion of the Senator from Rhode Island.

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

Mr. FERGUSON. I yield.

Mr. CORDON. I should like to propound a parliamentary inquiry in regard to the subject at hand.

The PRESIDING OFFICER. The Senator will state it.

Mr. CORDON. If the pending motion to reconsider shall prevail, the bill then will have this parliamentary status: I understand it will be then pending under the motion of the senior Senator from Ohio to recommit, with instructions.

The PRESIDING OFFICER. The motion will be pending.

Mr. CORDON. That is correct. The bill will be subject to the pending motion. The parliamentary question is, will the motion pending be subject to amendment?

The PRESIDING OFFICER. By action of the Senate, yes.

Mr. CORDON. The answer is that at that time at least a motion would be in order to amend the instructions contained in the motion to recommit?

The PRESIDING OFFICER. That is correct.

Mr. CORDON. So that at that time the instructions might be amended so as to direct the committee to reduce by 5 percent the appropriated amount as it existed in the bill after action on the floor of the Senate.

The PRESIDING OFFICER. That would be in order.

Mr. FERGUSON. Mr. President, there should not be any confusion over what the Senate attempted to do, because the able Senator from Ohio stated in no uncertain terms, when he made his motion. He stated that under the instructions the committee would have to do that which the motion of the Senator from New Hampshire and the Senator from

Michigan would have required the two Departments to do, namely, to make an over-all cut of 5 percent, using its discretion in making the cut, but not cutting any particular item more than 20 percent.

Mr. President, there are some who might feel that the way to do this is to reconsider. Nothing would be gained by that. The able Senator from New Mexico has indicated what he believes to be the instructions now.

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

Mr. FERGUSON. I yield.

Mr. CHAVEZ. Of course, the Senator from New Mexico will follow the instructions of the Senate, but that does not mean that he agrees with those instructions. He still thinks that the committee reported a good bill.

Mr. FERGUSON. There is no doubt about that being the feeling of the Senator. He objected to the motion, and still objects to the motion, and I assume from what he is now saying that he will vote in favor of reconsideration. But if the motion to reconsider is not agreed to, I assume he will then obey what he considered to be the instructions of the Senate of the United States. He has so expressed himself on the floor of the Senate.

There are those who feel that the best way to bring about a reduction is to wait and provide for a reduction at the end of the consideration of the bill by virtue of an amendment to the bill. If that is sound, then there must be a two-thirds vote, because such an amendment would be legislation on an appropriation bill. Those who propose that may say, "Well, that can be avoided by framing a regular bill to accomplish the result, making a cut in all appropriations or specific appropriations by 5 percent." Such a bill could be passed by a majority vote, but if the President vetoed it, it would still take a two-thirds vote, not only of the Senate, but a two-thirds vote of the House of Representatives, to pass such a bill. So, if we come down the hill we have ascended, having instructed the Committee on Appropriations to cut 5 percent, we face the possibility of the necessity of a two-thirds vote, not only in the Senate, but in the House of Representatives. That is the position in which we would place ourselves.

Mr. President, I hope that for the good of the people of the United States the Congress will retain its control of the purse strings. If it is to remain in control of the purse strings, it must determine what the costs of the Government of the United States shall be. I know of no better or more scientific way to cut appropriations—that is, to reduce the costs of government—than to provide that a certain amount shall be taken from the appropriation bill, and that the agency itself shall be required to make the cuts in the most appropriate places.

I realize that every agency believes it does not receive sufficiently large appropriations. That is why Congress has to act, that is why Congress must control the purse strings. I have sat on the Committee on Appropriations for many years, and I have never found one agency which thought it was getting sufficient money

in an appropriation bill. The agencies of the Government are not even satisfied with what the Bureau of the Budget allows them.

The agencies have instructions which prevent them from asking for more than the Bureau of the Budget recommends as the proper appropriation. But a representative of an agency will go to a Senator's office and ask the Senator to ask him, when he comes before the committee, questions about what the Bureau of the Budget did, and ask him about whether the agency cannot use more money. That is not unusual. If that is done, under the rule of the executive branch of the Government, such officials are allowed to ask for more and to explain fully what they really need. Under those circumstances they get even more than the Bureau of the Budget said they were entitled to. That is not unusual, as I have said.

The rule is that the agencies have to come before the committees of Congress and not ask for more than the Bureau of the Budget allowed them, but, as I have just stated, if a Senator or a Representative brings up the subject, they can come forward and tell their whole story, and there is no limitation. That happens not once, but many, many times.

So, Mr. President, I say that if we expect voluntary cuts by the bureaus and departments of the Government, if the taxpayers are waiting until 1950 to get voluntary cuts, that is, nonuse of money appropriated in appropriation bills, they are not going to find their desires realized to the extent of 1 cent. I say to them now, not only will there not be a cut of 1 cent, but in most cases all the money appropriated will be used and the agency will come back next spring and ask for deficiency appropriations, as is being done today. This afternoon there will be before the Committee on Appropriations a second deficiency appropriation bill to take care of certain departments of the Government which have used all that was appropriated for them last year. The same thing will be repeated next year.

Mr. President, this is a very serious problem to the people of the United States. They expect us to live up to our promises, and we must live up to them by our votes on the Senate floor. We said a couple of weeks ago that we wanted the bill cut 5 percent. I hope that the Senate will affirm its previous action, and allow the Committee on Appropriations to perform its function and make the cut as directed when the motion to recommit was agreed to.

The PRESIDING OFFICER. The question is on the motion of the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which the appropriation bill was recommitted.

Mr. CHAVEZ obtained the floor.

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

Mr. CHAVEZ. I yield.

Mr. WILEY. Mr. President, several hours ago a gentleman from Middletown, Ohio, who appeared before the Foreign Relations Committee, placed in the RECORD an exhibit which related to the subject of foreign aid and the Atlantic Pact. Part of this exhibit caught my attention,

because it was headed: "By getting the truth into Europe."

It may not appear that I am now speaking to the issue which is before the Senate at this time when I take a few moments to give to the Senate what I consider to be words of wisdom that came from this gentleman from Middletown, Ohio. Yet I am going to apply his very thesis, "By getting the truth into Europe," to the subject of economics by getting the truth into America. This is what he said about getting the truth into Europe:

1. Encourage and support the continuance and growth of the Voice of America.

It is a sad commentary on what we are doing that while we are stressing "Getting the truth into Europe," into foreign countries, we do not stress having the Voice of America give the truth to Americans. If we were to use the Voice of America in speaking to Americans, as we use it in speaking to the people of foreign countries, it would mean getting the whole economic picture to the people of America. Our domestic conditions and foreign conditions and our domestic problems and foreign problems are intertwined, they are intermingled. Yet when we discuss a certain problem we discuss it on the theory that it is isolated and apart from all the related issues, foreign and domestic.

I read the second point:

2. Publicize everywhere the Soviet violations of agreements.

Mr. President, we were certainly appreciative of the remarks made by General Clay today. General Clay, a great soldier, a great American, gave us a brief word picture of the problems he has had to face. He has now returned to the United States. I am sure that if we had the privilege of asking him he would tell us of his belief in the biblical expression, "The truth shall make you free," and that he would say to us that it was the truth which was given to the Germans, which made the Germans free of fear, so that they adhered to what he called the democratic side of the issue.

The gentleman from Middletown said:

Publicize everywhere the Soviet violations of agreements.

Mr. President, when we consider our domestic economy we must realize that some of the sayings of Franklin, such as "A stitch in time saves nine," and "If you have a dollar and you spend a dollar and one cent, you are a failure; but if you have a dollar and spend ninety-odd cents and save the rest, you are a success," are worthy of consideration as we enter upon the task of evaluating the economic picture in America.

I heard the distinguished Senator from Florida today ask the distinguished Senator from Indiana a question which related to the effective workings of what might be called the economic shot in the arm. Mr. President, economics is not a static thing any more than any other branch of human knowledge is static. Sometimes there comes a time when a country becomes economically sick and certain economic medicine is needed to cure the patient. On the other hand, the

time may come when the same patient is overfed, bloated, and it does no good to feed him any more.

Applying what I have said in a general way to our country, we have had a feverish economic condition ever since the beginning of the war. We have had a 40-cent dollar, a 50-cent dollar, a 57-cent dollar, and now it is said we have a 63-cent dollar.

Mr. President, we have unemployment, so it is suggested that perhaps we should give the patient, our country, an economic shot in the arm to do away with that condition. Let us see whether a shot in the arm would do away with such a situation. In those lines where we have caught up with demand, where already the market is filled, where the warehouses and the stores are filled, and buying power is no longer centered on particular items, we know that a shot in the arm would do no good. Probably in some lines Federal aid might do good. But we have social security and we have the fourth round of wage increases coming up. We have strikes. We have the Communist influence creating friction between classes and groups. Is not what is needed just what the gentleman from Middletown, Ohio, said the Commies and other people in Europe needed, which is the truth that makes men free?

He said further:

3. Penetrate the iron curtain by pamphlets, newspapers, votes of the United Nations Assembly, radio, word of mouth.

Mr. President, we must penetrate into the minds of some of our own people at home. We must make our people realize that no matter how hard we may try to upset the law of supply and demand, it is constantly operating. The law of supply and demand has its influence upon the thinking and the living of the people of this country.

Pretty soon the Senate will consider the extension of the reciprocal-trade agreements. If in our analysis of that subject we disregard the law of supply and demand in the United States, and act on the theory that we can safely disregard that law in acting on the trade agreements, we will open up the gates of America to the inflow of foreign goods, and the law of supply and demand will do its work. It will put many Americans out of business. It will flood our markets with foreign goods. It will bring on some more economic sickness in this country. How would Senators undertake to cure such a sickness? Would they endeavor to cure it by taking more and more of the American market away from the American producer, or what would they do? I repeat the third point:

Penetrate the iron curtain by pamphlets, newspapers, votes of the United Nations Assembly, radio, word of mouth.

Let us endeavor to penetrate the minds of the people of America, so that they will get down to a consideration of fundamental, basic principles. We should realize that what we must do is to apply some of the simple principles we were taught when we were youngsters in school. One of those principles is to cut out chiseling. Put a full day's work into production. If a person does not

have the money with which to buy something, let him refrain from buying it. Let us teach the principles of economy and clean living in the homes and in the schools, and it will be discovered that many of our problems will disappear. And we will find solutions for many other problems.

The gentleman from Middletown, Ohio, said further:

4. In every way possible, entice willing and freedom-loving peoples away from the Russian sphere.

Oh, how applicable those words are to America. Let us entice Americans who have gone cockeyed because of their absorption of foreign isms, especially communistic ideas, away from the crooked way of thinking, back to the American way of thinking, back to that position where they stand as free men who want to go to work, who do not want to accept charity, who do not want to become chiselers and grafters, but who want to become builders and, if necessary, renovators of an economy which now is a little bit sick.

Yes, Mr. President, let us entice Americans who have thought that the pastures of Europe are greener than ours away from that concept, back home where they can see this country as it is, with 148,000,000 people, the hope of the world, the political and economic reservoir of the world. Let them see what we have here, instead of constantly taking the attitude that there are greener pastures elsewhere.

The next point of the gentleman from Middletown in connection with getting the truth into Europe is:

6. Drop 1,000,000 copies of the Sears, Roebuck catalog in Russia, Poland, Rumania, Hungary, and Yugoslavia.

Penetrate the curtain of ignorance. By means of the Sears, Roebuck catalog show what one great institution has on hand for the people of America, giving the people of Europe a picture of the productivity and the plenty which prevail here.

Let us reverse the roles. Let us on the American front take an inventory of what we have here, an inventory of our American freedoms, our rights, and our privileges. Let us also take an inventory of our responsibilities. Let us have a Sears, Roebuck catalog of the great freedoms of America. That is something which we might well take into consideration. Those of us who have a sense of appreciation of what America means, not only to us but to the world, had better see to it that our children recognize that the price of liberty is eternal vigilance. Eternal vigilance as applied to the present means educating our youngsters to an appreciation of what America is and what she stands for in the world, an appreciation by contrast with what other nations have, which will educate them away from the notion that the Russians are better off than we are.

Remember that the technique of psychological warfare which is continually going on, the technique of repeatedly stating falsehoods, is the technique whereby Hitler overcame country after country. It is the technique by which, after the war, Russia took 100,000,000



people into her orbit without firing a shot.

So, Mr. President, let us apply this rule of the citizen from Middletown. Let us drop 100,000,000 copies of Americana into the hearts and souls and minds of America, especially of our growing youth, many of whom are totally oblivious of the challenges of the atomic age in which they are living.

The gentleman from Middletown had this suggestion about getting the truth into Europe:

7. Supply our comrades in this propaganda battle with the best of our technical know-how, publicity, and advertising genius.

I have practically covered that point by applying it to the home front. Let us supply our youngsters in the schools, our preachers in the pulpits, and the teachers who teach our youth with an appreciation of the virtues, the qualities, and the rights which are the result of the march of mankind upward through the centuries. If we supply them with such education, they will become dynamic teachers.

The gentleman from Middletown was talking about what we should do in Europe. I am telling the Senate that we must do it here.

His next point is:

8. Encourage the bolstering of morale among individual Europeans by adoption of European cities by American cities.

He is talking about the great brotherhood of cityhood. Some cities in America have adopted cities over there which have been bombed out and killed economically. Their property has been destroyed. It would not be a bad idea for the citizens of Washington do adopt Washington and do for Washington what they should do in order to meet their responsibility. They should not put everything in the hands of the Government. Other cities have accepted the challenge to get rid of places such as those depicted in the pictures which we have recently seen. Such places exist in Washington, which has never known a depression, which has an economic current which is constant because of 250,000 persons on the Federal pay roll. No matter whether prices are high or low, Washington has enjoyed the benefit of a swift economic current, which means economic health. Much property is assessed below its real value. The tax rate is the lowest in the country, considering the assessed valuation. A reassessment of all property should be brought about.

The economic, social, and other leaders of Washington should "adopt" Washington, and not pass the buck to Congress to take care of many of their economic needs. It is their responsibility. They are living on the fat of the land. Where else in America, or elsewhere, is there so much wealth per capita as there is in Washington? Where else is there greater need to look after the underprivileged than in Washington? Whose job is it but that of the citizens of Washington to look after their own underprivileged? It is not the responsibility of the Federal Government.

The gentleman from Middletown suggests that it is the privilege and oppor-

tunity of American cities to look after cities in Europe. I think that is part of the doctrine of brotherhood, and it is all right; but I am applying it to Americans, in this country.

His next point is:

9. Carefully censor American movies produced for world consumption. We want other nations to understand the true American way of life.

The American way of life speaks for itself. We in America might well look to the character of things which go to make up the thinking of our youth. It is exceedingly significant that this man recognizes that there are motion pictures which we should not send to Europe, because they give a wrong concept of the American way of life. I am asking whether there are not motion pictures that we have seen which give to us the wrong concept of the American way of life. If so, let us think the thing through.

Mr. President, I have practically concluded. Number 10 in this remarkable statement is as follows:

10. Educate our own people to our world responsibilities.

Yes, Mr. President; I think we must do that. Yet I think we must go a little higher than world responsibility in order to get the right perspective. I was in California last year. I visited Mt. Palomar, where the great 200-inch telescope is located. I was told that it measures light from stars which are 500,000,000 light years away. Light travels at the rate of 186,000 miles a second. This little earth of ours is only 10,000 miles in diameter. The sun is 1,000,000 miles in diameter. Through that telescope we are discovering solar systems in which the sun is as much larger in comparison with our sun as our sun is compared to the earth.

I agree that we must educate our people to world responsibility. First and last, that responsibility is to keep the United States strong, both economically, morally, and politically.

Today we are discussing the issue of keeping the United States strong economically. How are we to do it if our Government constantly spends more than it takes in?

Mr. President, when the North Atlantic Pact was being discussed on the floor of the Senate, I said that we as a government had gone into the red before, and that going into the red is not always bad business, but that going into the red continually is always bad business, either for a business firm or for a government.

Now the time has come when we must face that issue squarely. I have just returned from a trip to my own State, where I talked with many of the people— young men, young women, businessmen, homemakers. As I have previously stated on the floor of the Senate, they are concerned with the amount of money the United States Government is spending. They may not see the over-all picture; but they are concerned with the fact that today, after two years of attempts to balance the budget and to make payments on the national debt, and after helping Europe, and making plans to continue to help her, our Gov-

ernment is going into the red. The people are asking questions about the situation.

Mr. President, I shall inform the Senate some of the questions the people at home are asking, and I ask my associates in this body to give them consideration. The people ask: "If the United States' dollar is worth more now than it was in January, if it will buy more, why cannot the \$15,000,000,000 the Congress assigned for the national-defense forces be cut at least the percentage the dollar has appreciated in purchasing power?"

Mr. President, I think that is a pertinent question. In other words, if the United States' dollar has appreciated in purchasing power 10 percent, why cannot we cut that \$15,000,000,000 10 percent? I do not know any reason why that cannot be done, especially if we consider in that connection the fact that prices have been decreasing. So I do not know why such a 10 percent reduction or saving cannot be made.

Another question which the people back home have been asking is this: "What about former President Hoover's recommendations? What are you going to do about them? He said the Government could save \$1,500,000,000. What are you going to do about that?"

My reply has been, "I hope the majority party, which is in absolute control of the Senate and House, will see fit to adopt those suggestions and again cut that part of the budget."

The people back home also asked this question: "Is it true that there are parts of the administrative branch of the Government where there is a surplus of help, if the help would work 44 hours a week?"

Mr. President, some of those questions are, at least, to my way of thinking, "right down the alley." I have heard reports pro and con in regard to the subject matter of that question. I have heard reports that many Government agencies could obtain effective results if they were headed by effective administrators who would conduct them in the way a successful businessman operates his business. In other words, Mr. President, it is quite true that when the head of a large business sees that the sales of his firm are decreasing and that its income is falling off, it is common practice for him to tell the heads of the various departments under him that they must cut their expenses by a certain amount, in order to keep the firm from going into the red. So, Mr. President, the question arises, Should we apply that rule to our Government now, after our Government has passed through a period of 2 years in which it was able to accumulate a surplus?

Of course, Mr. President, I do not favor the application of the meat-ax method. I think there must be reason in everything we do. Good judgment and common sense must be applied. But the Government belongs to the 148,000,000 people of the United States; and in this period of tremendous change we are faced with the question of maintaining the integrity of the \$250,000,000,000 of United States bonds which are the foundation stone of every insurance company and every bank in the United States. If

any question develops about the integrity of those bonds, then we shall encounter a fiscal storm which will soon develop into a hurricane.

Mr. President, the people back home, those at the grass roots, who have been asking these questions, have a right to be answered.

Therefore, Mr. President, I say that if we are to educate our own people to their world responsibility, we should bring them to a realization that they must insist that the United States be maintained sound economically, sound politically, and sound spiritually.

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

Mr. WILEY. I yield.

Mr. WHERRY. The distinguished Senator from Wisconsin, who is making a very able address in the interest of economy, has just stated a list of questions which have been asked by people at the grass roots in regard to whether savings can be made in the operations of the United States Government because of the percentage increase in the purchasing power of the dollar, which has been felt since January; and the Senator has applied that question first to the expenditures for national defense, as well as to expenditures for other agencies of the Government.

I wish to ask the Senator whether any of the people at the grass roots have suggested that similar savings might be made in the appropriations for ECA? In other words, I ask the Senator this question: If savings can be made because of the increased purchasing power of the dollar, should not all Government appropriations be reduced—both those for world-wide purposes and those for domestic purposes—accordingly?

Mr. WILEY. Mr. President, I am very happy to have the Senator from Nebraska ask that question. It is the fourth question on which I have planned to comment.

Mr. WHERRY. I thank the Senator. If he will speak on that point, I shall be most appreciative.

Mr. WILEY. Mr. President, it is true that the folks back home have asked whether the Appropriations Committee is going to reconsider the authorization for ECA. Being a member of the Foreign Relations Committee, I said to them what every member of the Foreign Relations Committee has said on the floor of the Senate, namely, that there were a number of imponderables that did not appear in November of last year when the estimates for the ECA authorization were drawn up by the President of the United States and his advisors, and that since that time those imponderables have come to light—one of them being that the dollar has appreciated in purchasing power. Another is that the foreign countries themselves have recovered to a much greater extent than was expected; and a third important factor is that during this very period when conditions in Europe have definitely improved, conditions in the United States have deteriorated. In other words, our national income has decreased, and we have approximately 3,500,000 unemployed persons in the United States. In my humble

opinion, those conditions require a revaluation—as I have stated to the people who have asked questions of me—as to the amount which can properly be appropriated for all governmental purposes; and I believe we must do that in order to show our understanding of our responsibility in the world situation.

Some of the people back home have asked me, "What about the St. Lawrence waterway? If we can appropriate money for foreign aid, why can't we go ahead with the St. Lawrence waterway"—a project which is so vital to the Midwest.

The people back home have also asked me about the oleomargarine legislation and other proposed legislation.

In connection with those matters, Mr. President, I wish to speak on the point on which my good friend from Middletown, Ohio, spoke today, namely, our own responsibility to the world. I repeat, that responsibility is, first, to diagnose America, to hold a clinic over her, to see what is needed for her economic health, for her political stability, and for her spiritual strength. Once that is done, and once we have the answer to that question, then we may reach out and apply the rule of brotherhood or the rule of the good Samaritan on a world-wide scale. When that is done, we shall have fulfilled our mission in the period in which we are living.

I am not a pessimist, Mr. President; I am an optimist. I sense that in many ways this is the most wonderful age in the history of mankind. Never before have we seen a condition in which the world was, literally, through the ingenuity of man, compressed into a small ball, so that sound travels around the earth in 2 seconds; a plane can cross the ocean in a matter of 4 hours; we have produced jet planes that will travel under guidance approximately 2,000 miles; we travel from coast to coast in a matter of 4 hours; and atomic energy may be utilized to generate great forces, not for war, but for peace.

While we have progressed in a material way, while the ingenuity of man has developed and grown we might say as a fungus grows, perhaps, the race has not sensed that it must also grow in another sense. It must grow in great spiritual values, and in the sense of the great need for understanding.

So, Mr. President, what the gentleman from Ohio is suggesting is that by getting the truth into Europe, by getting it into the minds and souls of those behind the iron curtain and even of those on this side of the iron curtain, there is a hope that the truth will make men free, that the consciences and minds of men will become open, so that they may sit around the council table—let us hope, of the United Nations—and there work out a plan, so that war shall be no more, so that literally, not figuratively, we shall beat our swords into plowshares, and so that the people will learn war no more.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider.

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

Mr. WHERRY. Mr. President, before the Senator makes the suggestion of the lack of a quorum, may I be permitted to make an observation?

Mr. McKELLAR. I withhold the suggestion.

Mr. WHERRY. I should like to ask the distinguished Senator from Tennessee, as chairman of the Committee on Appropriations, whether the Secretary of Agriculture has submitted to Members of the Senate the flood-control survey which was requested in the recommendations made by the committee about a week ago?

Mr. McKELLAR. Unless it has been done today, it has not been done. I shall find out and will let the Senator know about it immediately.

Mr. WHERRY. I should like to know, before the appropriation bill is considered, whether the survey has been submitted to Members of the Senate.

Mr. McKELLAR. I shall send for the information immediately.

Mr. WHERRY. I thank the Senator.

Mr. President, in a very brief moment, I should like to say it is my intention to vote against the motion to reconsider made by the distinguished Senator from Rhode Island. I suppose it is unnecessary to give again the many reasons which Senators on this side have given time and time again on the motions made to cut Government expenditures. I feel that if the motion to recommit is interpreted in the spirit in which it was made, if it is interpreted as it was intended by the distinguished Senator from Ohio, it will take from the bill in the neighborhood of \$15,000,000 only. I am quite satisfied that in a measure of this kind, which carries an appropriation of more than \$2,000,000,000, this slight saving can be made without loss to a sound administration of the Government.

Mr. McKELLAR. Mr. President, I have asked the Secretary to the committee about the matter requested by the Senator from Nebraska. He tells me the request was interpreted as meaning that the Secretary should furnish the Senator with that information. It has not been furnished to the committee.

Mr. WHERRY. I thank the Senator for the answer. I am intensely interested in getting the survey of the soil conservation legislation which was enacted in the last Congress, with respect to the Missouri River Basin. The appropriations were made, the survey has been made, and as I have said on the Senate floor, the survey has been made public. It has been given to several of the Governors in the 10 States.

It seems to me that in appropriating a considerable amount of money for soil conservation, as we are going to do, in connection with agriculture, we at least should have a report of the survey, in order that we may have a guidepost to intelligent legislative procedure, if we are to keep faith with the Congress which authorized it and asked that the survey be made for the purposes for which we wanted it, namely, as a guide to appropriations.

Mr. McKELLAR. I agree with the Senator entirely, and I shall instruct the



secretary of the committee to obtain the information and send it to the Senator.

Mr. WHERRY. I thank the distinguished chairman of the Committee on Appropriations.

Mr. President, I not only intend to vote against the motion to reconsider, but I hope the distinguished Senator from Michigan, who was a joint sponsor of the former motion to recommit, will again offer his motion, in the event the motion to reconsider prevails. I think the Members of the Senate ought to know that.

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

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. WHERRY. I am glad to yield.

Mr. FERGUSON. I wish now to state to the Senator from Nebraska and also to the Senate that, in case the motion to reconsider prevails, I have prepared and will immediately send to the desk a substitute for the motion to recommit, which will set forth clearly what was intended by the Senator from Ohio, and I shall ask that it be voted upon.

Mr. WHERRY. Mr. President, I very much appreciate the observation made by the distinguished Senator from Michigan. If the Members of the Senate are to vote to reconsider the motion to recommit because there is doubt in regard to what the instructions really meant, I can see some justification for that; but I feel that in the event the motion prevails, the motion should be made to recommit, and it should be made in such certain terms that this small saving can be effected in the appropriation bill. I think such an attempt should be made in all appropriation bills, as they are considered by the Senate.

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

Mr. WHERRY. I am glad to yield.

Mr. FERGUSON. I have ready the proposed substitute motion.

The VICE PRESIDENT. The Chair will state that, if the motion to reconsider prevails, the motion to recommit will then become the pending question, subject to amendment.

Mr. FERGUSON. Then I ask that what I have prepared be a substitute, so that the Senate may know what to expect.

Mr. WHERRY. Mr. President, in order to clarify the situation on the floor, I ask that the distinguished Senator from Michigan read the proposed substitute. I feel that it should be before the Members of the Senate when we are considering the motion to reconsider.

Mr. FERGUSON. Mr. President, I ask unanimous consent to read the substitute.

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

Mr. FERGUSON. The substitute motion reads as follows:

I move that the bill be recommitted to the Committee on Appropriations with instructions to report the same back to the Senate with amendments providing for a certain reduction equivalent to that provided in the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], for himself and the Senator from Michigan [Mr. FERGUSON]: *Provided, however,* That any such reduction shall be based on the amount of

the appropriations contained in the bill as amended by the Senate, including committee amendments, at the time of its recommitment.

That would make plain the status of the amendments.

Mr. WHERRY. If the Senator will permit me, it would apply, would it not, to the amendments adopted on the Senate floor prior to the time the motion was made to recommit?

Mr. FERGUSON. That is correct.

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

Mr. WHERRY. I yield.

Mr. CAIN. The junior Senator from Washington was among those Senators who supported the Taft motion. In order to make certain that the 5-percent cut is accomplished in due time, would it not be proper for us to vote in favor of the motion offered by the Senator from Rhode Island [Mr. GREEN] in order that we may be certain to have an opportunity to vote for a clarification of the original motion?

Mr. WHERRY. Mr. President, that is one way, of course. If there be any doubt as to the interpretation of the motion of the distinguished Senator from Ohio, that is one way in which it can be clarified. For that reason I took the floor to state that I felt I should oppose the motion to reconsider because I place the same interpretation upon the motion as was placed upon it by the distinguished Senator from Ohio when he made it, but I stated that if the motion to reconsider should prevail, I wanted to know from the distinguished Senator from Michigan, who was joint sponsor of the amendment offered by the distinguished Senator from New Hampshire [Mr. BRIDGES], prior to the motion to recommit, if the instructions which have just been read by the Senator from Michigan would be explicit. In that way any Senator who has any doubt as to what the motion means can resolve it, or any Senator who cares to offer an amendment providing for further clarification may do so.

Mr. CAIN. Mr. President—

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

Mr. WHERRY. I shall yield, first, to the Senator from Washington.

Mr. CAIN. May I inquire what the status of the Taft amendment will actually be if the motion of the Senator from Rhode Island is rejected?

Mr. WHERRY. The Vice President has informed the Members of the Senate that the pending question, if the motion to reconsider shall prevail, will be the motion to recommit. It will be open to amendment. I asked the distinguished Senator from Michigan if he wished to offer a clarifying amendment, and he has just read to the Senate the motion which he intends to present. I think it clarifies the intention of the Senator from Ohio. If there be any doubt about it, the Senator from Michigan can offer an amendment still further to clarify it.

I shall now be glad to yield to the distinguished Senator from California.

Mr. KNOWLAND. Will not the Senator from Nebraska agree that should the motion to reconsider not prevail, it is entirely within the jurisdiction of the Appropriations Committee to take the

Senate's intent as expressed by the Senator from Ohio, and to report as committee amendments such sums as, in the judgment of the committee, are in accordance with the Senate's intent, or we would then have before us practically the same situation?

Mr. WHERRY. I thank the distinguished Senator from California for his observation. That was the second point which I expected to make in my argument for resisting the motion to reconsider, because the Senate committee can accomplish that very thing. That is the second reason why I shall oppose the motion. The third reason is that I feel that the committee members, including the distinguished chairman of the Appropriations Committee, for whom I have the highest regard, should not consider it as a personal affront because the motion was made. I feel that there have been sufficient statements and observations made so that the Members of the Senate have full faith and confidence in whatever action the committee shall take in reference to the bill. I cannot see any reason in the world why the intent of the Senate cannot be accomplished without agreeing to the motion to reconsider.

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

Mr. WHERRY. I yield to the distinguished Senator from Rhode Island.

Mr. GREEN. Mr. President, I do not quite understand the Senator's second point. How is the Senate to amend the bill when it is in the committee?

Mr. WHERRY. If the motion to recommit shall prevail, the bill will go to the committee stripped of all amendments made on the floor. But I am of the opinion that the Members of the Senate have received so much information that the committee could adopt the amendments and bring the bill back as it left the Senate. That would accomplish the 5-percent saving desired.

Mr. GREEN. The Senator does not think the instructions of the Senate are exclusive.

Mr. WHERRY. That is my interpretation.

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

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

Mr. FERGUSON. That very question was asked the able Senator from New Mexico, who is chairman of the subcommittee, and he has expressed his opinion on the floor, which appears in the RECORD, that he would interpret it as it has been explained by the Senator from Ohio, and which, in effect, would also be accomplished by the motion which I have read to the Senate.

Mr. WHERRY. Mr. President, I do not want to detain the Senate longer on this question. I shall vote to recommit the bill with instructions in accordance with the motion offered by the Senator from Michigan, if the motion to reconsider shall prevail. I feel that there is a demand from the grass roots of the country that Congress take the leadership in reducing the cost of Government and in cutting the cloth to fit the pattern.

The Senator from Indiana [Mr. CAPEHART] made observations this morning relative to the leveling off of business. The reason why some unemployment is appearing in the Nation is that the businessmen of the country are afraid of increased taxes. They do not know what will happen; they do not know what the administration's programs will cost. They know that there are three alternatives—either we must increase taxes, resort to deficit spending, or cut the cost of Government. I choose the latter method. I think that as business retrenches the Government must retrench. If prices come down and the dollar purchases more, the cost of Government should come down also. That would not destroy the efficiency of the agencies of the Government.

In accordance with that feeling on my part, I am glad to know the Nebraska State Legislature has acted. In the Omaha World-Herald, a newspaper which largely covers the Missouri River Basin, there appears this statement:

The Nebraska Legislature Friday added its voice to the growing cry for a slash in Federal spending.

By a vote of 26 to 5, the legislators adopted a resolution urging Congress to make a 10-percent slash "in all Federal expenditures possible."

They are admonishing the Government of the United States.

The resolution had been offered by Senator W. J. Norman.

I know Mr. Norman personally. He is a businessman of Omaha, and a very sound and progressive one. He is one of my very best friends and is a very able legislator. He introduced the resolution, which contains the following provision:

1. If President Truman's proposed budget is accepted by Congress, the Federal tax bill would amount to at least one-fifth of the individual taxpayer's income.

We are told by leading economists that 27 cents of every dollar we spend is taken for local, State, and Federal taxes.

We talk about restricting liberty. The power to tax is the power to destroy; and when approximately 25 cents out of each dollar goes to the Federal Government for taxes, and, in addition to that, we have to pay local and State taxes, that is a restriction upon the liberties of the American people.

2. New taxes at such times as these may accelerate a minor business recession into a major depression.

With that observation I completely agree. If we increase taxes to meet a deficit of five, six, eight, ten, or eleven billion dollars—and that is the figure which has been submitted by the distinguished Senator from Virginia [Mr. BYRD] up to and including the fiscal year 1951—it might not only cause a minor depression, it might cause a major depression. At least it would mean hard times. I read further:

It is the general opinion that sources of Federal revenue are "seeking lower levels." This opinion is buttressed by "all official calculations" of economic developments for the first quarter of 1949.

Mr. President, the remarks made a few minutes ago by the distinguished Senator from Wisconsin [Mr. WILEY] were to the effect that the dollar will buy more at this time, which means that prices are falling, and if we get more for our dollar, why do we not effect that saving, because many of the budgets were made up in October and November, when prices were considerably higher than they are today? Why not effect the savings now?

I should like to say to the distinguished Senator from Wisconsin that not only should we begin at home, but I think the measuring stick should go clear across the line, and certainly should apply to the ECA and other foreign commitments. I see no difference between foreign and domestic commitments, so far as that is concerned. That was one of the reasons why I offered an amendment to cut the authorization of ECA 15 percent when it was before the Senate. That amendment was lost, and I supported an amendment to cut it 10 percent, and that was lost. Since that time even the President of the United States has recommended that if savings can be made because of falling prices, they could well come off the appropriations for ECA. So when we apply the measuring stick, let us apply it not only domestically, but clear across the board. Let us make the savings abroad as well as at home.

I read further from the Omaha Evening World-Herald:

The resolution urges Nebraska's representatives in Congress to use every effort at their command to reduce the Federal budget for the 1949-50 fiscal year.

Mr. President, I shall vote against the motion to reconsider for the reasons already given, first, that the committee can itself completely carry out the interpretation placed by the distinguished Senator from Ohio on his motion; for the further reason that, in accordance with observations made on the Senate floor, the Committee on Appropriations can carry out the original intention of the Senator from Ohio; and for the further reason that the time has arrived when we must start to cut appropriations. It simply has to be done, and I am going to do everything in my power to accomplish it. Therefore, I shall vote against the motion to reconsider, and I shall support any motion to recommit the bill to the committee in an effort to effect the savings which are desired by the proponents of the motion, and cut the expenditures recommended in this particular appropriation bill.

Mr. President, I ask unanimous consent that the article from which I have been reading be printed in the body of the RECORD at this point.

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

UNITED STATES CUT IN SPENDING URGED BY LEGISLATURE—MOVE IS TAKEN IN RESOLUTION BY STATE BODY—NORMAN INTRODUCER OF PLEA TO MAKE SLASH IN GOVERNMENT COST

The Nebraska Legislature Friday added its voice to the growing cry for a slash in Federal spending.

By a vote of 26 to 5, the legislators adopted a resolution urging Congress to make a 10-percent slash in all Federal expenditures possible. The resolution had been offered by Senator W. J. Norman, of Omaha.

Voting against it were Senators Lester Anderson, Babcock, Carson, Cretzinger, and Schroeder.

Commented Senator N. F. Schroeder: "It's silly. How can we ask Congress to cut down? Look at our budget."

The 1949-51 State budget bill now under debate by the legislature is the largest in Nebraska's history.

Senator Norman's resolution declares:

1. If President Truman's proposed budget is accepted by Congress, the Federal tax bill would amount to at least one-fifth of the individual taxpayer's income.

2. New taxes at such times as these may accelerate a minor business recession into a major depression.

3. It is the general opinion that sources of Federal revenue are seeking lower levels. This opinion is buttressed by all official calculations of economic developments for the first quarter of 1949.

The resolution urges Nebraska's Representatives in Congress to use every effort at their command to reduce the Federal budget for the 1949-50 fiscal year.

Senator Norman earlier Thursday had warned his colleagues of the trend in Federal spending and taxation.

The VICE PRESIDENT. The question is on agreeing to the motion to reconsider made by the Senator from Rhode Island [Mr. GREEN].

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Alken	Hoey	Morse
Anderson	Holland	Murray
Baldwin	Humphrey	Myers
Bricker	Hunt	Neely
Butler	Ives	O'Connor
Byrd	Jenner	O'Mahoney
Cain	Johnson, Colo.	Pepper
Capewhart	Johnson, Tex.	Reed
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Sparkman
Downey	Langer	Stennis
Eaton	Lodge	Taylor
Ellender	Long	Thomas, Okla.
Ferguson	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
Gillette	McClellan	Tydings
Graham	McFarland	Vandenberg
Green	McGrath	Watkins
Gurney	McKellar	Wherry
Hayden	McMahon	Wiley
Hendrickson	Martin	Williams
Hickenlooper	Maybank	Withers
Hill	Millikin	Young

By order of the Senate, the following announcement is made after each quorum call:

The members of the Committee on Foreign Relations have been granted permission to be absent from the sessions of the Senate while the Committee on Foreign Relations is conducting hearings on the North Atlantic Pact.

The VICE PRESIDENT. A quorum is present.

The question is on the motion of the Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which the bill (H. R. 3333), the Labor-Federal Security



appropriation bill, was recommitted, with instructions.

Mr. PEPPER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Washington [Mr. MAGNUSON] and the Senator from Georgia [Mr. GEORGE] have a pair. If the Senator from Washington were present and voting he would vote "yea," and if the Senator from Georgia were present and voting he would vote "nay."

I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on official business.

The Senator from Georgia [Mr. GEORGE], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Washington [Mr. MAGNUSON] is absent on public business.

The Senator from Idaho [Mr. MILLER] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Idaho would vote "yea" and the Senator from Ohio would vote "nay."

The Senator from New York [Mr. WAGNER] is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New York would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official business. If present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] is absent on official business and is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from New York would vote "yea."

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate. If present and voting, he would vote "nay."

The Senator from Nevada [Mr. MALONE] is necessarily absent. If present and voting, he would vote "nay."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, he would vote "nay."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Idaho [Mr. MILLER]. If present and voting, the Senator from Ohio would vote "nay" and the Senator from Idaho would vote "yea."

The Senator from South Dakota [Mr. MUNDT] is detained on official business. If present and voting, he would vote "nay."

The result was announced—yeas 43, nays 41, as follows:

## YEAS—43

Aiken	Hoey	McFarland
Anderson	Humphrey	McGrath
Chapman	Hunt	McKellar
Chavez	Johnson, Tex.	Maybank
Connally	Johnston, S. C.	Morse
Downey	Kefauver	Murray
Ellender	Kerr	Myers
Fulbright	Kilgore	Neely
Graham	Langer	O'Connor
Green	Long	O'Mahoney
Hayden	Lucas	Pepper
Hill	McCarran	Russell

Sparkman	Thomas, Okla.	Withers
Stennis	Thomas, Utah	
Taylor	Tydings	

## NAYS—41

Baldwin	Hendrickson	Reed
Bricker	Hickenlooper	Robertson
Butler	Holland	Saltonstall
Byrd	Ives	Schoeppel
Cain	Jenner	Smith, Maine
Capehart	Johnson, Colo.	Thye
Cordon	Kem	Tobey
Donnell	Knowland	Vandenberg
Douglas	Lodge	Watkins
Ecton	McCarthy	Wherry
Ferguson	McClellan	Wiley
Frear	McMahon	Williams
Gillette	Martin	Young
Gurney	Millikin	

## NOT VOTING—12

Brewster	George	Mundt
Bridges	Magnuson	Smith, N. J.
Eastland	Malone	Taft
Flanders	Miller	Wagner

So Mr. GREEN's motion to reconsider was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 392. An act authorizing the issuance of a patent in fee to Thomas A. Pickett;

S. 683. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments;

S. 716. An act authorizing the Secretary of the Interior to sell the land of George Peters under existing regulations; and

S. J. Res. 18. Joint resolution for the relief of the First-Citizens Bank & Trust Co., administrator of the estate of C. A. Rogland, Sr.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

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.

## LABOR-FEDERAL SECURITY APPROPRIATIONS—MOTION TO RECONSIDER

The Senate resumed the consideration of Mr. Green's motion to reconsider the vote by which the bill (H. R. 3333), making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes, was recommitted to the Committee on Appropriations, with instructions.

The VICE PRESIDENT. The question now recurs on the original motion of the Senator from Ohio [Mr. TAFT] to recommit the bill to the Committee on Appropriations with instructions.

Mr. FERGUSON. Mr. President, I send to the desk a motion as a substitute for the motion of the senior Senator from Ohio, and ask that it be read.

The VICE PRESIDENT. The motion will be read for the information of the Senate.

The Chief Clerk read as follows:

I move that the bill be recommitted to the Committee on Appropriations with instructions to report the same back to the Senate with amendments providing for a reduction equivalent to that provided in the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], for himself and the Senator from Michigan [Mr. FERGUSON]: *Provided, however,* That any such reduction shall be based on the amount of the appropriations contained in the bill as amended by the Senate (including committee amendments) at the time of its recommitment.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] by way of a substitute for the original motion of the Senator from Ohio [Mr. TAFT] to recommit the bill to the Committee on Appropriations with instructions.

Mr. FERGUSON. Mr. President, just a few words in explanation—

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

Mr. FERGUSON. I yield to the Senator from Georgia for a parliamentary inquiry.

Mr. RUSSELL. I understood that the Senator from Ohio [Mr. TAFT] made the original motion to recommit.

The VICE PRESIDENT. This is a substitute for the motion originally made by the Senator from Ohio.

Mr. FERGUSON. Mr. President, I should like to make a brief explanation of the substitute motion.

During the debate on the motion to reconsider, some doubt was expressed as to the meaning of the original motion to recommit. There had been a ruling by the Chair that when the bill was recommitted, under the rules of the Senate all amendments adopted on the floor would be stricken out and the bill would find itself in the Appropriations Committee in its original form.

There was also some doubt as to the method by which the cut was to be made, and on what items. The substitute motion leaves no doubt, and makes crystal clear what is intended by the instructions in the motion.

The instructions are that the Appropriations Committee receive the bill as it now is, including all committee amendments and all amendments made on the floor. The committee would be asked to cut from the bill the amount of 5 percent, as originally set forth in the amendment offered by the senior Senator from New Hampshire [Mr. BRIDGES], for himself and the junior Senator from Michigan. That amendment was held to be legislation, and was not made a part of the bill. There are certain items not subject to the cut.

Under the original motion of the Senator from Ohio [Mr. TAFT] the bill went back to the committee with instructions to cut at least 5 percent off the items subject to reduction, and in no case to cut more than 20 percent off any particular item. It would be necessary, therefore, for the committee to go into the items

with those who are to administer the law, in the same way as was proposed by the amendment of the Senator from New Hampshire. It would be necessary to obtain the advice of the Federal Security Administrator and the Secretary of Labor, in order that the proper reductions might be made in the amounts to be expended.

Mr. President, I hope the Senate will vote to send the bill back to the committee, with the specific instructions which clarify the intent of the Senate in its original recommendational action.

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

Mr. FERGUSON. I yield to the Senator from Vermont.

Mr. AIKEN. I wonder whether the Senator from Michigan will designate some of the items in the bill in which he thinks cuts can best be made. I admit that his substitute improves the situation somewhat, because I do not think the appropriation items for the control of diseases should be reduced in amount. So I should like to have the Senator from Michigan suggest some of the items for which the appropriations might be reduced without damaging the national health or the national economy in any way.

Mr. FERGUSON. Of course, the bill as reported by the committee provides for appropriations in excess of those provided in the bill as passed by the House of Representatives. I think a 5-percent cut can be made in almost all the items, except those as to which it was specifically stated that reductions in the appropriations would not be made—for instance, the items for appropriations for pensions in cases in which the Government has agreed to return a certain amount of the funds already paid in by the persons concerned, and the items for unemployment compensation. Such provisions have already been made.

Mr. AIKEN. Can the Senator give us an idea of the approximate amount of the cuts which might be made?

Mr. FERGUSON. I should think it would be approximately fourteen or fifteen million dollars.

Mr. AIKEN. Can the Senator give us a general idea as to how much of that amount would otherwise be expended for supplies?

Mr. FERGUSON. I do not have the figures before me at this time, so I am sorry I cannot answer that question.

Mr. AIKEN. I still believe that the place where the cutting of appropriations should be done is in the committee, before the bill is reported to the floor of the Senate. I very much dislike to see cuts made in appropriation items which affect the health or perhaps even the lives of our people.

Mr. FERGUSON. I am sure the Senator from Vermont and other Senators will be able to rely upon the Appropriations Committee not to make cuts which would vitally affect the health or the welfare of the people.

After the committee has acted on the bill, the bill will return to the floor of the Senate, and at that time it will be subject to further consideration by the Senate. If the Senate then feels that the Appropriations Committee has made

a mistake in the case of any particular reduction in an appropriation, after obtaining the advice of the Federal Security Administrator and Secretary of Labor, the Senate will be in complete charge of the bill at that time and will be able to make whatever amendments it thinks should be made to the bill. So no real injustice will be done to any particular program.

Mr. AIKEN. Under the Senator's substitute motion, if cuts were made in the appropriations for the control of heart disease and other diseases, they would be made in the figures as finally approved by the Senate when the bill was previously before the Senate; would they not?

Mr. FERGUSON. That is correct.

Mr. AIKEN. Those cuts would not be made from the figures which were contained in the bill when it came to the floor of the Senate. Is that correct?

Mr. FERGUSON. That is correct. The substitute motion is specific on that point. The bill would go back to the committee with the full amounts as previously approved by the Senate.

Mr. AIKEN. Then I think the Senator's substitute improves the situation.

The VICE PRESIDENT. The question is on agreeing to the substitute proposed by the Senator from Michigan [Mr. FERGUSON] for the motion of the Senator from Ohio [Mr. TAFT] to recommit the bill with instructions.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, prior to the vote, the estimates of Federal receipts for the fiscal years 1949 and 1950, prepared by the staff of the Joint Committee on Internal Revenue Taxation, of which committee the able Senator from Georgia [Mr. GEORGE] is a member. The staff of that joint committee estimates that the deficiency for the year 1950 will be \$2,900,000,000; and the receipts for the next fiscal year are estimated to be \$2,100,000,000 less than those estimated by the Director of the Bureau of the Budget and the President of the United States, as stated in the message which has been sent to the Congress.

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

ESTIMATES OF FEDERAL RECEIPTS FOR FISCAL YEARS 1949 AND 1950

The joint committee staff estimate of Federal receipts for the fiscal year 1949 is \$39,300,000,000 and for the fiscal year 1950 is \$38,900,000,000. Taken with the President's January budget estimate of expenditures these estimated receipts would result in a surplus in the fiscal year 1949 of \$2,100,000,000 (excluding expenditures of \$3,000,000,000 from the Foreign Economic Cooperation trust fund) and in a deficit in the fiscal year 1950 of \$2,900,000,000. If the reduction resulting from the effect of the Foreign Economic Cooperation trust fund were ignored, there would be a deficit in the fiscal year 1949 of \$900,000,000 instead of a surplus. However, expenditures in 1949 (including the \$3,000,000,000 FEC expenditures) in May and June must exceed those in the same period last year by \$1,600,000,000 in order to reach the estimate in the budget. Should this not occur, the deficit would be smaller than \$900,000,000 and might disappear altogether.

The attached table compares the staff estimates with the estimates of receipts appearing in the January budget. It will be

noted that the joint committee staff estimates of receipts for the fiscal year 1950 are \$2,100,000,000 below the estimates appearing in the January budget. The primary reason for this is that the staff's estimates are based on a lower assumed level of business activity. The staff assumed a personal income level of \$212,000,000,000 in the calendar year 1949, and \$198,000,000,000 in the first 6 months of the calendar year 1950. This compares with a personal income level of \$215,000,000,000 for this entire 18-month period, which is reported to have been assumed in the preparation of the budget. The assumed level of corporate profits used by the staff in estimating corporate income tax collections was \$29,000,000,000 for the calendar year 1949, which is about 11 percent below the actual corporate profits for 1948 or \$32,200,000,000.

The low level of business activity was assumed by the staff only after consultation with a number of outstanding economic analysts, both in private business and in the Government. The assumed decline is moderate and does not take into consideration the effect of any sizable increase in Government expenditures above the level forecast in the January budget, or any possible increase in tax rates.

Estimated budget receipts, expenditures, and the surplus or deficit of the Federal Government

[In billions of dollars]

	Staff	Budget	Excess of budget over staff estimates
Fiscal year 1949:			
Receipts.....	\$39.3	\$39.6	\$0.3
Expenditures.....	37.2	37.2	.....
Surplus.....	2.1	2.4	.3
Fiscal year 1950:			
Receipts.....	38.9	41.0	2.1
Expenditures.....	41.9	41.9	.....
Deficit.....	2.9	.9	2.1

<sup>1</sup> January 1949 budget estimates excluding expenditures of \$3,000,000,000 from the Foreign Economic Cooperation trust fund. Including these expenditures would result in a deficit of \$900,000,000 using the staff estimate of receipts, and \$600,000,000 using the budget estimate of receipts. But expenditures in 1949 including the \$3,000,000,000 FEC expenditure must in May and June exceed those in the same period of last year by \$1,600,000,000 in order to reach the estimate. Any portion of this increase not expended would reduce the above-mentioned deficits accordingly and could possibly result in a surplus even though the FEC expenditure is attributable to 1949.

<sup>2</sup> January 1949 budget estimates.

NOTE.—Because of rounding figures do not add to totals.

NOTE.—Assumptions used in calculating above receipts:

	Staff	Budget
Personal income:	Billions	Billions
Calendar year 1948 (actual).....	\$214	\$214
Calendar year 1949 (estimated).....	212	215
Calendar year 1950 (estimated first half annual rate).....	198	215
Corporate profits before tax (Commerce definition):		
Calendar year 1947 (actual).....	29.8	29.8
Calendar year 1948 (preliminary).....	32.2	( <sup>1</sup> )
Calendar year 1949 (estimated).....	29.0	( <sup>1</sup> )

<sup>1</sup> Not available.

Source: Staff of the Joint Committee on Internal Revenue Taxation, May 14, 1949.

The VICE PRESIDENT. The question is on agreeing to the substitute proposed by the Senator from Michigan [Mr. FERGUSON] for the motion of the Senator from Ohio [Mr. TAFT] to recommit the bill with instructions.



Mr. WHERRY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CHAVEZ. Mr. President, before the vote is taken, the Senate should consider the situation carefully. At the present moment the question is on agreeing to the motion of the Senator from Ohio [Mr. TART], as modified or amended by the Senator from Michigan [Mr. FERGUSON]. I hope the Senate will vote against that motion, and will let the Senate conferees take this measure to conference with the conferees on the part of the House, and determine in conference whether a bill satisfactory to both Houses can be determined upon.

Mr. CORDON. Mr. President, before the vote is taken on the motion, I wish to say that I believe some of my colleagues will be interested in knowing at least what the motion is.

On page 5213 of the CONGRESSIONAL RECORD for April 28 appears the original amendment offered by the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Michigan [Mr. FERGUSON]. I shall read the amendment for the benefit of my colleagues who would like to have their memories refreshed as to the extent to which this motion, if adopted by the Senate, could affect the pending measure, and the extent to which the committee to which the bill would be recommitted would have authority to act, and the field within which it could exercise that authority.

The amendment proposed by the Senator from New Hampshire and the Senator from Michigan reads as follows:

SEC. 502. (a) The Secretary of Labor, with respect to appropriations made in title I of this act, and the Federal Security Administrator, with respect to appropriations made in title II of this act, are authorized and directed, with the approval of the Director of the Bureau of the Budget, to make such reductions in the amounts to be expended from the appropriations made in each such title as will in the aggregate equal at least 5 percent of the total amounts so appropriated therein (less in the case of title II amounts appropriated for grants under titles I, IV, and X of the Social Security Act, and grants to the States for unemployment compensation and employment-services administration), except that appropriations for grants under titles I, IV, and X of the Social Security Act, grants to the States for unemployment compensation and employment-services administration shall not be reduced. The Secretary of Labor and the Federal Security Administrator shall certify the reduction in each appropriation account to the Secretary of the Treasury and to the Committees on Appropriations of the Senate and House of Representatives. The amounts so certified shall not be expended but shall be impounded and returned to the Treasury.

(b) Such reduction shall be made in a manner calculated to bring about the greatest economy in expenditure consistent with the efficiency of the service.

(c) No item of appropriation contained in either of such titles shall be reduced more than 20 percent.

(d) A statement of each reduction hereunder, including the amount thereof, shall be included in the annual budget for the fiscal year 1951.

The motion before the Senate is to refer the bill back to the committee with instructions to the committee to report back a bill effecting these reductions, in

amounts not over those set out, and within the classes of activities which are not prohibited in the proposed amendment, which was not adopted due to the fact that objection was made on the basis of a point of order.

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

Mr. CORDON. I yield.

Mr. AIKEN. The Senator evidently has the bill before him. The rest of us are not so fortunate. Will the Senator read the 10 items from which cuts could be made, so that we may know what they are?

Mr. CORDON. Title I, which is within the group where amendments or reductions are directed, is in the Office of the Department of Labor. The items are:

Salaries and expenses, \$1,154,000.  
Office of Solicitor, salaries and expenses, \$1,093,900.  
Bureau of Labor Standards, salaries and expenses, \$550,000.  
Bureau of Veterans' Employment Rights, salaries and expenses, \$270,000.  
Bureau of Apprenticeship, for salaries and expenses, \$2,605,000.  
Bureau of Labor Statistics, salaries and expenses, \$5,506,500.  
Women's Bureau, salaries and expenses, \$334,800.  
Wage and Hour Division, salaries and expenses, \$5,252,000.

That completes title I. The Senator will note that this is entirely for salaries and expenses of administration.

Mr. AIKEN. What is the aggregate? Is it about \$15,000,000?

Mr. CORDON. I do not have it added, but I can give it in a minute.

Mr. AIKEN. The Senator read two \$5,000,000 items and then several smaller ones.

Mr. CORDON. I think it would be around \$15,000,000 to \$17,000,000.

Mr. AIKEN. I gather the other reductions would have to come on items of public health at places where cuts could be made.

Mr. CORDON. I should be glad to go through the other title. The next reductions are in the Federal Security Administration with respect to appropriations made in title II. In the case of title I the reductions would be made by reducing the salary and expense items which I read to the Senate by an estimate of 5 percent, which might be spread anywhere within that group of items, all of which represent salary and expense or administrative items. It goes to no substantive grant.

Mr. President, I merely want to say before closing that there have been made a number of motions of this character, going to different bills coming from the Appropriations Committee. I have been a member of that committee for about 3½ years. I should like to be able to say to the Senate that we who work in that committee—and we do work—know that every dollar which we recommend for appropriation is being wisely spent. I cannot make that statement. I know that no member of the committee can. The chore that we have is beyond the capacity of any group the size of the Appropriations Committee, with the help the committee has, or with the help that can be granted the committee short of

the setting up of another bureau of the budget, to accomplish in a way satisfactory either to ourselves or sufficient to give to the people of the country knowledge that they are getting a dollar's worth for every dollar of the money they spend.

Those who come before us—and particularly is this true on the side of the Senate—come as special pleaders. They come seeking money. I do not mean to imply by that that they are dishonest in their representations; I do not mean to imply that they seek money which they do not believe can be wisely spent; but I do say that they come as special pleaders seeking funds to advance the thing they are charged with doing. They do not come with any over-all knowledge of the other calls which will be made upon the Treasury. They do not come with the knowledge that there is a limit to what Congress can find in the way of money to appropriate.

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

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Georgia?

Mr. CORDON. I am glad to yield.

Mr. RUSSELL. I should like to ask if it is not also the usual thing for most of them to come with a statement that they are very highly in favor of the utmost economy in government, but that this one item is so important that the committee should approve it, regardless of what the item may be?

Mr. CORDON. I suppose one or two have come without making that statement, but I cannot now identify them.

Mr. President, the net result is that the committee cannot do the kind of job it wants to do. I know that many members of the Appropriations Committee feel that there are many places where there could be reductions in the amounts of expenditures, but we cannot find them. We have tried to find them, we have done all we can to try to find them. I undertake to say that whatever happens to the motion, or to the bill, or to the appropriations made this year, in the last analysis there will never be a reduction in the expenditures of the Federal Government or any other public spending of money, except to the extent that there is a will in the spending divisions to make the reduction. That I know to be true.

Mr. President, I am going to vote for the motion. I am a member of the Appropriations Committee which reported the bill and recommended it to the Senate. That would seem to me a paradoxical and inconsistent position for me to take. I have tried to explain why I believe that something more can be done than we have been able to do. It does not mean that I am at all satisfied that we shall come back with the result I wish we could come back with, if the motion be adopted; I am not at all certain. But I should like to have the test made, I should like to determine what can be done by the use of this particular approach.

Let me say that in good faith I have endeavored to go over the possibilities of what could be done by the Appropriations Committee, if the bill were recommended, to effectuate the results indicated

in the motion to recommit. It seems to me, Mr. President, that if the bill is re-committed we could ask the affected departments, under the directions which bind us, to bring the recommendations of each department to the committee, indicating how the appropriations might be reduced, still save all of the essential services, effect the greatest economy possible, and do the least amount of damage.

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

Mr. CORDON. I shall be glad to yield for a question.

Mr. CHAVEZ. This appropriation bill is the one bill which directly affects human beings. It affects the Children's Bureau, public welfare, public health—everything that touches humanity—

Mr. CORDON. Will the Senator come to his question, please?

Mr. CHAVEZ. I shall ask the question. Why pick public health or the Children's Bureau in order to make an example of how economical we can be? Why pick on cancer research, research in dentistry, research in connection with heart ailments? Why pick on anything which affects the welfare of the people?

Mr. CORDON. Mr. President, I have not particularly picked this bill. It is a bill in which it would seem that Members of the Senate felt some reductions might be made. I suspect, without knowing, that additions made to the bill as reported to the Senate involve considerably greater amounts than were contained in the bill as it passed the House. Those facts may have had something to do with the action of the Senate in returning the bill to the Appropriations Committee. I can understand that might well be true. We know that additional amounts were added on the floor of the Senate. Whether the amounts so added were proper, whether they can be profitably and efficiently expended, may be questions which the Senate would like to have inquired into more carefully than can be done on the floor of the Senate. It may be that Members of this body have felt that if those additional amounts affect certain items, there may be other adjustments of an offsetting nature which could be made. I am simply suggesting reasons why the Senate may have been moved to take the action which it took.

Mr. President, I return to the point I was making when the Senator from New Mexico rose to propound his question. I had suggested that we might request the several spending agencies to report their recommendations to the committee. I think it would also be very proper for the committee to request the Bureau of the Budget to consider the recommendations and report to the Congress its recommendation as to how reductions might best be applied. So far as I am concerned, Mr. President, if the bill is recommitted to the committee I hope the whole committee will meet in advance of the meeting of the subcommittee and at least suggest to the subcommittee that in view of the fact that considerable sums were added on the floor of the Senate, the Members of the Senate should be asked by letter to advise the Appropriations Committee whether

they desire inquiry made as to the amount added to the bill on the floor of the Senate. I think, if the Appropriations Committee is directed to reexplore the matter, it should at least have from Senators, over their signatures, statements that they are willing to have their action on the floor of the Senate reexamined and the facts which might be ascertained from such a reexamination presented. Under such a procedure it may well be that a better considered bill than the one we have before us might be presented to this body.

In closing, Mr. President, I simply suggest that once the bill is reported, it is in the same position as was this bill when it reached the floor the first time. It is subject to the same scrutiny by Members of the Senate. It is subject to any corrections which this body may desire to make. The Senate in nowise surrenders its control over final action on the bill.

Mr. President, I shall vote for the pending motion.

Mr. McCLELLAN. Mr. President, I do not want to delay the Senate, but I wish to make certain that my interpretation of the pending motion is correct. If I may have the attention of the able Senator from Michigan, according to my interpretation of the motion which the Senator has submitted, if this bill is returned to the committee for reconsideration, there will have to be retained in the bill when it is reported to the Senate the additional amounts added to the bill by amendment on the floor of the Senate when the bill was considered. Is that correct?

Mr. FERGUSON. Subject to an overall reduction of 5 percent, or not to exceed 20 percent on any item. That is correct.

Mr. McCLELLAN. Subject to a cut of 5 percent, or not to exceed 20 percent?

Mr. FERGUSON. The committee may not cut any specific item more than 20 percent in reducing the total by 5 percent.

Mr. McCLELLAN. Then, in other words, the committee is not free, when the bill is recommitted, to work it over and to report a new bill if the committee should prefer to do so?

Mr. FERGUSON. No. I would say that it is recommitted with specific instructions.

Mr. McCLELLAN. In other words, it is recommitted, and the committee must be bound by what the Senate has already done; is that correct?

Mr. FERGUSON. That is correct.

Mr. McCLELLAN. I thank the Senator from Michigan.

Mr. President, I voted to recommit the bill a few days ago because I felt if we were to consider bills and increase the amounts considerably by amendments on the floor, we would have to resort to some remedy, to try to find a way to economize, if we are to hold expenditures within the budget. That is the way I felt about it. But I do not believe that is the best way to achieve the desired result, because if we make a practice, every time a bill is before us and it is recommitted, of reducing the amounts 5 percent, there will be testi-

mony on the part of representatives of governmental agencies to indicate why they need a larger appropriation, and there will be a tendency on the part of some members of the committee, under certain circumstances, to report a bill with anticipation that there will be a 5-percent reduction. That is not the sound, safe, or practical way to get reductions. I shall vote against the pending motion.

Mr. President, I understand—I am not fully advised about it—that an effort is now being made by able members of the Appropriations Committee to find some kind of formula to bring in at the conclusion of consideration of appropriation bills by which we can make adjustments and try to bring down the total amount of appropriations this year, within the budget, or within the anticipated revenues for the next fiscal year. I sincerely hope that some kind of a formula can be found and that such a proposal will be presented, so that I may have an opportunity to vote for it in connection with all appropriation bills.

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

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

Mr. KNOWLAND. I should like to ask the able Senator from Arkansas if there is not the difficulty, in connection with such a formula as he suggests, that we shall have to take one of two courses: Either it amounts to legislation on an appropriation bill, and thereby might be subject to a point of order, or, if it is treated as a separate piece of legislation which goes to the President of the United States separately, he is then in a position to veto it on the theory that he has already passed on the budget and has given the budget figures as his best judgment; that his judgment is that there should be \$4,000,000,000 in new taxes; and therefore he can nullify the intent of the Congress?

Mr. McCLELLAN. Mr. President, let me answer the Senator by saying that irrespective of which approach is taken, if two-thirds of the Members of Congress desire actually to reduce expenses, it can be done.

Mr. AIKEN. Mr. President, there is no question that Congress should scrutinize very carefully every request which is made for an appropriation. I agree with the senior Senator from Oregon when he says we must take the broad, over-all viewpoint of the entire appropriation situation. But each of us is entitled to his own idea as to where cuts should be made in appropriations for running the Government.

Personally, I am prejudiced in favor of doing everything possible to improve the health of the people, to improve the opportunities for our children, particularly homeless children who come under the care of the Children's Bureau and the various State children's departments. I would much rather see a 20-percent cut made in the appropriation for rivers and harbors or a higher percentage of cuts made in other appropriation bills which may come before the Senate, than in the bill which is before us at this time. All over the United



States, in every State, in every city, and in every small community, there are people who are afflicted with deadly, creeping, pernicious diseases, who are hoping and praying that help may come and discoveries be made to save them before it is too late. I do not believe we should make a cut from any appropriation which would save one single life in the United States.

Mr. President, I suspect some of the money appropriated for health services is wasted. If it is not, it is the only appropriation we make from which some funds are not wasted. But would it not be better to make the cuts in appropriations for rivers and harbors and flood control, in the appropriations for the Army, which wastes more every 6 months than this entire bill from which cuts would be made amounts to, or in appropriations for some of our foreign commitments? I believe that is the case, Mr. President, and for one I cannot vote to take from anybody the chance which he may have to live a little longer by reason of an adequate appropriation.

Mr. FERGUSON. Mr. President, when the able Senator from Vermont asked me some questions I did not have before me the information I now have. I wish to call to his attention some of the items, and how they would be affected.

For instance, on page 2 of the bill appears the amount appropriated for the office of the Secretary of Labor. I realize that because this bill concerns the Department of Labor and the Federal Security Agency there is involved a question about the health of the people. But I call the attention of the able Senator to the fact that in cutting this appropriation 5 percent, or an amount equal to 5 percent of the over-all, it should not affect those services. As I understand the able Senator from Vermont, he is interested in protecting the lives of the people of America. That would necessarily go to the question of research. But there are many items affecting those who work beyond the man who is engaged in actual research which can be cut 5 percent, without cutting the actual research appropriation any amount. In fact, a greater amount could be used for actual research.

Last Friday evening I was talking with Mr. Charles F. Kettering, one of the most able scientists and research men in America, about research in the Government. He called my attention to how some of his research work and that of other scientists had been done. We spoke then about whether or not we needed marble buildings in which to conduct research. It has been well known that much of the research in America has never been conducted in marble buildings. It has been done even in lofts, and places of that sort. The important thing is not the setting but the will of the man who is doing the research. I, for one, want the Government to aid in every way it can, and I would not take one dollar from the man who is engaged in research activities.

I turn to the item affecting the office of the Secretary of Labor. The Senate bill appropriates \$1,154,000 to operate the office of the Secretary. The House

of Representatives provided only \$1,074,000. The Senate added \$30,000.

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

Mr. FERGUSON. I yield.

Mr. AIKEN. What was the reason for making the increase in the appropriation?

Mr. FERGUSON. It was because, according to the Secretary, more help was needed in his office.

Mr. AIKEN. If the appropriation for the Secretary's office is too much, would it not be more to the point to offer an amendment on the floor of the Senate reducing the appropriation \$100,000, if the bill calls for \$100,000 more than is needed?

Mr. FERGUSON. That is one way to get at it. But that item has already been passed on as a committee amendment, and therefore it is not subject to review by the Senate, unless we recommend the bill to the Committee on Appropriations.

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

Mr. FERGUSON. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Let us get the record straight so far as the \$80,000 is concerned.

Mr. FERGUSON. Yes.

Mr. CHAVEZ. Is the Senator reading from page 3 of the report?

Mr. FERGUSON. No, from the bill itself. I shall be glad to have the Senator read from the report.

Mr. CHAVEZ. Is the Senator speaking of the \$80,000 item for the Department of Labor?

Mr. FERGUSON. Yes.

Mr. CHAVEZ. That has nothing whatsoever to do with health, except in a general way. That appropriation is composed of the following items: \$27,795 for the International Labor Organization program, a program authorized by the Congress; \$6,901 for the Trade Union Advisory Committee program, authorized by the Congress of the United States; \$11,238 for the United Nations and other international organizations; \$22,978 for the foreign-service program, authorized by the Congress, and to which we are committed, \$11,088 for the trade-agreements program, authorized by the Congress.

There are five different items which make a total of \$80,000, representing the increase in the Department of Labor appropriation.

Let me say to the Senate that the total increase by the Senate Committee on Appropriations, which was agreed to by the Senate, was only \$216,200. That was the total increase over the House figures, and that was due to the fact that a new convention had been made by the governments which belong to the International Labor Organization. That is all that item amounts to. It has nothing to do with health, except as trade agreements would have to do with health.

Mr. FERGUSON. Mr. President, that does not change what the Senator from Michigan has said as to the Department of Labor. The appropriation is for more employees in the Department. For instance, under the trade-agreement pro-

gram, the Department wanted \$11,088 increase, and the Senate increased the appropriation that much. I call the Senator's attention to the fact that if we reduce the program now 5 percent, we will take from that program only \$57,700. It could be tested in this way: Instead of trying to accomplish what we seek to accomplish on the floor of the Senate, let us call before the committee the Secretary of Labor and ask him whether he can reduce the item of \$1,154,000 by \$57,700.

Mr. President, it is not unusual for the Appropriations Committee, for instance, to send to the Army engineers three sets of figures, and ask them:

If you had the amount of money represented by the first figure how would you apply it to projects already begun, and to projects not begun?

Take the second figure. How would you apply that amount to the projects already begun, whether they are on the way to completion, or are simply new projects, after reconsidering the whole program?

Take the amount represented by the third figure. How would you apply it to the various projects you have in mind, if it was all the money you were given?

Such a thing is not unusual.

Mr. President, by what I am saying I do not wish to cast any reflection on the subcommittee, of which I happen to be the ranking minority member. The committee did the best it could under the circumstances, at the time it considered the bill. But I say to the Senate that since that time the conditions in America have changed. We find a realization that things are not now going so well as they were when the bill was being considered, and that we will face a deficit unless we take some action of the kind now proposed. As a member of the committee responsible for bringing the bill to the floor, in connection with this program, or any other program, I shall at all times endeavor to do my best to effect economies wherever possible. What I now say is meant in no wise to be a reflection on any member of the committee. What I am attempting to do is to save the taxpayers from a deficit or an increase in taxes.

Let us consider the next item. I do not intend to cover all the items, but the next item is the Solicitor's office, the office of the legal adviser, for which the sum of \$1,093,900 is provided. We appropriate for the office of the Secretary for all services \$1,154,000, and then appropriate for the lawyers in that Department \$1,093,900. I wish to ask anyone who has had experience in the law profession, who has practiced law, whether 5 percent, or \$54,695, could not safely be cut from the total of \$1,093,900 provided for the Office of the Solicitor?

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

Mr. FERGUSON. I yield.

Mr. AIKEN. Does not the Senator believe the office of the Solicitor is another good place where an amendment could be offered to cut the amount? Based on my knowledge of the office of the Solicitor in a department of the Government, I would say that a large part of the time

of the lawyers in the office of the Solicitor is spent in misinterpreting the acts of the Congress and devising ways and means of getting around what Congress itself has enacted. The Senator from Michigan has put his finger on one spot where money could be saved, not only in the Department of Labor, but in almost every other department of the Government. If the Senator will offer an amendment to cut the appropriation for the office of the Solicitor one-third I shall be glad to vote for it.

Mr. FERGUSON. Mr. President, under present conditions practically each department and each agency has its own solicitor's office. I think the Senator from Vermont has hit the nail squarely on the head. We have sat together in the Committee on Expenditures in the Executive Departments and we have discovered that what the Senator just said is true. The reason the departments and agencies want large offices of solicitors within their own departments or agencies, and will not go to the Attorney General, who is the law officer of the United States, and who has to interpret the law and advise the different agencies, is, as the Senator has said, that they want the law to be interpreted in the way in which they wish to carry it out. Thus we find different departments carrying out a provision of law, each in its own way, entirely different from the way it is carried out in other departments.

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

Mr. FERGUSON. I yield.

Mr. AIKEN. The Senator from Michigan is perfectly aware that the head of a Government department wants an act of Congress to be interpreted by someone who is employed by him, who is under fear of losing his job if he does not bring to the department head the kind of interpretation of the law the department head desires. The Senator from Michigan is perfectly correct when he states that they no longer go to the Attorney General, as was contemplated and provided by the founders of the Government, to secure interpretations of laws enacted by Congress, but insist upon having huge solicitor offices in nearly all major departments to interpret the acts of Congress in such way as they want them to be interpreted.

Mr. FERGUSON. Mr. President, that is one thing which is really apparent in all these appropriations. Let us consider what is done in connection with income-tax evasions. The office of the Solicitor in the Treasury Department prepares the entire case before it is brought to the Attorney General for criminal proceedings. Then the Attorney General reviews the case before he takes it to the district attorney in a State where he wishes to bring the prosecution before a grand jury. So the Attorney General says he needs additional legal help for the making of such reviews. Thus we have three sets of lawyers in the Government examining all the facts and examining all the law to decide whether the Government has a case on which it can secure an indictment.

No indictment can be secured by the Treasury Department. The Treasury

Department, which has lawyers trained in matters relating to the income-tax laws, lawyers who are familiar with all the sections of the income-tax laws, who know when a violation has been committed, and who are responsible for collecting all the facts, does not take the case to the district attorney in Detroit. The department does not take a case directly to the district attorney in Chicago. No, the department lawyers take the case to the office of the Attorney General in Washington. Then does the Attorney General begin the action? No, he takes the case to the district attorney in the city in which an indictment is to be sought, and the district attorney must then go over the entire case, and he will be responsible for presenting it not only to the grand jury but to the trial jury. There we have a duplication of work by three sets of lawyers. They do the work that could be done by one set of lawyers.

Mr. President, I hope the time will come when the Attorney General of the United States will be the legal adviser of each department, even though the department may be a large one. In that way we could probably dispense with more than half the lawyers who are now serving the Government. I believe that could be done if the legal services were performed through one office that is responsible to the President for the interpretation of law. That, Mr. President, would be much better than running around the bush and allowing the solicitor of each department to interpret the law according to the way the head of the department wants it carried out.

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

Mr. FERGUSON. Yes; I am glad to yield.

Mr. AIKEN. Will the Senator agree that if Congress can devise a way to prevent the departments of Government from misinterpreting and misapplying the acts of the Congress we would probably save considerably more than the 5 percent of total Government expenditures we are attempting to save in one way or another at this time?

Mr. FERGUSON. The percentage would be enormous.

Mr. AIKEN. That is correct.

Mr. FERGUSON. There is one way to accomplish that objective, namely, to have the law interpreted by one agency, which is the Department of Justice, the Office of the Attorney General of the United States, instead of having each department interpret the law as suits its own wishes.

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

Mr. FERGUSON. I yield.

Mr. LANGER. The Senator was a member of the Committee on the Judiciary 2 years ago during the Eightieth Congress. The Senator is familiar with the fact, is he not, that I submitted a bill to accomplish the very purpose which the distinguished Senator has now brought to the attention of the Senate, but we could not get the bill out of committee.

Mr. FERGUSON. That is true. The Senator will recall also that the Senator from North Dakota and the Senator

from Michigan have been attempting to see how appropriations were spent, so far as antitrust cases are concerned. No satisfaction has ever been had. Let us appropriate more money for antitrust cases. Let us also hold someone responsible for getting action in antitrust cases. The House of Representatives has allowed \$100,000 over and above the budget, and not asked for by the Attorney General, for antitrust cases.

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

Mr. FERGUSON. I yield.

Mr. AIKEN. Does the Senator know any good reason why most of the antitrust suits should be brought 2 or 3 months before an election and forgotten after the election?

Mr. FERGUSON. I must answer that question with absolute frankness. The reason is pure politics. A candidate can make votes by saying that he is going to prosecute someone, and by obtaining an indictment. After the election he can get a nolle prosequi, or a nolo contendere, the defendants can be fined a small amount, and the voters will think he is actually doing something.

Let me come back to the question of antitrust laws and the appropriation of \$100,000. An appropriation of \$100,000 would be insignificant if those cases were prosecuted. The report shows that prosecutions are desired in connection with housing, clothing, and food. If the American people could be assured that there was no monopoly in housing materials, food, and clothing, \$100,000 would be but a drop in the bucket. But if \$100,000 is appropriated for that purpose, I ask that a report be submitted to Congress showing that it has been spent in an endeavor to prosecute monopolies in those lines.

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

Mr. FERGUSON. I am glad to yield.

Mr. KNOWLAND. In view of the statement the Senator has made with regard to the office of the Solicitor, I ask the Senator if he is familiar with the fact that the record shows the appropriations for that office over a 10-year period? What is the appropriation for the office of Solicitor for the fiscal year 1950?

Mr. FERGUSON. For salaries and expenses, office of the Solicitor, \$1,093,900. That item is found on page 2, line 16.

Mr. KNOWLAND. I wonder if the Senator is familiar with the fact that for the fiscal year 1942 the appropriation was \$850,000; for 1943, \$841,000; for 1944, \$715,000; for 1945, \$834,000; for 1946, \$714,177. Then there was increased pay allowed by the Congress of \$110,900. For 1947 the figure was \$953,000; and for 1948, \$808,000.

Mr. FERGUSON. I appreciate very much the interest of the able Senator from California, and I am glad to have in the Record the figures which he has given. They show what is happening in connection with this bill so far as the Solicitor's Office is concerned.

Mr. President, I do not intend to review all the items. However, Senators asked certain questions, and I did not



then have the facts before me. I wanted to place some of them in the RECORD.

I do not wish to repeat what I have said on the original motion, or what I have said on the question of economy in various statements which I have made in connection with this program. I think the time has come when it is no longer a question of promises to economize. It is time to try to do the job. For every Senator it is a question of actually doing the job. This is the time and this is the place to do it.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] as a substitute for the motion originally made by the Senator from Ohio [Mr. TAFT] to recommit the bill to the Committee on Appropriations with instructions. On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Delaware [Mr. FEAR] are absent on official business.

The Senator from Georgia [Mr. GEORGE] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Washington [Mr. MAGNUSON] is absent on public business.

The Senator from Georgia [Mr. GEORGE] is paired on this vote with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Georgia would vote "yea" and the Senator from Washington would vote "nay."

The Senator from New York [Mr. WAGNER] is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New York would vote "nay" and the Senator from New Hampshire would vote "yea."

The Senator from Tennessee [Mr. KEFAUVER] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Tennessee would vote "nay" and the Senator from Ohio would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official business. If present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is absent on official business, is paired with the Senator from New York [Mr. WAGNER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New York would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate. If present and voting, he would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, he would vote "yea."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Tennessee would vote "nay."

The result was announced—yeas 41, nays 44, as follows:

## YEAS—41

Baldwin	Hickenlooper	Reed
Bricker	Holland	Robertson
Butler	Ives	Saltonstall
Byrd	Jenner	Schoepfel
Cain	Johnson, Colo.	Smith, Maine
Capehart	Kem	Thye
Cordon	Knowland	Tobey
Donnell	Lodge	Vandenberg
Douglas	McCarthy	Watkins
Ecton	McCahan	Wherry
Ferguson	Malone	Wiley
Gillette	Martin	Williams
Gurney	Millikin	Young
Hendrickson	Mundt	

## NAYS—44

Aiken	Johnson, Tex.	Murray
Anderson	Johnston, S. C.	Myers
Chapman	Kerr	Neely
Chavez	Kilgore	O'Connor
Connally	Langer	O'Mahoney
Downey	Long	Pepper
Ellender	Lucas	Russell
Fulbright	McCarran	Sparkman
Graham	McClellan	Stennis
Green	McFarland	Taylor
Hayden	McGrath	Thomas, Okla.
Hill	McKellar	Thomas, Utah
Hoey	Maybank	Tydings
Humphrey	Miller	Withers
Hunt	Morse	

## NOT VOTING—11

Brewster	Frear	Smith, N. J.
Bridges	George	Taft
Eastland	Kefauver	Wagner
Flanders	Magnuson	

So Mr. FERGUSON'S substitute for Mr. TAFT'S motion to recommit with instructions was rejected.

The VICE PRESIDENT. The question recurs on the original motion of the Senator from Ohio to recommit the bill with instructions. [Putting the question.]

The "noes" appear to have it.

Mr. WHERRY. I ask for a division.

The Senate proceeded to divide.

Mr. TAYLOR. I ask for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll.

Mr. AIKEN. Will the Chair please state the pending question?

The VICE PRESIDENT. The yeas and nays have been ordered, the Secretary has proceeded to call the roll, and one Senator has answered to his name, when called.

Mr. AIKEN. Notwithstanding the fact that that has occurred, Mr. President, I ask that the Chair state the question.

The VICE PRESIDENT. The question is on agreeing to the original motion of the Senator from Ohio [Mr. TAFT] to recommit the bill with certain instructions.

The Secretary will continue with the call of the roll.

The legislative clerk resumed and concluded the calling of the roll.

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Tennessee [Mr. KEFAUVER] are absent on official business.

The Senator from Georgia [Mr. GEORGE] and the Senator from New York [Mr. WAGNER] are necessarily absent. If present and voting the Senator from New York would vote "nay."

The Senator from Washington [Mr. MAGNUSON] is absent on public business.

The Senator from Texas [Mr. CONNALLY] is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Texas would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from Tennessee [Mr. KEFAUVER] is paired on this vote with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from Washington [Mr. MAGNUSON] is paired on this vote with the Senator from Georgia [Mr. GEORGE]. If present and voting, the Senator from Washington would vote "nay," and the Senator from Georgia would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official business. If present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES], who is absent on official business, is paired with the Senator from Texas [Mr. CONNALLY]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Texas would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is absent by leave of the Senate. If present and voting, he would vote "yea."

The Senator from New Jersey [Mr. SMITH] is absent because of illness. If present and voting, he would vote "yea."

The Senator from Ohio [Mr. TAFT], who is necessarily absent, is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator would vote "yea," and the Senator from Tennessee would vote "nay."

The result was announced—yeas 41, nays 43, as follows:

## YEAS—41

Baldwin	Holland	Reed
Bricker	Ives	Robertson
Butler	Jenner	Saltonstall
Cain	Johnson, Colo.	Schoepfel
Capehart	Kem	Smith, Maine
Cordon	Knowland	Thye
Donnell	Lodge	Tobey
Douglas	McCarthy	Vandenberg
Ecton	McClellan	Watkins
Ferguson	McCahan	Wherry
Gillette	Malone	Wiley
Gurney	Martin	Williams
Hendrickson	Millikin	Young
Hickenlooper	Mundt	

## NAYS—43

Aiken	Johnson, Tex.	Myers
Anderson	Johnston, S. C.	Neely
Chapman	Kerr	O'Connor
Chavez	Kilgore	O'Mahoney
Downey	Langer	Pepper
Ellender	Long	Russell
Frear	Lucas	Sparkman
Fulbright	McCarran	Stennis
Graham	McFarland	Taylor
Green	McGrath	Thomas, Okla.
Hayden	McKellar	Thomas, Utah
Hill	Maybank	Tydings
Hoey	Miller	Withers
Humphrey	Morse	
Hunt	Murray	

## NOT VOTING—12

Brewster	Eastland	Magnuson
Bridges	Flanders	Smith, N. J.
Byrd	George	Taft
Connally	Kefauver	Wagner

So Mr. TAFT'S original motion to recommit with instructions was rejected.

The VICE PRESIDENT. The parliamentary status is that the various motions have brought the bill back before the Senate as it was before the original motion was made to recommit; which restores all the amendments, including committee amendments and those adopted from the floor.

The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill, H. R. 3333, was read the third time and passed.

Mr. CHAVEZ. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CHAVEZ, Mr. McCARRAN, Mr. RUSSELL, Mr. FERGUSON, and Mr. GURNEY conferees on the part of the Senate.

#### EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

#### AGRICULTURAL APPROPRIATIONS, 1950

Mr. RUSSELL. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar 351, House bill 3997.

The VICE PRESIDENT. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia?

Mr. WHERRY. Reserving the right to object, may I ask, for the benefit of Members of the Senate, what the opinion of the majority leader is relative to the length of time the consideration of this bill might take, and whether it is contemplated to try to finish it tonight?

Mr. LUCAS. If I may, I yield to the Senator from Georgia for an answer to the question.

Mr. RUSSELL. I know of no particular controversy over the several Senate amendments. I should like to obtain unanimous consent to dispense with the formal reading of the bill, to have the bill read for amendment, the Senate committee amendments to be first considered, and to proceed with the Senate amendments. If too much time is not taken, we might complete those tonight and let the remainder of the bill go over until tomorrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia that the unfinished business be temporarily laid aside and that

the Senate proceed to the consideration of the bill H. R. 3997?

There being no objection, the Senate proceeded to consider the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. RUSSELL. I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

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

#### ANNOUNCEMENT AS TO LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, will the Senator yield for an announcement?

Mr. RUSSELL. I yield.

Mr. LUCAS. I should like to say to the Senate that following the disposition of the bill now pending before the Senate, we shall probably take up Calendar No. 350 (H. R. 3734), the civil functions appropriation bill, in the event the senior Senator from Georgia [Mr. GEORGE] is not well enough to take up the reciprocal trade-agreements bill. There is also a possibility that, following that, we may take up Calendar No. 356, Senate bill 1843, the unification bill, which has been reported by the Committee on Armed Services. I merely make that announcement in order that the Senate may know about what to expect.

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

Mr. LUCAS. I yield.

Mr. WHERRY. I should like to ask the majority leader, relative to the future procedure: Has the distinguished majority leader given any consideration to taking up Calendar No. 284, Senate bill 1008, the so-called basing-point or moratorium bill, which is on the calendar?

Mr. LUCAS. The Senator from Nebraska propounded that inquiry to the Senator from Illinois this morning over the telephone. I may say, in response, that I have not. We are to have a meeting of the policy committee tomorrow morning, and I assure the Senator that we shall discuss it at that time.

#### NATIONAL HEALTH INSURANCE

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

Mr. RUSSELL. I yield.

The VICE PRESIDENT. The Chair would like to admonish the Senator from Georgia that he cannot yield for insertions in the Record.

Mr. RUSSELL. Mr. President, I am not seeking to control the floor. I do not approve of the practice of Senators undertaking to hold the floor while a bill is being read for amendment. I shall take my seat.

The VICE PRESIDENT. The Chair had recognized the Senator from Georgia.

Mr. WHERRY. Mr. President, is it in order to offer insertions in the Record in my own time?

The VICE PRESIDENT. In the Senator's own time; yes.

Mr. WHERRY. Mr. President, I ask unanimous consent to insert in the

RECORD at this point, as part of my remarks, a copy of an open letter addressed to President Truman by Mr. John F. Lawlor, president of the Lincoln, Nebr., Chamber of Commerce, transmitting the stated opposition of the board of directors of that organization on the subject of the pending compulsory national health insurance bill.

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

THE LINCOLN CHAMBER OF COMMERCE,  
April 29, 1949.

HON. HARRY S. TRUMAN,  
President of the United States,  
White House, Washington, D. C.

DEAR MR. PRESIDENT: The board of directors of the Lincoln Chamber of Commerce, an organization composed of more than 3,300 business and professional men and women, is opposed to the national compulsory health insurance bill now before the Congress.

We believe that instead of achieving its stated objective of improving our general standards of health service, such legislation inevitably would lower the caliber of medical facilities and services available to each individual citizen.

Great strides are being made, through voluntary health insurance paid for by individuals and through numerous fine health services paid for in part or in full by employers, toward raising the whole level of physical well-being in this country. This is proceeding in an orderly manner, and both individuals and employers are adjusting themselves to the cost as rapidly as possible.

It is well known that no indigent or even low-income person needs to be without competent and adequate medical care, generally speaking. Millions of dollars' worth of such service is given freely each year by doctors and hospitals, while much other such care is provided through privately financed welfare organizations or governmental agencies.

Other millions of dollars are contributed annually by our firms and citizens, voluntarily, for health research in the fields of cancer, heart disease, infantile paralysis, etc. Now, it is proposed that many millions of tax dollars also be appropriated directly for similar purposes.

However, even these huge sums become trifles compared to the billions of dollars which would be required to finance the proposed compulsory health insurance plan. The national economy is in no position to stand such a shock at this time.

Even more important than the fantastic cost involved is the unsatisfactory experience with such measures where attempted in other countries.

We respectfully urge that you withdraw your support of this proposal so that the Congress can devote itself to measures more vital to the national welfare.

Very truly yours,

JOHN F. LAWLOR,  
President.

#### AGRICULTURAL APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3997) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes.

The VICE PRESIDENT. The Secretary will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Agriculture—Office of the Secretary—Salaries and expenses," on page 2, line 19, after the word "expenses", to strike out "except that not more than the amount



shown in the budget schedule for 1948 may be so transferred from the appropriation for flood control"; and in line 23, after the words "total of", to strike out "\$95,764" and insert "\$109,280."

The amendment was agreed to.

The next amendment was, under the heading "Research and Marketing Act of 1946," on page 5, line 3, after the numerals "1946)", to strike out "\$6,000,000" and insert "\$6,020,000."

The amendment was agreed to.

The next amendment was, on page 5, line 4, after the words "in all", to strike out "\$19,000,000" and insert "\$19,020,000."

The amendment was agreed to.

The next amendment was, under the heading "Library, Department of Agriculture," on page 10, line 9, after the word "members", to strike out "\$700,000" and insert "\$722,400"; and in the same line, after the word "exceed", to strike out "\$515,775" and insert "\$520,840."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Agricultural Economics," on page 10, line 14, after the word "exceed", to strike out "\$2,370,000" and insert "\$2,419,000."

The amendment was agreed to.

The next amendment was, on page 11, line 6, after the word "trends", to strike out "\$1,850,000" and insert "\$2,180,000."

The amendment was agreed to.

The next amendment was, under the heading "Agricultural Research Administration—Special research fund, Department of Agriculture," on page 15, line 21, after the word "Columbia", to strike out "\$1,230,000" and insert "\$1,242,000."

The amendment was agreed to.

The next amendment was, under the subhead "Research on strategic and critical agricultural materials," on page 16, line 11, after the word "Columbia", to insert "purchase of not to exceed 60 acres of land in Texas for nursery and other production tests on guayule and construction on such land of buildings costing not in excess of \$10,000 each"; and in line 14, after the amendment just above stated, to strike out "\$349,000" and insert "\$522,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Animal Industry—Salaries and expenses," on page 19, line 18, after the word "hatcheries", to strike out "\$1,252,000" and insert "\$1,302,000."

The amendment was agreed to.

The next amendment was, on page 21, line 21, after the word "products", to strike out "\$11,995,000" and insert "\$12,577,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Plant Industry, Soils, and Agricultural Engineering—Salaries and expenses," on page 25, line 12, after the word "crops", to strike out "\$2,498,000" and insert "\$2,805,000, of which not to exceed \$85,000 shall be available for the construction of an office and laboratory building at the Southern Great Plains Field Station, Woodward, Okla."

Mr. SALTONSTALL. Mr. President, may I ask the Senator from Georgia with

relation to the eradication of foot-and-mouth disease, whether this appropriation applies to the establishment of any laboratory in New England?

Mr. RUSSELL. It does not carry one dime for the erection of any laboratory dealing with the foot-and-mouth disease. Appropriation is being sought for that purpose in the second deficiency bill.

Mr. SALTONSTALL. Is there an appropriation for that purpose in the second deficiency bill?

Mr. RUSSELL. I do not think it is in the bill yet, but funds may be asked for it in the second deficiency bill.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 25, line 12.

The amendment was agreed to.

The next amendment was, on page 25, line 19, after the word "plants", to strike out "\$2,347,000" and insert "\$2,581,000."

The amendment was agreed to.

The next amendment was, on page 25, line 22, after the word "control", to strike out "\$383,430" and insert "\$420,000."

The amendment was agreed to.

The next amendment was, on page 26, line 9, after the word "management", to strike out "\$1,900,000" and insert "\$2,050,000, including not to exceed \$16,000 for remodeling two structures at the United States Northern Great Plains Field Station, Mandan, N. Dak., to provide laboratory facilities for investigations on lands to be irrigated under the Missouri Basin development program."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Entomology and Plant Quarantine—Salaries and expenses," on page 28, line 3, after the word "exceed", to strike out "\$797,600" and insert "\$805,800."

The amendment was agreed to.

The next amendment was, on page 28, line 21, after the word "application", to strike out "\$2,993,000" and insert "\$3,921,600: *Provided*, That \$800,000 of this amount shall be available for oriental fruitfly, of which not to exceed \$500,000 may be used for contracts with public or private agencies for research without regard to provisions of existing law, and the amounts obligated for contract research shall remain available until expended."

The amendment was agreed to.

Mr. WHERRY. Mr. President, may I ask the distinguished Senator from Georgia the reason for the increase on page 26, line 10?

Mr. RUSSELL. That is merely a restoration of the budget estimate having to do with dry-land agriculture. It was represented to the committee that, because of difficulties which have been encountered in irrigated lands by reason of the land souring, and because of the waste of water, the budget estimate should be restored, and we merely restored it.

Mr. WHERRY. Is the amount recommended by the committee the budget estimate?

Mr. RUSSELL. It is.

Mr. WHERRY. Was there any new evidence submitted to warrant the increase over the House figure?

Mr. RUSSELL. It is an increase over the House figure of approximately \$150,000, but it is the budget estimate.

Mr. WHERRY. Was there any new evidence offered to the committee regarding the matter?

Mr. RUSSELL. A number of witnesses appeared before the subcommittee and testified as to the great need for the classification of soils and the preservation of irrigation water. Some witnesses testified that as much as 50 percent of the water in reservoirs was wasted before it reached the land.

Mr. WHERRY. Does the Senator know whether in the survey made for flood control—

Mr. RUSSELL. I will say to the Senator that this is not a flood-control question.

Mr. WHERRY. I so understand; but I was about to ask the distinguished Senator whether this is strictly applied to the contents of the soil?

Mr. RUSSELL. It is pure research.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment was, on page 30, at the beginning of line 2, to strike out "\$3,364,000" and insert "\$3,564,000."

The amendment was agreed to.

The next amendment was, on page 31, line 8, after "(7 U. S. C. 147a)" to strike out "\$2,296,000" and insert "\$2,325,000."

The amendment was agreed to.

The next amendment was, under the subhead "Control of emergency outbreaks of insects and plant diseases," on page 31, line 11, after the word "necessary," to strike out "to enable the Secretary, through such agencies as he may determine"; and in line 14, after "(7 U. S. C. 148-148e)", to strike out "and of section 1 of the Forest Pest Control Act (16 U. S. C. 594-1)."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Agricultural and Industrial Chemistry—Salaries and expenses," on page 32, line 1, after the word "exceed," to strike out "\$242,622" and insert "\$251,870."

The amendment was agreed to.

The next amendment was, on page 32, line 21, after the word "stores," to strike out "\$637,550" and insert "\$653,500."

The amendment was agreed to.

The next amendment was, on page 33, line 2, after the word "commodities", to strike out "\$5,016,000" and insert "\$5,196,000: *Provided*, That \$180,000 of this amount shall be available for research on fats and oils, of which not to exceed \$45,000 may be used for contracts with public or private agencies for research without regard to provisions of existing law, and the amounts obligated for contract research shall remain available until expended."

The amendment was agreed to.

The next amendment was, under the heading "Control of forest pests," on page 34, line 10, after "(7 U. S. C. 147a)", to strike out "\$550,000" and insert "\$601,000."

The amendment was agreed to.

The next amendment was, on page 34, line 11, after "Forest Pest Control Act", to strike out the comma and "surveys: For surveys authorized by the Forest Pest Control Act" and insert a colon and "For

carrying out the provisions of the act approved June 25, 1947"; and in line 14, after "(16 U. S. C. Supp. I, 594-1-594-5)", to strike out "\$272,300" and insert "\$1,000,000."

The amendment was agreed to.

The next amendment was, on page 34, at the beginning of line 17, to strike out "\$3,595,000" and insert "\$3,695,000"; in the same line, after the word "amount", to strike out "\$557,850" and insert "\$572,850"; in line 23, after the word "States", to strike out "\$1,894,550" and insert "\$1,945,550"; and in line 25, after the word "and", to strike out "\$1,142,600" and insert "\$1,176,600."

The amendment was agreed to.

The next amendment was, under the heading "Forest Service—Salaries and expenses," on page 38, line 10, after the word "forests", to strike out "\$24,971,000" and insert "\$26,752,000"; and in line 11, after the word "site", to insert "and not to exceed \$36,000 shall be available for the construction of one building at Horseshoe Organization Camp, W. Va."

The amendment was agreed to.

The next amendment was, on page 39, line 7, after the word "watershed", to strike out "shelterbelts"; and in line 12, after the word "elsewhere", to strike out "\$2,808,500" and insert "\$2,818,500."

The amendment was agreed to.

The next amendment was, under the subhead "Forest development, roads and trails," on page 40, line 1, after the word "administration", to strike out "\$9,748,000" and insert "\$10,748,000"; and in line 4, after the word "exceed", to strike out "\$111,188" and insert "\$121,188."

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition of lands for national forests," on page 42, after line 6, to insert:

Superior National Forest: For the acquisition of forest land within the Superior National Forest, Minn., under the provisions of the act approved June 22, 1948 (Public Law 733), \$100,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Flood control," on page 43, line 12, after the word "improvements", to strike out "\$8,975,000" and insert "\$10,000,000."

Mr. WHERRY. Mr. President, may I inquire of the distinguished Senator from Georgia if the report of the Secretary of Agriculture has been submitted?

The VICE PRESIDENT. Does the Chair understand the Senator from Nebraska to be objecting to the amendment last stated?

Mr. WHERRY. Yes, I reserve the right to object. I wish to ask the distinguished Senator from Georgia a question because this has to do with the appropriation for flood control. I am for the flood control appropriation, but the Senator well remembers that in the appropriation bill for last year a million dollars was appropriated for additional surveys, and \$500,000 was earmarked for a complete investigation of the flood control needs of the Missouri River Basin States. The distinguished Senator from Georgia was very much interested in the legislation, along with the junior Senator

from Nebraska. Senator Brooks, of Illinois, was the chairman of the subcommittee, and recommended the appropriation to the full committee, and the full committee recommended it, and the Senate adopted the recommendation.

Mr. RUSSELL. We had no difficulty with that. We did have a little difficulty in the conference.

Mr. WHERRY. That is correct. I deeply appreciated what the conferees did in keeping the provision in the bill. It became the law, and the survey was made commencing last July.

The Senator knows that I appeared before the subcommittee having charge of agricultural appropriations, and asked whether the survey report had been made. At that time I informed the members of the Appropriations Subcommittee, and finally all members of the Committee on Appropriations, that I felt that it was necessary that the report of the survey be made available in order to enable Members of Congress intelligently to appropriate for a flood-control program. The distinguished Senator well knows that in his splendid cooperation he called the Secretary of Agriculture to ask if the report might not be made available. Will the Senator from Georgia state now whether or not the report has been made available?

Mr. RUSSELL. So far as I am advised, the report has not been made available. But as I understand the committee report in the language that appears on page 12, the report will be furnished to Members of Congress from the States affected rather than to the committee, so the Senator from Nebraska would have more knowledge as to whether the report had been made available than would the Senator from Georgia.

Mr. WHERRY. I deeply appreciate the language written in the Senate report, and I thank the members of the committee for including in the report the reference on page 12. But let me point out to the Senator that more than a month ago I called this matter to the attention of the Members of the Senate. I submitted a resolution asking that the distinguished Secretary of Agriculture submit his report to Congress, even before the Committee on Appropriations considered the appropriation for flood control. I sent a copy of the resolution to the Secretary of Agriculture. I did that after the Secretary of Agriculture had apparently—I will not say ignored or refused to furnish the report, but at least he did not furnish a copy of the report I asked for.

I am not the only Senator who wrote and asked him for the report. When this matter was mentioned on the Senate floor nearly a month ago several Senators attempted to get from the Secretary of Agriculture the report of the survey which has been made. I have been informed reliably that the survey has been made. I have been reliably informed that the report has been made, at least in what I would call its yellow-print stages, and the data submitted to several governors. I knew that as early as last January. It seems to me that, in view of the fact that the survey has been made, and that it is of interest to every

Member of the Senate who is vitally concerned in the Missouri River Basin, the request having been made more than a month ago, the Secretary of Agriculture should furnish the report, in whatever form it may be, to the Members of the Senate when they are called upon to make appropriations for the fiscal year 1950.

I may say that I do not know how to get the report. I would not care to attempt to write legislation in an appropriation bill in an effort to get the report, because I know it would not carry. We have made similar efforts heretofore. But I appeal to the Members on both sides of the aisle who are interested. It certainly is not in keeping with the spirit of the law; it is not in keeping with the intention of the Committee on Appropriations, of which I am a member, and certainly it is not in keeping with the very definite promise the Secretary of Agriculture made me on April 8 that he would have the report in my hands the following Tuesday. The promise was made on Friday, and it was to be furnished within 3 or 4 days after that.

I ask the distinguished Senator if there is not some way he can suggest so that Members of the Senate can get the survey report.

Mr. RUSSELL. Mr. President, I am frank to say that, while I have the greatest sympathy with the Senator from Nebraska in the difficulties he has encountered in securing a copy of the report, I know of no language we can write into the bill which would compel the furnishing of the report to the Senator from Nebraska.

Mr. WHERRY. Would the Senator object to language in the appropriation bill providing that the bill would be held up until we received the report?

Mr. RUSSELL. I would not care to commit myself until I saw the language. I have always believed that Members of Congress are just as much interested in the particular funds they appropriate as is any official of the Government, and I think Members of the Congress are entitled to be kept fully informed as to the progress that is made on the expenditures of all public funds paid out of the Treasury of the United States. But I certainly would have to see the language before I could agree to accept it.

I should like to say that it is incomprehensible to me why these reports have not been furnished. In an effort to cooperate with the Senator from Nebraska, I telephoned the office of the Secretary of Agriculture. The Secretary happened to be out of the city on that day, but I spoke to a gentleman, whose name I do not recall at the moment, who was said to be in charge of the office in the Secretary's absence. He told me that the stencils were being cut at that time so the report could be mimeographed. He further said that there had been some difficulty in assembling the various parts of the report in order that it might be comprehensive. But he stated that active steps were being taken to supply the information to the Members of Congress. I am frankly surprised that the Senator from Nebraska has not received the report, all the more so in view of the fact



that the Secretary in his letter written to the committee several weeks ago, when the appropriation bill first came over from the House, took occasion to state that the Department is endeavoring to expedite the completion of survey reports on the watersheds where the Congress has authorized and directed that surveys be made.

I know of no reason why the Senator from Nebraska should not have been furnished the report, and, in my judgment, if the report has been completed the Senator from Nebraska is as much entitled to it as the Governor of Nebraska or anyone else. But I do not know of any steps the Senate could take to see that the report was furnished.

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

Mr. RUSSELL. I yield.

Mr. WHERRY. I trust the bill will not be passed until tomorrow. I do not want to be at all unreasonable or unfair, but—

Mr. RUSSELL. I have no objection to the amendment going over until tomorrow, if the Senator desires.

Mr. WHERRY. I should like to have the amendment passed over until tomorrow. I can conceive that the Department wants to have the several reports compiled into one report. But if the reports are ready I should like to have the opportunity to make at least another request of the Secretary for them, so I may see them before the bill is passed. So I ask that the Senator agree to pass the amendment over until tomorrow.

Mr. RUSSELL. I have no objection to the amendment being passed over until tomorrow.

The VICE PRESIDENT. Without objection, the amendment will be passed over.

The clerk will state the next committee amendment.

The next amendment was, under the heading "Soil Conservation Service," on page 45, line 21, after the word "installations", to strike out "\$994,000" and insert "\$1,751,000."

The amendment was agreed to.

The next amendment was, under the heading "Land utilization and retirement of submarginal land," on page 46, line 13, after the word "exceed", to strike out "\$29,100" and insert "\$32,150"; and in line 14, after the word "Columbia", to strike out "\$1,124,000" and insert "\$1,327,000."

The amendment was agreed to.

The next amendment was, under the heading "Production and Marketing Administration—Conservation and use of agricultural land resources," at the top of page 48, to insert the following additional proviso: "Provided further, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State or county information employees, but this shall not preclude the answering of inquiries or supplying of in-

formation to individual farmers"; in line 14, before the word "including", to strike out "\$262,500,000" and insert "\$300,000,000"; in line 21, after the word "than", to strike out "\$2,500" and insert "\$1,500"; and on page 49, line 10, after the word "head", to strike out the colon and the following proviso: "Provided further, That the county agricultural conservation committee in any county may allot not to exceed 10 per centum of its allocation for the agricultural conservation program to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program and the funds so allotted shall be utilized by the Soil Conservation Service for technical and other assistance in such county."

The amendment was agreed to.

The next amendment was, under the subhead "Section 32 funds—Exportation and domestic consumption of agricultural commodities," on page 51, line 8, after the word "exceed", to strike out "\$500,000" and insert "\$150,000."

The amendment was agreed to.

The next amendment was, under the subhead "National School Lunch Act," on page 51, line 16, before the word "Provided", to strike out "\$75,000,000" and insert "\$87,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Marketing services," on page 52, line 6, after the word "products", to strike out "\$1,864,000" and insert "\$1,900,000."

The amendment was agreed to.

The next amendment was, on page 52, line 23, after the word "supplies", to strike out "standardization" and insert "standardization."

The amendment was agreed to.

The next amendment was, under the heading "Farmers' Home Administration," on page 56, line 6, after the numerals "1000", to strike out "1023" and insert "1032."

The amendment was agreed to.

The next amendment was, on page 57, line 4, after the word "acts", to strike out "on any loans made hereunder."

The amendment was agreed to.

The next amendment was, on page 57, line 20, after the numerals "1946", to strike out "\$23,249,000" and insert "\$23,649,000."

The amendment was agreed to.

The next amendment was, under the heading "Title II," on page 63, after line 9, to strike out:

Regional Agricultural Credit Corporation of Washington, District of Columbia: Not to exceed \$90,000 (to be computed on an accrual basis) of the funds of the Corporation shall be available for administrative expenses, including services performed for the Corporation by other Government agencies (except services and facilities furnished and examinations made by the Farm Credit Administration central office); and said total sum shall be exclusive of interest expense, legal and special services performed on a contract or fee basis, and expenses in connection with the acquisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the Corporation or in which it has an interest: *Provided*, That for the current fiscal year, the revolving fund in the

Treasury of the United States created by section 84 of the act of June 16, 1933 (12 U. S. C. 1148a), for investment in any regional agricultural credit corporation shall be available only in the amount of \$25,000,000: *Provided further*, That notwithstanding any provisions of law to the contrary, in addition to the foregoing the Corporation is authorized to utilize, from the revolving fund created by section 84 of the Farm Credit Act of 1933 (12 U. S. C. 1148a), such sums as may be necessary (a) to make loans, during a period of 4 years, to bona fide fur farmers in accordance with the provisions of section 201 (e) of the Emergency Relief and Construction Act of 1932, as amended (12 U. S. C. 1148), all such loans to carry full personal liability of the borrowers and to be secured by such collateral as is deemed by the Corporation to be necessary to afford reasonable assurance of repayment, the aggregate principal amount of which loans shall not exceed \$4,000,000 outstanding at any one time.

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

Mr. RUSSELL. I yield.

Mr. WHERRY. Is there anything in the Commodity Credit Corporation legislation, contained in the amendment, that in any way cancels any of the so-called indebtedness which has been brought to the attention of the Members of the Senate by the distinguished Senator from Delaware [Mr. WILLIAMS]?

Mr. RUSSELL. No, there is nothing affecting the Commodity Credit Corporation, so far as I am aware, except the administrative expenses for the Commodity Credit Corporation.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 63, after line 9.

The amendment was agreed to.

The next amendment was, under the heading "Title III.—General provisions," on page 65, after line 3, to strike out:

SEC. 301. No funds appropriated or made available under this act shall be used to pay the compensation or expenses of any officer or employee of the Department or any bureau, office, agency, or service of the Department, or any corporation, institution, or association supervised thereby, who makes or approves, or directs or authorizes the approval of, any loan or advance by the Regional Agricultural Credit Corporation of Washington, D. C., unless such loan or advance (1) is for the purpose of protecting the security for or assisting in the collection of a loan or advance theretofore made by the Corporation, or (2) is for use in and confined to a specific area or region in which the Secretary of Agriculture shall have found that such loans for specified agricultural purposes and for limited time periods are necessary because of economic emergencies or production disasters. All loans and advances made pursuant to this section will carry the full personal liability of the borrower, shall be secured by crops or livestock and such additional collateral as is deemed necessary to afford reasonable assurance of repayment, and will be accompanied by a certificate of refusal of the loan or advance by a local bank or the production credit association serving the area: *Provided, however*, That the Secretary of Agriculture may authorize the Regional Agricultural Credit Corporation to reenter an area or region where an economic emergency or production disaster has occurred, in conformity with the provisions of section 201 (c) of the Emergency Relief and Construction Act of 1932, as amended (title 12, U. S. C. 1148).

The amendment was agreed to.

The next amendment was, on page 66, line 7, to change the section number from "302" to "301."

The amendment was agreed to.

The next amendment was, on page 66, line 23, to change the section number from "303" to "302."

The amendment was agreed to.

The next amendment was, on page 67, line 6, to change the section number from "304" to "303."

The amendment was agreed to.

The next amendment was, on page 67, line 9, to change the section number from "305" to "304."

The amendment was agreed to.

The next amendment was, on page 67, line 13, to change the section number from "306" to "305."

The amendment was agreed to.

The next amendment was, on page 69, line 8, to change the section number from "307" to "306."

The amendment was agreed to.

The next amendment was, on page 69, line 12, to change the section number from "308" to "307."

The amendment was agreed to.

The next amendment was, on page 69, line 14, to change the section number from "309" to "308."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. RUSSELL. Mr. President, there was an amendment approved by the committee, on page 56, in line 20, which because of an error in printing did not appear in the bill. As appears in the report of the committee on page 15, the committee recommends the deletion of the words "either without interest or." Those words appear in line 20 on page 56. But because of a printer's error that language does not appear in the bill as a committee amendment, to be stricken. I ask that that committee amendment be agreed to.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WHERRY. Mr. President, I understood the Senator to say that the words stricken are "or either"?

Mr. RUSSELL. "Either without interest or."

Mr. WHERRY. Those words appear in line 20 on page 56.

Mr. RUSSELL. The Senator is correct.

Mr. SALTONSTALL. Mr. President, the bill I inquire of is now open to further amendment?

The VICE PRESIDENT. There is still one committee amendment pending, which was passed over until tomorrow.

Mr. SALTONSTALL. I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 5, at the end of line 21, after the word "development", it is proposed to insert the words "of inspection, grading, standards, and."

On page 5, in line 22, it is proposed to strike out the word "of."

Mr. SALTONSTALL. Mr. President, the amendment involves no expenditure of money. Its purpose is to permit, under the guidance of the Department of

Agriculture, the fishing industry to adopt certain inspection, grading and standards which are necessary in the marketing of fish products. I have discussed the amendment with the Senator from Georgia and I understand he is willing to take the amendment to conference.

Mr. RUSSELL. Mr. President, I have not had an opportunity to look into the amendment with the legal authorities of the Department of Agriculture who deal with fish or shellfish, but in view of the statement made by the Senator from Massachusetts I have no objection to taking the amendment to conference.

Mr. SALTONSTALL. I thank the Senator.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. LANGER. Mr. President, I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 58, line 8, it is proposed to strike out "\$6,063,000" and insert in lieu thereof "\$7,063,000."

Mr. LANGER. Mr. President, the purpose of the amendment is to see to it that the REA, the Rural Electrification Administration, has money enough so it can keep up with the work when it comes to laying out new lines, particularly in some of the more sparsely settled States. I think every Senator is familiar with the fact that although last year, in the Eightieth Congress, the President recommended only \$300,000,000 for REA, Congress finally, after we brought the matter to its attention, made an appropriation for \$400,000,000.

The trouble was that the money needed for the administration of the act was cut down. I now want to make it very clear that an REA line cannot be built anywhere in the United States unless the engineer first locates every single pole. Blueprints must be drawn up and must be submitted by a competent engineer who is retained by the REA cooperative, but who is approved in Washington by the National Administrator. The result is that last year roughly 167 engineers lost their positions because there was no money with which to pay them.

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

Mr. LANGER. I yield.

Mr. WHERRY. The amendment the Senator from North Dakota is offering is one which I think is of interest to many Senators. I do not want in any way to hinder the Senator from speaking to his amendment if he desires. If he wishes to proceed tonight, very well. My feeling is that possibly before a vote is had on his amendment more Senators would like to hear what the amendment would accomplish. I ask the distinguished Senator from Georgia if it is his intention to continue with the consideration of further amendments tonight? If it is, it seems to me more Senators should be present on the floor. The Senator from North Dakota, as I understand, desires to present a series of amendments.

Mr. RUSSELL. Mr. President, I have no objection to the Senate taking a recess at this point if the Senator from Nebraska so desires.

Mr. WHERRY. Mr. President, I do not particularly care for a recess, unless the Senator from Georgia so wishes. It was my understanding that when the committee amendments had been acted upon other amendments would probably be offered from the floor tomorrow. If the Senate is to continue to consider amendments offered from the floor perhaps we should have a quorum call to bring more Senators to the floor so they may be informed of the nature of the amendments being offered.

Mr. RUSSELL. I have no objection to a quorum call being had at this time, but I would say that the attendance at this time is pretty fair. There are at present on the floor the number of Senators who are usually present on such an occasion. But if the Senator from Nebraska desires the Senate to take a recess I shall be glad to make a motion to that effect, if there is nothing on the Executive Calendar to be considered.

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

Mr. RUSSELL. I yield.

Mr. FERGUSON. Would it be possible to agree upon the amendments which are not in dispute, and pass over until tomorrow the amendments which are to be offered by the Senator from North Dakota?

Mr. RUSSELL. The Senate has completed the committee amendments, with the exception of one passed over, and the Senator from North Dakota is now offering amendments to the general bill.

Mr. FERGUSON. I beg the Senator's pardon. I did not know that the committee amendments had been adopted. Would it be possible to have the amendments of the Senator from North Dakota printed tonight so we may have them on our desks in the morning in order to study them and become familiar with them?

Mr. RUSSELL. Mr. President, I always try to be as agreeable as possible when I am charged with responsibility for legislation on the floor of the Senate. I cannot always accept amendments which Senators offer. We have made very fine progress with the committee amendments this afternoon, and if Senators wish to recess at this early hour I have no objection. I thought we might proceed and make such progress as we could.

Mr. FERGUSON. Mr. President, will the Senator yield so I may ask the Senator from North Dakota a question?

Mr. RUSSELL. I yield.

Mr. FERGUSON. I ask the Senator from North Dakota how many amendments he proposes to offer?

Mr. LANGER. I have three amendments, all dealing with the REA.

The VICE PRESIDENT. Only one amendment can be pending, which is the amendment which has been offered. The others may be printed and lie on the table.

Mr. WHERRY. Mr. President, in view of the fact that it is agreeable to the Senator from North Dakota to postpone consideration of his amendments until tomorrow, I suggest to the distinguished Senator from Georgia that I think the suggestion of the Senator from Michi-



gan that they be printed and lie on the table would probably expedite progress. I believe it would possibly work to our advantage to have the amendments printed and taken up tomorrow.

Mr. RUSSELL. Does the Senator from Nebraska think that would save time?

Mr. WHERRY. I am perfectly willing to proceed further this evening, but I think it would save time to have the amendments printed and lie on the table, and take them up tomorrow.

Mr. PEPPER. Mr. President, I should like to submit an amendment and have it go over until tomorrow for consideration.

The VICE PRESIDENT. The Senator may have his amendment printed and ordered to lie on the table.

Mr. PEPPER. On page 39, line 12, I should like to increase the figure of \$2,818,500 by \$35,000.

The VICE PRESIDENT. That is a committee amendment which has already been agreed to. The Senator's amendment could be considered only by reconsidering the vote by which the committee amendment was agreed to.

Mr. PEPPER. I submit an amendment to lie on the table and be printed, on page 39, line 12, to increase the figure of \$2,818,500 by \$35,000.

The VICE PRESIDENT. The amendment cannot be offered unless the committee amendment is reconsidered.

Mr. RUSSELL. If the Senator from Florida serves notice of a motion to reconsider the vote by which the committee amendment was agreed to, his amendment will then be in order, will it not?

Mr. PEPPER. Mr. President, I serve notice that I shall make a motion to reconsider the action by which the Senate adopted the figure of \$2,818,500, on page 39, line 12, and will offer an amendment, if the motion to reconsider is favorably acted upon, to increase the figure by \$35,000.

Mr. LONG. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. LONG. The Senator will recall that I appeared before the subcommittee on behalf of the continuation of the pecan experiment station near Shreveport, La. That subject is referred to on page 81 of a memorandum on House bill 3997. I ask the Senator whether the action of his committee in increasing the amount on page 28, line 21, contemplates the continuation of the pecan experiment station.

Mr. RUSSELL. It does. The committee was advised by the Department that if the House reduction below the budget estimate were sustained, it would be necessary to close the pecan laboratory at Shreveport, La.; but the action of the Senate committee in restoring the budget estimate will keep the laboratory in operation, provided the other body sees fit to agree to the action taken by the Senate. The committee amendment has already been adopted by the Senate.

Mr. LONG. In view of the fact that it is very vital to an industry in my State, I thank the Senator for his consideration of the item.

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

Mr. RUSSELL. I yield.

Mr. PEPPER. Knowing the great interest which the able Senator from Georgia, who is in charge of the bill, has always taken in the school-lunch program, I invite his attention to the committee amendment on page 51, which was adopted. The amount approved was \$37,500,000, which is \$12,500,000 in excess of the amount provided for the fiscal year 1949. I ask the able Senator whether he believes that the increase made by the committee is sufficient. Does he believe that the appropriation recommended is large enough to meet the school-lunch needs of the country?

Mr. RUSSELL. Mr. President, since the Senator puts the question in that way, an honest answer, of course, would have to be "no." It does not meet all the needs of the school-lunch program. However, it is the largest amount that has ever been recommended by either body of the Congress for the school-lunch program, and I think it will allow for a healthy expansion and development of that program. There is no doubt that as much as \$115,000,000 could be expended on the school-lunch program.

Mr. PEPPER. Until I confer with some of my colleagues who are interested in the same point, I do not wish to make a motion at this time to reconsider that item, but I should like to give notice of the possibility of a motion tomorrow to reconsider the item of \$37,500,000 in line 16, on page 51.

Mr. RUSSELL. Mr. President, in view of the statements which have been made, and the fine progress we have made with the committee amendments, even though notice has been given that motions will be made to reconsider two of them, I think it might be well to take a recess at this time.

Mr. WHERRY. Mr. President, will the Senator yield to the Senator from North Dakota [Mr. LANGER] so that he may have his amendments printed and ordered to lie on the table?

Mr. RUSSELL. I yield.

Mr. LANGER. Mr. President, on behalf of the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], and myself, I send to the desk three amendments and ask that they be printed and lie on the table.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3704) to provide additional revenue for the District of Columbia; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McMILLAN of South Carolina, Mr. SMITH of Virginia, Mr. JONES of Missouri, Mr. BATES of Massachusetts, and Mr. O'HARA of Minnesota, were appointed managers on the part of the House at the conference.

#### EXECUTIVE SESSION

Mr. RUSSELL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Mon C. Wallgren, of Washington, to be chairman of the National Security Resources Board, which nominating messages were referred to the appropriate committees.

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

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

#### UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Robert E. Tehan to be United States district judge for the eastern district of Wisconsin.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

#### UNITED STATES MARSHALS

The Chief Clerk read the nomination of W. Bruce Matthews to be United States marshal for the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joseph L. Wisniewski to be United States marshal for the eastern district of Michigan.

The VICE PRESIDENT. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith of all nominations confirmed this day.

That completes the Executive Calendar.

#### RECESS

Mr. RUSSELL. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 18, 1949, at 12 o'clock meridian.

#### NOMINATIONS

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

#### IN THE NATIONAL GUARD OF THE UNITED STATES OF THE ARMY OF THE UNITED STATES

The officers named herein for appointment in the National Guard of the United States of the Army of the United States under the provisions of section 38 of the National Defense Act as amended:

#### To be brigadier generals of the line

Brig. Gen. Hugh John Cox, New York National Guard, to date from February 28, 1949.

Brig. Gen. Charles Joseph Hodge, New Jersey National Guard, to date from February 28, 1949.

Brig. Gen. John Lewis Thompson, Jr., Texas National Guard, to date from February 28, 1949.

#### To be major generals, Adjutant General's Department

Maj. Gen. Kearie Lee Berry, Texas National Guard, to date from March 1, 1949.

Maj. Gen. Edward Clark Rose, New Jersey National Guard, to date from March 1, 1949.

To be brigadier generals, Adjutant General's Department

Brig. Gen. Carl Ausey Anderson, Tennessee National Guard, to date from February 28, 1949.

Brig. Gen. John Augustus Harris, Missouri National Guard, to date from February 28, 1949.

Brig. Gen. Robinson Hitchcock, Indiana National Guard, to date from February 28, 1949.

Brig. Gen. William Hoy Kelly, New York National Guard, to date from February 28, 1949.

Brig. Gen. Earl Thornton Ricks, Arkansas National Guard, to date from February 28, 1949.

IN THE NAVY

Midshipman Charles H. Mays (Naval Academy) to be an ensign in the Navy, from the 3d day of June 1949, in lieu of second lieutenant in the Marine Corps, as previously nominated and confirmed.

The following-named midshipmen (Naval Academy) to be ensigns in the Navy, from the 3d day of June 1949, in lieu of ensigns in the Navy, as previously nominated and confirmed to correct names:

Hiram P. Llewellyn  
Richard A. Mergl

Midshipman John J. Campanile (Naval Academy) to be an ensign in the Supply Corps of the Navy, from the 3d day of June 1949, in lieu of ensign in the Navy, as previously nominated and confirmed.

Midshipman Lemond DeK. Lang (Naval Academy) to be an ensign in the Civil Engineer Corps of the Navy, from the 3d day of June 1949, in lieu of ensign in the Civil Engineer Corps of the Navy, as previously nominated and confirmed, to correct name.

Midshipman George A. P. Haynes (Naval Academy) to be a second lieutenant in the Marine Corps, from the 3d day of June 1949, in lieu of ensign in the Navy, as previously nominated and confirmed.

The following-named (Naval R. O. T. C.) to be ensigns in the Navy, from the 3d day of June 1949:

Russell J. Lear  
Jack L. Worden

Ralph R. Barnard (Naval R. O. T. C.) to be an ensign in the Navy, from the 3d day of June 1949, in lieu of Ensign in the Civil Engineer Corps of the Navy, as previously nominated and confirmed.

Julius E. Morris (Naval R. O. T. C.) to be an ensign in the Navy from the 3d day of June 1949, in lieu of ensign in the Supply Corps of the Navy, as previously nominated and confirmed.

Kenneth E. Thorp (Naval R. O. T. C.) to be an ensign in the Civil Engineer Corps of the Navy, from the 3d day of June 1949.

The following-named (civilian college graduates) to be ensigns in the Navy, from the 3d day of June 1949:

Donald F. Ault	John K. Keller
Stanford C. Balmforth	Edward S. King
Anthony P. DeFalco	Richard H. Lockett
John A. DeMasters	Paul J. Myatt, Jr.
Howard R. Eyer	Paul P. Pierson, Jr.
Tilden "J" Farris, Jr.	Richard C. Slusser
Jack E. Franklin	Allan R. Smith
John A. Gallagher	Curtis L. Smith
Richard F. Huss	David J. Spowart, Jr.
Philip G. Inscow	Thomas C. Stephenson

Charles E. Moran (civilian college graduate) to be a lieutenant commander in the Medical Corps of the Navy.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Charles S. Anderson	Stephen O. Bartlett
William H. Barnett	Kenneth E. Beach
William S. Barr	Earl M. Behning

Richard C. Berguson	Edward S. Laskowski
Thomas M. Boardman	Michael L. Leahy
George W. Bremner	Wilbur LeR. Lehman
Herbert Bricken	William G. Lehmann
Milton F. Byers	Robert J. Leupold
Jack A. Carlson	Ronald G. Light
Brent E. Clark, Jr.	Jack A. Lyons
Dean V. Clark	Jack D. Mahoney
Dana E. Cook	Dennis J. Manlon
Gordon H. Cooley	William E. Martin, Jr.
Allen A. Copping	Frank T. Meisel, Jr.
James W. Cross	George B. Menkoff
Wellington F. Dean	Robert J. Morstad
Adolph S. DesGeorges	Robert J. Murray, Jr.
Robert E. Dickson, Jr.	Jack D. Nelson
Anthony J. DiJohn	Alan L. Neuhaus
Walter E. Dilts	John E. O'Malley
Louis J. Dunn	Robert E. Osler
Ernest N. Duvall, Jr.	John E. Parent
Archie D. Echols, Jr.	George W. Perdue
John O. Esposito	Eddie Perry
James F. Faith	Raymond J. Powers
Howard F. Findley	Robert A. Probst
Irwin Fine	Rugh S. Reaves
Gerald L. Gardner	Darwin M. Reed
Harry C. Good, Jr.	Neil M. Roth
Jesse Gutman	Homer S. Samuels
Norman R. Hagen	Alan P. Shapiro
James R. Harvey	Alvin P. Spiro
Albert LeR. Heise	Ray C. Standish
Lewis S. Henderson, Jr.	Thomas D. Stephen-
Thomas H. Hicks III	son
Robert E. Higgins	James A. Stockton
Clem J. Hill	Donald S. Taber
Corey H. Holmes	Robert W. Timberlake
Louis A. Holmes	William L. Turnley,
James E. Hultberg	Jr.
James F. Hutto	Arthur W. Wagner
Herman R. Iles	Richard P. Walker
William J. Jasper	Jack W. Weber
Gordon L. Kiester	Fred W. Wertheimer
William R. Kline	Leo J. Wiley
Seymour Kosofsky	Horace S. Woodland
Edmund H. Lange	George K. Woodworth

Frederick S. Welham (civilian college graduate) to be a lieutenant commander in the Dental Corps of the Navy, in lieu of lieutenant in the Dental Corps of the Navy, as previously nominated and confirmed.

The following-named officers to the grades indicated in the Medical Corps of the Navy:

CAPTAIN

Everett H. Dickinson

LIEUTENANT COMMANDERS

Virgil A. Beuerman  
Casimir F. Park

LIEUTENANT (JUNIOR GRADE)

Lynn E. Anthony

Harry E. Denen to be a commander in the Dental Corps of the Navy, in lieu of lieutenant commander in the Dental Corps of the Navy, as previously nominated and confirmed.

The following-named officers to the grade indicated in the Nurse Corps of the Navy:

LIEUTENANTS (JUNIOR GRADE)

Lucille M. Croteau  
Helen Udich

Louise M. Novak to be a lieutenant in the Nurse Corps of the Navy, in lieu of lieutenant (junior grade) in the Nurse Corps of the Navy, as previously nominated and confirmed.

The following-named officers to the grades indicated in the line of the Navy, for limited duty only:

LIEUTENANT	COMMANDERS
Gilbert W. Bane	Charles A. Mattson
William P. Brett	Francis P. Moran
John H. Geyer	John W. Rogers
George B. Greer	Alexis T. Terrio
Albert V. Kerr	Frank Watts
Ernest Maltby	Francis M. Young

LIEUTENANTS (JUNIOR GRADE)

Charles C. Allen	Fred W. Berry
Jesse R. Austin, Jr.	Forrest C. Borgstedt
William J. Begert	Leo R. Brown

Lloyd O. Butts	Robert R. Ragsdale
Herbert C. Carroll	Robert A. Mowrer
William S. Ellis	Milton M. Routhahn
Eudore A. Forcier	Paul A. Smith
Victor S. Forsys	Alfred W. Stepro
Frank D. Gallagher	Robert N. Vehorn
Zacharie T. Hampton	Joseph W. Wallace
John R. Hatcher	Walter R. Watkins
Glenn W. Holmes	Robert E. Wheeler
Gaddis G. McKee	Gerald W. Wilson
Norman F. Mennecke	Francis J. Woznack
Carl W. Minniear	

ENSIGNS

Kenneth Brown	Raymond K. Marker
James V. Carney	Joseph C. Mayer
Albert F. Christener	Donald M. Murdoch
Roy E. Clymer, Jr.	Marler W. Owen
Theodore F. Drac	Otis G. Pennington
Donald D. Dunton	John F. Pierce
John P. Dutton	Plynn J. Pulliam
Chester E. Elliott	Herbert E. Reynolds
Robert Gilmour, Jr.	Norbert R. Schneible
Claude E. Hale	Linus H. Schuh
George Hamilton	Arnold N. Singer
Norman Huffnagle	Andrew G. Szymanski
William M. Iverson	James L. Thompson
Charles E. Kaessinger	Edmund L. Wells
Gordon E. Kaufman	Hall B. Wessinger
Helmuth A. Ludwig	Alfonz Zimm
Donald B. McOmie	

The following-named officers to the grades indicated in the Supply Corps of the Navy, for limited duty only:

LIEUTENANT COMMANDER

Embrey J. Beasley

LIEUTENANTS

Frank M. Berger	William C. Parrish
James A. Gardiner	Glenn S. Pirkle
Earl B. Keck	Robert C. Powell, Jr.
Callison Morton	Bert E. Ward
Edgar G. R. Oberg	

LIEUTENANTS (JUNIOR GRADE)

Jesse L. Bercau	James C. Keener
Andrew F. Bevill	Lyle E. Keyes
Frederick J. Cadotte	George Lott
Robert W. H. Darrow	Marti O. Mattila
John M. Dunn	Harold M. Olbrey
Lovelace H. Eller	James W. Post
Eugene G. Greene	Edmund J. Prosch
Joseph M. Greene	James B. D. Skelly
Harry G. Handy	William R. Whitney
Morton D. Jones	Clarence R. Wright

ENSIGNS

Carl N. Beatty	Gerald E. Roberts
Robert L. Breeden	Ray L. Rogers
Harold R. Davis	Loveman F. Rolan
Robert L. Jones	James F. Simpson
Byron F. McElhannon	Earl G. Slemmons
Don C. Mandeville	Charles W. Smith
Joseph A. Mayo, Jr.	Raymond H. Stutheit
Richard B. Page	Byron Uskievich

The following-named officers to the grades indicated in the Civil Engineer Corps of the Navy, for limited duty only:

LIEUTENANTS (JUNIOR GRADE)

Harlin L. Bowman  
Robert W. Marshall

ENSIGNS

Justin D. Denman	William R. Lemmon
Johnnie C. Dennis	Donald O. Taber
Charles M. Gassett	Romeo E. Wilcox
Albert C. Gillespie	

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

George M. Chaffin	Ralph H. Packer
Joe B. Decker	Clarence O. Payne
Carl F. Lee	Preston R. Rucker

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

Norman W. Bixby	George W. Bolt
Robert G. Blakely	Arthur L. Bureau



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

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	Edwin R. Jenks
James M. Arnold, Jr.	Stuart M. Johnston
Horace W. Atkisson	Robert F. Jones
Louis A. Barich	William Kahler
Richard K. Barley	Willard Koone
Henry F. Berck	Edgar H. LaRose
Marion L. Bohgren	Francis E. Law
Woodson P. Bremer	Norman N. LeMote
George W. Brooks	Howard E. Lyon
Francis M. Brosnihan	Roy W. McCotter
Steward V. Buchanan	Marcus McHenry
John J. Butiak	Troy M. McKinney
Don M. Cameron	Philip L. Mann
Clinton F. Churchill	Francis F. Matthewson
Warren L. Clary	David L. Miller
Hugh A. Cleveland	William J. Miller
Charles W. Combs, Jr.	Freeman H. Myers
Max A. Crain	John E. Nichols
Anthony S. Creider	Robert L. Odell
Edward O. Crosby	Howard J. Owen
Leonard W. Cushing	Charles F. Pape
Luis A. Dasso	Aquilino L. Poncrolf
Jesse W. Dunwoody	Glenn O. Poplin
William A. Dyrdaht	Eimer R. Rath
Elmer H. Earnhardt	Kenneth Richardson
William J. Egan	Chesley W. Richey
Marion S. Evans	Russell D. Rider
John W. Fietsch	Claude E. Riley
Raymond A. Frady	Francis J. Rodstrom
George H. Gaddy	Russell L. Sanders
Vardy D. Garvey	Ray W. Seiwert
Vaughn H. Gary	Anderson V. Showen
John B. Griffin	James M. Simpson
Arthur L. Hage	Gerald O. Spears
Louis C. Hambley	Harold M. Steeves
George T. Hamilton	Charles R. Sullenger
Robert L. Holt	Charles C. Tidwell, Jr.
Vernon L. Homer	Harry E. Weber
Reo M. Hood	Billis L. Whitworth
Judson D. Huggins	George Wilder
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	Shafer
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 Kleiman, \$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
Boysin	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
Eberharter	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 tax-eaters 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.

The committee amendment was agreed to.

The committee amendment was agreed to.

The committee amendment was agreed to.

The committee amendment was agreed to.

The committee amendment was agreed to.

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 Soyler, 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 Soyler, 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.

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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
Mau	.....	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