fiscal years in the amount of $6,342,000 for the Post Office Department (H. Doc. No. 301); to the Committee on Appropriations and ordered to be printed.

855. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $7,500,000 for the General Services Administration (H. Doc. No. 302); to the Committee on Appropriations and ordered to be printed.

856. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Judiciary in the amount of $159,660, and proposed rescissions of appropriations for the District of Columbia in the amount of $266,100, all for the fiscal year 1950 (H. Doc. No. 300); to the Committee on Appropriations and ordered to be printed.

857. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To Clarify the Status of Inactive Members of the Naval Reserve Relating to the Holding of Offices of Trust or Profit Under the Government of the United States"; to the Committee on Armed Services.

858. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report of personnel ceilings as determined and fixed pursuant to Public Law 390, Seventy-ninth Congress, for the quarter ending June 30, 1949; to the Committee on Post Office and Civil Service.

859. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 18, 1949, submitting a report, together with accompanying papers and illustrations, on a review of reports on Redondo Beach Harbor, Calif., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 17, 1939 (H. Doc. No. 303); to the Committee on Public Works and ordered to be printed with two illustrations.

860. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of waterway from Indian River inlet to Rehoboth Bay, Del., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 304); to the Committee on Public Works and ordered to be printed with two illustrations.

861. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated June 24, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on Susquehanna River and tributaries, New York, Pennsylvania, and Maryland, with a view to improvement of Monkey Run Creek in Corning, N. Y., and vicinity, requested by a resolution of the Committee on Public Works, House of Representatives, adopted on January 28, 1947 (H. Doc. No. 305); to the Committee on Public Works and ordered to be printed with an illustration.

862. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Pasquotank River, N. C., authorized by the Flood Control Act approved on December 22, 1944 (H. Doc. No. 306); to the Committee on Public Works and ordered to be printed with two illustrations.

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. PETERSON: Committee on Public Lands. H. R. 5764. A bill to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands; with an amendment (Rept. No. 1260). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5097. A bill for the administration of Indian livestock loans, and for other purposes; without amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS of Texas: Committee of conference. H. R. 4177. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes. (Rept. No. 1262.) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MULTER:

H. R. 5973. A bill to provide additional compensation in lieu of overtime pay, for certain Federal employees engaged in criminal law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H. R. 5974. A bill to prohibit an individual from traveling in interstate or foreign commerce in connection with the abandonment of his dependent child; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. KLEIN:

H. R. 5975. A bill for the relief of Thomas Winkler; to the Committee on the Judiciary.

H. R. 5976. A bill for the relief of Edit Hannach; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 5977. A bill for the relief of Leon Alex Piechowiak, alias Leon Piechowiak; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 5978. A bill for the relief of the heirs of Michel Deval; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 5979. A bill for the relief of John Tweit; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 5980. A bill for the relief of F. E. Thibodo; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H. R. 5981. A bill for the relief of Clayborne V. Wagley; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5982. A bill for the relief of Livia de Badics and Agatha de Badics; 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:

1408. By the SPEAKER: Petition of Fairbanks Chamber of Commerce, Fairbanks, Alaska, requesting Congress to take immediate steps to repeal the 15-percent excise tax on passenger travel and the 3-percent excise tax on freight shipments; to the Committee on Ways and Means.

1409. By Mr. LECOMPTE: Petition of Messrs. Murdy and Johnston, druggists, and other citizens of Brooklyn, Iowa, urging the repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

SENATE

MONDAY, AUGUST 15, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. Douglas Frazer-Hurst, D. D., Elmwood Church, Belfast, Northern Ireland, offered the following prayer:

O, God, who art the author of life, the universal father, and yet hast given to every nation its place of habitation, and its own destiny; we pray for the people of this Republic, and for their representatives, met today in this council chamber. Guide us in all our deliberations so that we may feel ourselves supported by a higher wisdom than our own. Bless the President of the United States and the members of the Cabinet. In all our ways may we acknowledge Thee, so that Thou mayest direct our paths. Let us be willing to stand in the searchlight of truth, so that we may be honest and sincere in all our judgments. Deliver us from all selfishness and fear.

In these days of unsettlement, when clouds often gather darkly in the sky, may our hand be steady upon the helm which guides the ship of state. May we set our course by the stars of truth and justice, and not by the lesser lights of policy or passion. Help us to believe sincerely in the divine origin and destiny of man, and to resist any influences which would make him a chattel of the state, or deny him liberty of self-expression.

We pray Thee to bring together the English-speaking world in true brotherhood. With our common heritage of liberty and faith, may the things which unite us be always greater and stronger than the things which divide. As we are one in our belief in free institutions, in government of the people, by the people, and for the people, may we walk together in mutual trust and confidence on the great highway of freedom and service. We ask it in His name who is the Master of all good life, and the Inspirer of all true service, even Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 12, 1949, was dispensed with.

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 joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

The message also announced that the House had severally agreed to the

amendments of the Senate to the following bills of the House:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren; and

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; and

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, 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. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren;

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.; and

H. R. 2634. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Chavez	Ecton
Anderson	Connally	Ellender
Baldwin	Cordon	Ferguson
Butler	Donnell	Flanders
Cain	Douglas	Fulbright
Capehart	Downey	George
Chapman	Dulles	Gillette
Graham	Long	Robertson
Green	Lucas	Russell
Gurney	McCarran	Schoeppel
Hayden	McCarthy	Smith, Maine
Hickenlooper	McClellan	Smith, N. J.
Hill	McFarland	Sparkman
Hoey	McKellar	Stennis
Holland	Magnuson	Taft
Hunt	Malone	Taylor
Ives	Martin	Thomas, Okla.
Johnson, Colo.	Maybank	Thomas, Utah
Johnson, Tex.	Miller	Thye
Johnston, S. C.	Millikin	Tydings
Kefauver	Morse	Vandenberg
Kem	Mundt	Watkins
Kerr	Murray	Wherry
Kilgore	Neely	Wiley
Knowland	O'Conor	Withers
Langer	O'Mahoney	Young
Lodge	Pepper	

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Minnesota [Mr. HUMPHREY] is absent because of illness in his family.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

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

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to present petitions and memorials, introduce bills and joint resolutions, and incorporate matters into the RECORD and the Appendix of the RECORD, without debate.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

ALCOHOL PLANT AT OMAHA, NEBR.

A letter from the Secretary of Agriculture, reporting, pursuant to law, that the holding of the alcohol plant at Omaha, Nebr., by the Department of Agriculture, can no longer be justified; to the Committee on Agriculture and Forestry.

REPORT ON PERSONNEL CEILINGS

A letter from the Acting Director, Bureau of the Budget, transmitting, pursuant to law, a report on personnel ceilings, for the quarter ended June 30, 1949 (with an accompanying report); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the Vice President:

A telegram in the nature of a petition from the Chinese Women's Club of Chicago, Chicago, Ill., signed by Jean Moy, praying for the enactment of legislation to provide the necessary aid to halt the progress of communism in the Far East; to the Committee on Appropriations.

A resolution adopted by the City Council of the City of Los Angeles, Calif., favoring the enactment of legislation to provide statehood for the territories of Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Sisterhood of Ahavath Achim, of Syracuse, N. Y., protesting against the enactment of legislation that would change the present calendar; to the Committee on Foreign Relations.

A resolution adopted by the Southern California State Dental Hygienists Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from James E. Folsom, Governor of the State of Alabama, praying for the confirmation of the nominations of Tom Clark as Associate Justice of the United States Supreme Court, and Senator MCGRATH as Attorney General; ordered to lie on the table.

A telegram in the nature of a memorial from the Northeast Ogden Improvement Association, of Ogden, Ill., signed by John G. Christie, secretary, remonstrating against the confirmation of the nomination of Tom Clark as Associate Justice of the Supreme Court of the United States; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 5327. A bill to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; with amendments (Rept. No. 898).

By Mr. MCCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 2018. A bill to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes; without amendment (Rept. No. 897).

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

H. R. 2876. A bill to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes; without amendment (Rept. No. 917);

H. R. 3881. A bill 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; without amendment (Rept. No. 918), and

H. R. 5134. A bill to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project; without amendment (Rept. No. 919).

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

S. 2275. A bill permitting the use for public purposes of certain land in Hot Springs, N. Mex.; without amendment (Rept. No. 913); and

S. 2286. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; with an amendment (Rept. No. 914).

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

H. R. 4584. A bill to provide for disposition of lands on the Cabazon, Augustine, and

Torres-Martinez Indian Reservations in California, and for other purposes; with an amendment (Rept. No. 915).

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

S. 76. A bill to authorize the Secretary of the Interior to convey a certain tract of land in the State of Arizona to Lillian I. Anderson; with an amendment (Rept. No. 916).

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

S. 2140. A bill to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land; without amendment (Rept. No. 920).

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

S. 1829. A bill to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe, of Montana, the title to certain buffalo; with amendments (Rept. No. 921).

By Mr. HAYDEN, from the Committee on Rules and Administration:

H. Con. Res. 62. Concurrent resolution creating a Joint Committee on Lobbying Activities; without additional amendment (Rept. No. 895).

By Mr. KNOWLAND, from the Committee on Armed Services:

S. 1660. A bill providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.; with amendments (Rept. No. 896).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 1282. A bill to authorize grants under the Federal Airport Act for minor projects at major airports; with amendments (Rept. No. 901);

S. 2316. A bill to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce; without amendment (Rept. No. 899); and

S. 2360. A bill to amend the Federal Airport Act so as to authorize appropriations for projects in the Virgin Islands; without amendment (Rept. No. 900).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 73. A bill for the relief of Samuel M. Inman; with an amendment (Rept. No. 902);

S. 481. A bill for the relief of C. J. Hartman; with amendments (Rept. No. 903);

S. 1048. A bill for the relief of Saul Phillips; with an amendment (Rept. No. 904);

S. 1764. A bill for the relief of George K. Haviland; with amendments (Rept. No. 905);

H. R. 1132. A bill for the relief of Mabel H. Slocum; without amendment (Rept. No. 906);

H. R. 1446. A bill for the relief of Conrad L. Wirth; without amendment (Rept. No. 907);

H. R. 2091. A bill for the relief of Jack McCollum; without amendment (Rept. No. 908);

H. R. 2471. A bill for the relief of Walt W. Rostow; without amendment (Rept. No. 909);

H. R. 2594. A bill for the relief of Grace L. Elser; without amendment (Rept. No. 910);

H. R. 3665. A bill for the relief of Mrs. Josephine Wagnon Walker; without amendment (Rept. No. 911); and

H. R. 5155. A bill for the relief of Francesca Lucareni, a minor; without amendment (Rept. No. 912).

By Mr. TYDINGS, from the Committee on Armed Services:

H. R. 5929. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; without amendment (Rept. No. 922); and

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the Eighty-third and Final National Encampment of the Grand Army of the Republic; without amendment.

CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS—REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Armed Services I report an original bill, and I submit a report (No. 923) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

ACTIVE DUTY FOR CERTAIN ADDITIONAL NATIONAL GUARD OFFICERS—REPORT OF A COMMITTEE

Mr. HUNT. Mr. President, from the Committee on Armed Services I report an original bill, and I submit a report (No. 924) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, was read twice by its title and ordered to be placed on the calendar.

ANTHROPOLOGICAL RESEARCHES ON AMERICAN INDIANS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the bill (H. R. 3417) to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes, and I submit a report (No. 893) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF FIELD OF LABOR-MANAGEMENT RELATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, with an amendment, Senate Resolution 140, and I submit a report (No. 894) thereon. I ask unanimous consent for the immediate consideration of the resolution.

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

The resolution, submitted by Mr. MURRAY (for himself and other Senators) on July 22, 1949, and referred to the Committee on Labor and Public Welfare, and subsequently to the Committee on Rules and Administration, was read, as follows:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to conduct a thorough study and investigation of the entire field of labor-management relations, including but not limited to—

(A) the means by which cooperation between employers and employees and stability of labor relations may be secured;

(B) the methods and procedures for best carrying out the collective bargaining processes;

(C) the administration and cooperation of existing Federal laws relating to labor relations; and

(D) such other problems and subjects in the field of labor-management relations as the committee deems appropriate. The committee shall report to the Senate not later than January 15, 1950, the results of its study and investigation, and such other recommendations from time to time as it may deem advisable, and shall make its final report under this resolution not later than December 31, 1950.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistance as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

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

The VICE PRESIDENT. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the word "directed" it is proposed to insert "during the Eighty-first Congress."

The amendment was agreed to.

The resolution, as amended, was agreed to.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—REPORT OF A COMMITTEE

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes, and I submit a report (No. 925) thereon. I ask unanimous consent that the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Kentucky [Mr. WITHERS], the Senator from Ohio [Mr. TAFT], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. DONNELL], and the Senator from North Carolina [Mr. GRAHAM] be added as cosponsors of the bill.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and, without objection, the names of the Senators suggested by the Senator from Alabama will be added as cosponsors of the bill.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

William H. E. Schroeder, of the United States Coast Guard Reserve, to be lieutenant

(junior grade) in the United States Coast Guard.

By Mr. McCARRAN, from the Committee on the Judiciary:

Alphonse Roy, of New Hampshire, to be United States marshal for the district of New Hampshire.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MARTIN:

S. 2431. A bill for the relief of Sumiko Kato; to the Committee on the Judiciary.

(Mr. YOUNG (for himself and Mr. GILLETTE) introduced Senate bill 2432, to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. WILEY (by request):

S. 2433. A bill to increase the fee for appeal to the Board of Appeals in the Patent Office; to the Committee on the Judiciary.

By Mr. ECTON:

S. 2434. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Lucy Knows Gun; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

S. 2435. A bill to amend the Civil Aeronautics Act of 1938 with respect to the regulation of domestic air transportation;

S. 2436. A bill to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska";

S. 2437. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the separation of subsidies from air-mail pay, and for other purposes; and

S. 2438 (by request). A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the regulation of interstate contract carriers by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TYDINGS:

S. 2439. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

(Mr. TYDINGS (from the Committee on Armed Services) reported an original bill (S. 2440) to authorize certain construction at military and naval installations, and for others purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. HUNT (from the Committee on Armed Services) reported an original bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. LUCAS:

S. 2442. A bill for the relief of Yone T. Park; to the Committee on the Judiciary.

By Mr. McCLELLAN:

S. J. Res. 127. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

MINIMUM FAT CONTENT FOR BREAD

Mr. YOUNG. Mr. President, I introduce for appropriate reference a bill to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread.

There has been a great deal of evidence taken by the Subcommittee on Utilization of Farm Crops, established pursuant to Senate Resolution No. 36 as a subcommittee of the Senate Agriculture Committee, on the subject of the use of chemicals in the baking industry as a substitute for natural fats and oils, the disastrous effect of such practice on the producers of natural fats and oils and the deleterious effect upon the consumers.

Witnesses have told the committee that lard and vegetable shortening are facing a serious threat from the so-called chemical emulsifiers or bread softeners which are beginning to be used in volume in the baking industry. These witnesses claim that with the use of one pound of chemical with a fatty base made from petroleum they can replace six pounds of fats and oils by adding 5 pounds of water to their pound of chemical.

Witnesses have also told the committee that the over-all results of the constant ingestion of these chemicals into the human system is going to ultimately break down the health of our people.

While the hearings will continue and a report thereon filed, the chairman, Mr. GILLETTE, and I, feel that this matter should be forcefully brought to the attention of the American people for their consideration. The legislation would require a minimum content of 4 percent natural fat in bakery products.

The bill (S. 2432) to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, introduced by Mr. YOUNG (for himself and Mr. GILLETTE), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

REORGANIZATION PLAN NO. 7 OF 1949

Mr. HAYDEN. Mr. President, I submit for appropriate reference a resolution relating to Reorganization Plan No. 7, and ask unanimous consent that following it, there be printed in the RECORD a memorandum from Mr. Charles F. Boots, of the Senate legislative counsel.

The VICE PRESIDENT. The resolution will be received, and printed, and, without objection, the memorandum will be printed in the RECORD.

The resolution (S. Res. 155) was referred to the Committee on Expenditures in the Executive Departments, as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

The memorandum presented by Mr. HAYDEN is as follows:

OFFICE OF THE LEGISLATIVE COUNSEL,
UNITED STATES SENATE.

REORGANIZATION PLAN NO. 7 OF 1949

MEMORANDUM FOR SENATOR HAYDEN

This is in reply to your request for our opinion with respect to the effectiveness of Reorganization Plan No. 7 of 1949, transmitted to the Congress on June 20, 1949.

The substantive provisions of Reorganization Plan No. 7 relate to the transfer of the Public Roads Administration and read as follows:

"SECTION 1. Transfer of Public Roads Administration: The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Department of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

"SEC. 2. Transfer of certain functions of Federal Works Administrator: All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate."

Subsequent to the transmittal to Congress of Reorganization Plan No. 7 the Federal Property and Administrative Services Act of 1949 (Public Law 152) was approved by the President on June 30, 1949. This act, among other things, abolished the Federal Works Agency and the office of Federal Works Administrator and transferred all the functions thereof to the Administrator of General Services, created by the act; and also transferred to the General Services Administration the Public Roads Administration and provided that it should hereafter be known as the Bureau of Public Roads.

It will thus be seen that Reorganization Plan No. 7 seeks to transfer from a nonexistent agency (the Federal Works Agency) another nonexistent agency (the Public Roads Administration); and, as noted above, in the case of the Federal Works Agency, the nonexistence results not merely from a change in name but from statutory abolition of the Agency.

I suppose it could be argued that despite the intervening circumstances it was the ultimate purpose of Reorganization Plan No. 7 to transfer the agency in question, by whatever name called, to the Department of Commerce, and that this purpose should be given effect. And perhaps anticipating the unsatisfactory status of the reorganization plan in the light of the then pending Federal Property and Administrative Services Act of 1949, section 4 of the reorganization plan provides as follows:

"SEC. 4. Effect of reorganization plan: The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan."

It appears to me that in everyday language this section is attempting to say that the reorganization plan will be given effect

no matter what the status of the then Public Roads Administration may be immediately prior to the effective date of the reorganization plan. If this be the effect of section 4 of the plan, and I see no other reason for the inclusion therein of the section, I doubt if it accomplishes the purpose, even assuming that Congress should allow the 60-day period to expire without taking any action with respect to Reorganization Plan No. 7. In this connection attention is called to section 9 (a) (1) of the Reorganization Act of 1949, which reads as follows:

"(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. There is one qualification to that general statement, however, which is found in the matter following the semicolon in the provision quoted. It states in substance that where the statute has vested the function in the agency from which it is removed under the plan such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan. Obviously this has no application to Reorganization Plan No. 7 because the statute (Public Law 152) did not vest the function in the agency from which it is removed under the plan.

From the foregoing it is my opinion that Reorganization Plan No. 7 will not take effect upon the expiration of 60 days following its submission. It is further my opinion that in any event, in the extremely confused situation, clarifying action should be taken either by the Congress or by the Executive.

Respectfully,

CHARLES F. BOOTS,
Assistant Counsel.

AUGUST 11, 1949.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; to the Committee on Armed Services.

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

COSTS OF FEDERAL RECLAMATION PROJECTS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 1694) to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects, which was ordered to lie on the table and to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. STENNIS (for himself, Mr. FULBRIGHT, Mr. MAYBANK, Mr. EASTLAND, Mr. MCKELLAR, Mr. JOHNSTON of South Carolina, Mr. YOUNG, Mr. MCCLELLAN, and Mr. WHERRY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MCCARTHY submitted amendments intended to be proposed by him to House bill 3838, supra, which were ordered to lie on the table and to be printed.

LIQUIDATION OF TRUSTS UNDER TRANSFER AGREEMENTS WITH STATE RURAL REHABILITATION CORPORATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to 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, which was ordered to lie on the table and to be printed.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENTS

Mr. VANDENBERG. Mr. President, on behalf of the Senator from New York [Mr. DULLES] and myself, I submit for reference to the Committees on Foreign Relations and Armed Services, jointly, a series of amendments intended to be proposed by us jointly to the bill (S. 2388) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, and I ask unanimous consent that the amendments be printed in the RECORD, together with a brief explanation by the Senator from New York and myself.

The VICE PRESIDENT. The amendments will be received and referred to the Committees on Foreign Relations and Armed Services, jointly, as requested by the Senator from Michigan, and, without objection, the amendments and explanation will be printed in the RECORD.

The amendments submitted by Mr. VANDENBERG (for himself and Mr. DULLES) are as follows:

Amendment 1: On page 2, beginning with line 18, strike out down through line 7 on page 3 and insert in lieu thereof the following:

"SEC. 101. In view of the coming into force of the North Atlantic Treaty and the anticipated establishment thereunder of the Council and the Defense Committee which will recommend measures for the common defense of the North Atlantic area, and in view of the fact that the task of the Council and the Defense Committee can be facilitated by immediate steps to increase the integrated defensive armed strength of the parties of the treaty, the President is hereby authorized to furnish military assistance in the form of equipment, materials and services to such nations as are parties to the treaty and have heretofore requested such assistance. Any such assistance furnished under this title shall be subject to agreements, further referred to in section 402, designed to assure that the assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article 9 of the North Atlantic Treaty; and after the agreement by the Government of the United States with defense plans as recommended by the Defense Committee, military assistance hereunder shall be furnished only in accordance therewith, and in the event of any inconsistency between agreements made hereunder and the agreed defense plans under the North Atlantic Treaty, the latter shall prevail."

Amendment 2: On page 3, line 13, strike out "$1,160,990,000" and insert in lieu thereof "$500,000,000."

Amendment 3: On page 3, between lines 13 and 14, insert the following new section:

"SEC. 103. In addition to the amount authorized to be appropriated under section 102, without further legislative authorization, the President is hereby authorized to enter into contracts for carrying out the provisions and accomplishing the policies and purposes of this title in amounts not exceeding in the aggregate $500,000,000 during the period ending June 30, 1950, and there are hereby authorized to be appropriated for expenditure after June 30, 1950, such sums as may be necessary to pay obligations incurred under this contract authorization."

Amendment 4: On page 7, line 18, strike out "If the President" and insert in lieu thereof "If such assistance would contravene any decision of the Security Council of the United Nations, or if the President otherwise."

Amendment 5: On page 7, between lines 23 and 24, insert the following new section:

"SEC. 406. Assistance to any nation under this act may, unless sooner terminated by the President, be terminated by concurrent resolution by the two Houses of the Congress."

Renumber all following sections accordingly.

Amendment 6: On page 11, line 8, strike out the period and insert a semicolon and the following:

"and the amount, if any, remaining after the payment of such administrative expenses shall be used only for purposes specified by act of Congress."

Amendment 7: On page 11, between lines 22 and 23, insert the following new subsection:

"(f) Any equipment or materials procured to carry out the purposes of title I of this act, shall be retained by, or transferred to, and for the use of, such Department or Agency of the United States as the President may determine in lieu of being disposed of to a nation which is a party to the

North Atlantic Treaty whenever in the judgment of the President of the United States such disposal to a foreign nation will not promote the self-help, mutual-aid, and collective capacity to resist armed attack contemplated by the treaty or whenever such retention is called for by concurrent resolution by the two Houses of the Congress."

The explanation of the amendments presented by Mr. VANDENBERG (for himself and Mr. DULLES) is as follows:

The administration has proposed to initiate now a major military assistance program which would run over a 2-year period. We believe in beginning now; but also we believe in making certain that what is started now will integrate surely and quickly into the agreed plan for area defense that will emerge from the North Atlantic Treaty. That plan must control the situation. We do not want two separate programs running at the same time. Therefore, we propose (see amendment 1) to rewrite the basic policy section of the bill (sec. 101) to provide that the agreements pursuant to which present assistance is rendered will obligate the recipients to use the assistance to promote an integrated defense of the north Atlantic area in accordance with defense plans to be made under article 9 of the North Atlantic Treaty. Also we would stipulate that after such defense plans have been agreed to, no military assistance shall be given under the present law except in accordance with the over-all defense plans and that such treaty plans shall prevail as against the nontreaty plans now made. This assures that the present program is in fact an interim program to be geared into the North Atlantic Treaty procedure just as rapidly as possible.

Amendment No. 7 (to sec. 408 of present bill, sec. 409 in proposed amendments) is a key amendment designed to provide the mechanics for cutting off from this interim program any elements which will not gear into the North Atlantic Treaty plan for area defense. It provides that if any of the equipment or materials procured from an appropriation under the act will not, in the light of developments, serve to promote the self-help, mutual-aid and collective capacity to resist armed attack of the parties to the North Atlantic Treaty, then the President or the Congress may require such equipment and material to be retained as part of the United States Military Establishment rather than make delivery to any foreign nation.

Amendments 2 (to sec. 102) and 3 (adds new sec. 103) deal with the amount of assistance authorized to be given to North Atlantic Treaty countries. The Administration has proposed that $1,160,990,000 be now appropriated. We propose to authorize an appropriation of $500,000,000 for the fiscal year ending June 30, 1950, and to authorize the making of contracts, calling for expenditures thereafter of $500,000,000. That would charge the costs into the budget of the year when, in fact, they will be incurred.

We believe that subsection (c) of section 403, dealing with the value of military equipment and materials ought to be further elaborated, particularly in relation to so-called surplus or excess equipment. But this calls for further technical study.

Our amendments involve a net reduction of $160,990,000. Detailed analysis has shown that there are economies that can be effected in the present program without altering its substance. Also the proposed reduction could be effected in large part by eliminating funds intended to stimulate increased military production on the Continent. We believe that the decision of whether and where to develop a permanently expanded munitions industry on the Continent involves very important policy considerations, not merely military, and that it could better be left to a collective judgment under the North Atlantic Treaty procedure. If the Council and Defense Committee and the Governments concerned agree that this is sound policy, then it can be gotten under way within 6 months.

Amendment No. 4 (to sec. 405) eliminates an ambiguity in the present bill which suggests that the President of the United States would have discretion to determine whether or not to comply with a decision of the United Nations Security Council by which, under the Charter, the United States would be bound.

Amendment No. 5 (adds new sec. 406) provides for termination of assistance to any nation, not only by the President, but also by concurrent resolution by the two Houses of Congress. Comparable provisions were contained in the lend-lease legislation of 1941 and in the act for assistance to Greece and Turkey of 1947.

Amendment No. 6 (to sec. 408 of the present bill, sec. 409 in proposed amendments) is designed to meet the possibility that foreign currencies may be received in payment or part payment for military assistance rendered. The present bill authorizes their use for administrative expenses in the countries concerned, but as to balance, makes no provision. This means that such foreign currencies might in effect become a revolving fund further extending the scope of military assistance. Our amendment would provide that such foreign currencies, except as needed for administrative expense abroad, could not be used for any purpose except by the specific authorization of Congress.

The net effect of the major amendments to be proposed is to make clear the supremacy of the North Atlantic Treaty. Its procedures for collective area defense must prevail as against any bilateral or national system to be inaugurated now. Our proposed amendments will not delay by a day, or substantially reduce in scope, the present program. They do assure that the present program will in reality be only an interim program, to be geared into the integrating processes of the North Atlantic Treaty at the earliest practical date. The amended bill would keep full faith with our partners of the North Atlantic community, assuring them on the one hand a prompt beginning of substantial military assistance, and on the other hand, the transformation of such assistance from national auspices to the collective integrating auspices of the treaty as soon as this is possible.

We believe that, with the amendments outlined, the bill should receive and will receive the support of the Congress and of the country.

CONVERSION OF NATIONAL BANKING ASSOCIATIONS INTO STATE BANKS—AMENDMENTS

Mr. CAIN submitted amendments intended to be proposed by him to the bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, which were referred to the Committee on Banking and Currency, and ordered to be printed.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. CAIN. Mr. President, on behalf of myself, the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. BRICKER], and the Senator from Virginia [Mr. ROBERTSON], I submit for appropriate reference amendments, intended to be proposed by us jointly to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendments, together with a statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, together with the statement presented by the Senator from Washington will be printed in the RECORD.

The amendments are as follows:

Beginning with line 20 on page 63, strike out all through line 15 on page 83.

Change title and section numbers and cross references to sections accordingly.

The statement presented by Mr. CAIN is as follows:

STATEMENT BY SENATOR CAIN

Mr. CAIN. Mr. President, on behalf of the junior Senator from Virginia [Mr. ROBERTSON], the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Ohio [Mr. BRICKER], and myself, I am offering an amendment to strike out title III of S. 2246, the so-called Housing Amendments of 1949. This title would precipitate the United States Government into the private home building market to the tune of $1,000,000,000, a move which would be in direct and unreasonable competition with private financial institutions, and a proposal which, in the considered judgment of Mr. Foley, Administrator of the HHFA, would not achieve the objectives it is designed to accomplish.

Mr. President, I have already termed this title of S. 2246 a revolutionary proposal and it is reported that such a friend of good housing as Senator TAFT agrees with me, as do the members of the Senate Banking and Currency Committee whose names appear as cosponsors of this amendment.

Why do we sincerely believe this to be the case? I would like to very briefly explain the mechanics of this proposal.

Title III would set up a new billion-dollar program of direct Government loans to cooperatives, such loans to be made at the going Federal interest rate plus one-half percent, or a total about 3 percent under current conditions. These loans could be amortized over a period of years not to exceed the estimated life of the property, but in no event more than 50 years.

A new constituent agency within the Housing and Home Finance Agency would be established to administer the program and make the loans. So we have an example of still another large Government unit being proposed at a time when the Hoover Commission experts recommend condensation and consolidation, not expansion and diffusion.

This proposed Cooperative Housing Administration would obtain its loan funds by issuing notes for purchase by the Secretary of the Treasury. The effects of this type of operation on our national debt position and our fiscal policies are considerable, and I know the Senator from Vermont [Mr. FLANDERS] is considerably concerned about this.

I might pause to make the point that the addition of still another considerable, untried program within the administrative jurisdiction of the Housing and Home Finance Agency at this time would create an intolerable administrative burden bordering on complete chaos and confusion. Senators should remember, I believe, that vast new public housing, slum clearance, and housing research programs are presently being set up in the HHFA with the manifold problems contained in each. If I were a betting man, I would wager that Mr. Foley is shuddering at the thought of possible new programs being thrust upon him at this time. He has his hands full already.

The proponents of this program argue that tremendous savings can be effected for the

benefit of the cooperative owner. Certainly, to a degree, this would be true because of the unfair Government participation in the loaning process. However, the very substantial savings indicated by several witnesses before our committee are not at all in accord with the expert testimony given by Mr. Foley. I ask unanimous consent to place in the record at this point, as a part of my remarks, a portion of Mr. Foley's comments on this subject. Senators will notice that his calculations are based on a 60-year maximum maturity, which the committee reduced to 50 years, so the average rental he indicates will be even higher under the committee bill.

"I am calling these considerations to the attention of the committee in connection with title III of the pending bill because I believe they merit and require careful study. This is particularly so in view of the fact that the financing proposals contained in this title represent a substantial departure from the Federal Government's existing role in housing finance, except in connection with those problem areas where public subsidy is clearly necessary.

"With these considerations in mind, I believe the committee will also wish to appraise the effectiveness of the proposals in title III from the standpoint of serving the broad range of needs in the middle-income housing market. On the basis of studies made by the Housing and Home Finance Agency of this and similar proposals, we estimate that the financing formula contained in title III (i. e., a 100-percent loan with interest at 3 percent and a term of 60 years) would result in a gross rent of approximately $69 a month for a 4½-room unit involving an overall capital cost of $9,000. This estimate makes full allowance for the nonprofit character of the corporations which would be eligible to develop projects under title III, as well as for substantial operating economies, including management and operating services well below the level ordinarily furnished in a privately financed rental housing project, plus a considerable amount of tenant maintenance. The FHA's experience with large-scale rental projects with management and operating services of the character generally supplied in privately financed projects indicates that monthly operating charges might well be $10 higher. with a corresponding increase in rents.

"Assuming an average range of 20 percent upward and downward from the national cost average between the lowest-cost areas and the highest-cost areas, this estimate would indicate a possible range of achievable gross rents of from about $55 to about $83. Of course, the populations in the higher-cost areas generally have relatively higher average incomes and, conversely, the families in the lower-cost areas generally lower-average incomes.

"On the basis of these estimates, it therefore appears that the financing formula in title III, even when combined with the maximum operating economies which can realistically be expected from a nonprofit cooperative operation, would under current conditions result in rents suitable only for roughly the upper half of the middle-income market."

Mr. President, if title III of S. 2246 passes the Congress and becomes public law, it will represent a radical departure from our private home financing methods. It will effectively subsidize a segment of our society which, with the application of thrift and self-denial, has the means to go into the private money market for its loans.

In conclusion, I want to make it perfectly clear that cooperative housing in the United States can and will succeed without any such a scheme. The Eightieth Congress passed section 207 (c) (2) of the National Housing Act about a year ago in the special session. This is a cooperative housing section which has been understandably slow in developing because of great technical difficulties. But with the addition of the proposed new section 213, contained in title I, of S. 2246, a proposal sponsored largely by the American Legion, the cooperative program will move into high gear, in my opinion. This section is based on the principle of insured loans and is in accord with our FHA system, within which it would continue to be administered. Certainly, this is the preferable way to do the job and achieve the objective of sound cooperative housing.

Mr. CAIN. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, together with the explanatory statement will be printed in the RECORD.

The amendments submitted by Mr. CAIN are as follows:

On page 47, line 6, beginning with the comma following "605 (b)" strike out all down to and including "606" in line 7.

Beginning with line 18 on page 47 strike out all through line 6 on page 57.

On page 57, line 7, strike out "Sec. 607." and insert "Sec. 606.".

On page 57, line 8, beginning with the comma following "housing" strike out all down to and including the comma following "Act" in line 10.

On page 58, line 3, strike out "607 (b)" and insert "606 (b)."

On page 60, line 15, strike out "Sec. 608." and insert "Sec. 607."

The explanatory statement presented by Mr. CAIN is as follows:

EXPLANATORY STATEMENT BY SENATOR CAIN

A second amendment which I am submitting at this time in relation to S. 2246 deals primarily with title II, section 606, of the bill. This section authorizes the transfer of 149 permanent Lanham Act war-housing projects to specified municipalities for use as low-rent public housing; it also sets up elaborate and complicated procedures for such transfers.

Mr. President, not only does this directly add some 35,000 units to the 810,000 public-housing units which Congress recently authorized, but it flies directly in the face of the policy declared by Congress when it enacted the so-called Lanham Act.

Of a total of 191,100 permanent war-housing units constructed, some 48,600 have been disposed of by sale, leaving a total of 142,500 still in the Government's jurisdiction. Of these, the 149 projects to be specifically transferred for low-rent public housing purposes represent approximately 35,000 units. Senators should realize that such a transfer will, in effect, completely write off any possibility of a financial return on these units, which cost some $150,000,000 to construct. I hope the Senate takes note of this fact and realizes that terms of sale could eventually be negotiated, under the policy laid down by the Lanham Act, for a number of these projects. Veterans have a strong priority in such negotiated sales, and my amendment would not in any way disturb the improvements in such sales procedures which S. 2246 sets up.

I believe that the sections of title II which deal with disposal of temporary war housing and veterans' reuse housing are very creditably worked out, and my amendment would not affect these sections in any way.

But I wonder whether Congress wishes to contradict its previous policy declaration which said:

"It is declared to be the policy of this subchapter to further the national defense by providing housing in those areas where it cannot otherwise be provided by private enterprise when needed, and that such housing may be sold and disposed of as expeditiously as possible; *Provided*, That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income: *Provided further*, That the Administrator may, in his discretion, upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Departments such housing constructed under the provisions of subchapters II–IV of this chapter as may be considered to be permanently useful to the Army or Navy."

This policy declaration is clear; it states that if public or private agencies organized for slum clearance or public housing wish to obtain title of a project for those purposes, Congress reserves the right to authorize a specific transfer. If this policy had been reasonably followed and if sales had been expedited, as well as specific transfers requested, the Government would be in a much more favorable position today. Now the policy would be reversed by mass transfer. I urge that Senators consider these factors.

One more thing in this connection—how about those tenants presently in these permanents designed for transfer if their incomes are above the low-income levels which must be met? Do not these tenants deserve consideration from prior occupancy? Would not these tenants be the very ones who would be in the best position to purchase, if the original Lanham Act policy were followed? The bill as reported would disregard these tenants if their incomes are a few dollars above low-income public-housing levels, and they would be evicted within a very short time.

I believe a much longer time should be spent by the committee in studying these aspects before any such mass transfer for low-rent public housing is enacted.

Mr. CAIN. Mr. President, I also submit for appropriate reference an amendment intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendment, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table, and, without objection, the amendment and explanatory statement will be printed in the RECORD.

The amendment submitted by Mr. CAIN is as follows:

Beginning with line 4, on page 86, strike out all through line 6, on page 91.

The explanatory statement presented by Mr. CAIN is as follows:

EXPLANATORY STATEMENT BY SENATOR CAIN

Mr. President, I am offering a third amendment to S. 2246 which would have the effect of striking from the bill the sections providing for so-called supplemental direct loans by the Veterans' Administration to veterans under the GI guaranteed home-loan program. A revolving fund of $300,000,000 would be established for that purpose, under the terms of the committee bill.

The sections I am referring to will be found in title IV of the bill, which amends the Servicemen's Readjustment Act of 1944. I wish to make it clear that those sections of title IV are quite satisfactory which increase the allowable aggregate amount of the GI loan guaranty to $7,500 (from the present $4,000), which permit 60 percent of a loan to be guaranteed (instead of the present 50 percent), and which repeal the so-called combination loan. In addition, title I of the bill previously provides that all GI home and farm loans of $10,000 or less, which have been certified as meeting minimum construction standards by the VA, can be purchased by the Federal National Mortgage Association. This removes the present 50-percent purchase limitation on the portfolio of a mortgagee and practically assures as liquid a portfolio as a mortgage dealer desires, while at the same time guarding the Government against possible bad paper.

Mr. President, I cannot logically escape the conclusion that this so-called supplemental direct loan power by the Veterans' Administration cannot be justified by the facts. What are the prospects for GI 4-percent home loans in the present market? I believe that an analysis will conclusively demonstrate that they are excellent, particularly with the addition of a 100-percent secondary market, which I have mentioned.

I have gathered some figures on the volume of GI guaranteed home loans over a considerable period of time to aid me in my thinking. I ask unanimous consent to include as a part of my remarks at this point a short table showing the volume of GI home-loan applications requested by lenders from the loan-guaranty service of the VA.

Monthly volume of applications for GI home-loan guaranties

1946–47	
August 1946 (peak)	58,000
September 1947	52,700
October	48,600
November	46,400
December	38,500
1948	
January	32,800
February	32,100
March	30,000
April	28,800
May	31,400
June	30,200
July	25,000
August	27,800
September	24,200
October	23,500
November	23,100
December	21,000
1949	
January	19,700
February	19,500
March	18,900
April	21,600
May	25,400
June	27,400
July	[1]

[1] Not compiled; preliminary estimates about same volume as June.

What do these figures mean? Obviously, the considerable spurt beginning in April of this year and continuing steadily through the present time augurs well for the GI home-loan money market. It should be plain to any fair-minded person that the long-term downward trend in GI home-loan guaranty applications has been conclusively reversed since March. With the advent of the reinforced secondary market contemplated by title I of S. 2246, any lingering dried-up areas will respond immediately.

What are some of the reasons for this reversal, even without the aid of a 100-percent secondary market? I believe the facts are clear and worthy of careful consideration when future trends are contemplated. In the first place, there has been a near record flow of savings into mortgage institutions in the past several months, particularly into savings and loan institutions. This is caused, of course, by continued high levels of personal income accompanied by deferred consumer expenditures during the recent mild recession and price declines. With more money to invest available, these institutions have responded even more readily than usual to home-loan requests.

Secondly, recent general declines in bond yields, which the Senate is well aware of, have made other forms of investment and savings relatively more attractive. Whereas a 4-percent return has looked comparatively small until recent months, such is not the case today. As a result, 4-percent GI home loans are now readily available in practically every section of the country, a fact which is reluctantly admitted by the proponents of the so-called supplemental direct loans. They can only partially substantiate their position by looking backward, not forward, which certainly does not make for good legislation.

Another reason for the upswing in GI home loan guaranty applications is due to steady decreases in the costs of building, resulting in more than a 10 percent decline in some materials. Quite naturally, many veterans who had been forced to forego a chance to build their homes because of high costs are now in the market and lenders themselves have been processing a considerably larger number of applications during the past few months.

Certainly with the improved quality of GI mortgages—now that appraisals are more carefully related to reasonable value—the improvement in the secondary market contemplated in this bill, and the increased guaranty allowable, the veteran who is a good credit risk will have every opportunity to purchase or build his home. We should remember that over $8,000,000,000 of GI home loan guaranties have been closed over the length of the program, certainly an enviable record. Why go off on a new tangent including direct government competition with the private money market under these circumstances?

Mr. President, I ask unanimous consent to include as a part of my remarks at this point a portion of the testimony of Mr. Foley on this section.

"Section 401 (d) provides an authorization for a 2-year $300,000,000 program of direct loans to veterans who have not previously availed themselves of their guaranty entitlement and who are unable to obtain from private lending institutions loans at 4 percent or less, for which they are qualified under section 501 of the Servicemen's Readjustment Act, to finance the purchase or construction of a home.

"I desire to make it entirely clear that I am not opposed to direct loans by the Government where the circumstances fully justify their use. However, I do not believe that the direct lending authority provided by section 401 (d) of H. R. 5631 is necessary to accomplish the objective of the home loan guaranty provisions of the Servicemen's Readjustment Act—the opportunity for veterans of World War II to borrow, on reasonable terms, funds to finance the purchase or construction of a home.

"This bill contains other provisions directed toward that same objective. First, it permits loans to veterans, for home purchase or construction, to be guaranteed in an amount not to exceed 60 percent (as compared to the present 50 percent) of the loan, and also permits the aggregate amount of the loan guaranteed to be up to $7,500 (as compared with the present $4,000). Second, it provides that all GI guaranteed home loans in the amount of $10,000 or less and otherwise eligible may be purchased by the Federal National Mortgage Association without regard to the 50-percent limitation. These provisions should make these loans much more attractive to lenders generally throughout the country and make it unnecessary to resort to direct Federal lending on individual homes in order to permit veterans generally to obtain funds to purchase or construct homes. It is for these reasons that I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of section 401 (d) of the bill would not be in accord with the program of the President."

I have concluded my arguments dealing with these amendments at this time, although I have much more material to offer when the bill comes up for debate. I hope that Senators will give these views careful thought because the billions of dollars involved in S. 2246 will have great influence on the money market and the fiscal policies of the Government. I contend that the revolutionary departures found in this bill are not only bad in principle but are not needed. Further time should be devoted by the committee to a serious study of the implications and consequences involved in (a) using Lanham Act housing for low-rent purposes; (b) direct housing loans to veterans; and, (c) cooperatives to be established through direct Federal loans.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. HOLLAND. Mr. President, S. 653 has, I believe, been the unfinished business of the Senate for about 3 weeks. For myself and for the Senator from Iowa [Mr. GILLETTE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Nebraska [Mr. WHERRY], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Pennsylvania [Mr. MARTIN] I should like to send forward now a proposed amendment to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, and ask that it be printed at this point in my remarks and appear in the RECORD. I also ask that the amendment be printed and lie on the table awaiting the taking up of the business before the Senate.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. HOLLAND (for himself and other Senators) is as follows:

On page 41, after line 17, insert the following:

"(e) Section 13 (a) of such act is further amended by striking out clause (2) thereof and inserting in lieu thereof the following:

"'(2) Any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment" shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or (3) any employee employed by any establishment engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 percent of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located, provided that 75 percent of such establishment's annual dollar volume of sales of such services is made to customers who are not

engaged in a mining, manufacturing, transportation, or communication business.'

"Renumber the remaining clauses of section 13 (a) in proper sequence."

ADDRESS BEFORE AMERICAN LEGION CONVENTION BY SENATOR LUCAS

[Mr. LUCAS asked and obtained leave to have printed in the Appendix of the RECORD an address delivered by him before the American Legion convention at Chicago, August 6, 1949, which appears in the Appendix.]

THE CHALLENGE OF POLISH RELIEF, 1949—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Challenge of Polish Relief, 1949," delivered by him at the American Relief for Poland picnic in Milwaukee, Wis., on August 14, 1949, which appears in the Appendix.]

REORGANIZATION PERIL — EDITORIAL FROM THE WASHINGTON POST

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an editorial entitled "Reorganization Peril," published in the Washington Post of August 15, 1949, which appears in the Appendix.]

REORGANIZATION PLAN NO. 1—FAVORABLE COMMENT

[Mr. MURRAY asked and obtained leave to have printed in the RECORD the testimony of the American Public Welfare Association, a letter from the American Public Health Association, and a Gallup poll, all dealing with Reorganization Plan No. 1, which appear in the Appendix.]

THE ARMS AID PROGRAM—EDITORIAL COMMENT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an editorial entitled "General Marshall Speaks," published in the New York Times of August 2, 1949; an editorial entitled "If We Break Faith," published in the Dayton (Ohio) Daily News, of July 26, 1949; an editorial entitled "Inevitable Result," published in the Topeka (Kans.) Daily Capital of July 28, 1949; and an editorial entitled "An Eloquent Voice for Arms Aid," published in the Christian Science Monitor of July 29, 1949, which appear in the Appendix.]

LT. GEN. JOSEPH LAWTON COLLINS—EDITORIAL FROM THE TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "Signal, Merited Promotion," commending the nomination of Lt. Gen. Joseph Lawton Collins to be Army Chief of Staff, published in the New Orleans Times-Picayune of August 13, 1949, which appears in the Appendix.]

UNITED STATES UNDERGROUND — ARTICLE BY MALVINA LINDSAY

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an article entitled "United States Underground," written by Malvina Lindsay and published in the Washington Post of recent date, which appears in the Appendix.]

NINETY YEARS AFTER—EDITORIAL FROM THE OIL CITY (PA.) DERRICK

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Ninety Years After," published in the Oil City (Pa.) Derrick of August 10, 1949, which appears in the Appendix.]

SOLD SHORT—EDITORIAL FROM THE MAGAZINE PARTNERS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Sold Short," published in the magazine Partners of August 1949, which appears in the Appendix.]

PHILIP M. KAISER, ASSISTANT SECRETARY OF LABOR—STATEMENT BY SENATOR O'CONOR

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a statement prepared by him in tribute to Mr. Philip M. Kaiser on his confirmation as Assistant Secretary of Labor, which appears in the Appendix.]

SMALL WORLD STILL TOO BIG FOR UNCLE SAM TO SUPPORT SINGLE-HANDEDLY

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an item from the Miner County Pioneer, published at Howard, S. Dak., which appears in the Appendix.]

THE WELFARE STATE—ARTICLE FROM NEWSWEEK

[Mr. CAIN asked and obtained leave to have printed in the RECORD an article from the August 15 issue of Newsweek entitled "The Welfare State: Everyone's Feeling Much Better," which appears in the Appendix.]

THE NORTH ATLANTIC PACT—LETTER FROM DR. BYRON B. BLOTZ

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a letter addressed to him by Dr. Byron B. Blotz, relative to his vote on the so-called North Atlantic Pact, which appears in the Appendix.]

NATIONAL CAPITAL PARK AND PLANNING COMMISSION—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the National Capital Park and Planning Commission on the Hoover Commission recommendations as they affect that agency.

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

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Commitee on Expenditures in the Executive Departments, released today a letter from Mr. A. E. Demaray, vice chairman and acting executive officer of the National Capital Park and Planning Commission, with reference to the recommendations of the Hoover Commission which affect that agency.

Mr. Demaray centers his comments largely on pending legislation prepared to carry out an administration program, which is somewhat at variance with the Hoover Commission's recommendations. It is his contention that wherever the report of the Hoover Commission is in conflict with this carefully prepared legislation, then the provisions of the bills now before Congress should take preference. The bills which affect the National Capital Park and Planning Commission are H. R. 4848, pending before the House Committee on the District of Columbia, and S. 1931, reported favorably by the Senate Committee on the District of Columbia on July 6, 1949.

It is Mr. Demaray's view that the task-force report accompanying the Hoover Commission Reports on Business Enterprises and the Department of the Interior greatly confuses the advances made by this Commission to the District of Columbia and to the Maryland National Capital Park and Planning Commission, and points out that on the other hand, the study of the Bureau of the Budget goes fully into the question of land acquisition and justifies the continuance of the present activities of the Commission with respect to land acquisition.

In concluding his report to this committee, Mr. Demaray objects to the recommendation made by the Hoover Commission that the National Capital Park and Planning Commission be placed under the Secretary of Works for administrative purposes, pointing out that the importance of the development of the National Capital at Washington requires a planning agency, not a public works agency, and that the pending legislation should be approved so that it will continue to have an independent status and report direct to the President of the United States. The Commission also suggests that its land-acquisition program, including its loans to the District of Columbia and metropolitan Maryland, remain unchanged.

The letter from the National Capital Park and Planning Commission follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
Washington, D. C.

Subject: Report on Hoover Commission Recommendations.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

MY DEAR SENATOR MCCLELLAN: This acknowledges receipt of your letter of July 12, 1949, in which you request a detailed report on recommendations of the Commission on Organization of the Executive Branch of the Government affecting our Commission. Your letter was directed to Maj. Gen. U. S. Grant 3d, as chairman. General Grant's term of office with the Commission expired on June 30, 1949. Since that time he has not been either a member of the Commission or chairman thereof. On June 29, 1949, the Commission elected as its new Chairman William W. Wuster.

First, let me give a word of explanation as to the delay in reporting on the Hoover Commission recommendations. We received from the Bureau of the Budget a request addressed to the heads of departments and agencies to make such a report. At that time, however, the Bureau of the Budget was completing a study of the reorganization of the Commission which was begun under the direction of President Roosevelt and continued under the active direction and support of President Truman. Legislation was being drafted to put the findings of the Bureau of the Budget into effect and so it seemed unnecessary and probably confusing to attempt to comment on the Hoover Commission's recommendations until the legislation approved by the Bureau of the Budget was forwarded to Congress.

This legislation was finally put into bill form and identical bills were introduced in the House of Representatives on May 24 as H. R. 4848 by Mr. MCMILLAN, chairman of the House District Committee and an ex officio member of this Commission and introduced in the Senate on May 25 by Senator MCGRATH, chairman of the Senate District Committee and also ex officio member of this Commission. A hearing was held on S. 1931, favorably reported by the Senate Committee, and is now on the Senate Calendar. I am attaching copy of letter from the Director of the Bureau of the Budget to Chairman MCGRATH showing the personal interest of the President in this legislation, and copies of H. R. 4848 and S. 1931.

We respectfully recommend, thereto, that wherever the report of the Hoover Commission is in conflict with this carefully prepared legislation, then the provisions of the bills now before Congress should take preference.

Appendix Q of the Hoover Commission report makes reference to the bill reorganizing the government of the District of Columbia and makes reference to its land-purchasing

functions. Appendix R, pages 58 and 59, greatly confuses the advances made by this Commission to the District of Columbia and to the Maryland National Park and Planning Commission.

The study of the Bureau of the Budget mentioned before goes fully into the question of land acquisition and justifies the continuance of the present activities of the Commission with respect to land acquisition. Attached hereto is a report of the Bureau of the Budget on this phase of the Commission's activities.

The Hoover Commission recommends that as a public works agency this Commission be placed under the "Secretary of Works for administrative purposes." Because of the importance of the Nation's Capital and the development of Washington and environs and because this is a planning agency, not a public works agency, the legislation drawn by the Bureau and approved by the President leaves it as an independent agency responsible directly to the President of the United States. We therefore urge strongly that the President's preference in this matter be followed.

The latest bill for the reorganization of the government of the District of Columbia introduced by Senator KEFAUVER (S. 1527) and now before the House District Committee, also has certain variations from H. R. 4848 and S. 1931. For your information and guidance, I am enclosing copy of letter presented by representatives of this Commission to the House Committee on the District of Columbia, which is holding hearings on the Kefauver bill, urging certain amendments to the Kefauver bill so as to bring it in line with H. R. 4848.

Summing up, our recommendations are:

1. That the National Capital Park and Planning Commission be retained as an independent agency operating directly under the President,

2. That its land-acquisition program, including its loans to the District of Columbia and metropolitan Maryland remain unchanged, and

3. That wherever there is a conflict between H. R. 4848 and S. 1931 and any home-rule bill, including S. 1527 and recommendations of the Hoover Commission, that the provisions of H. R. 4848 and S. 1931 prevail. This would mean the rejection of the recommendations of the Hoover Commission as found in appendix Q and in appendix R.

Yours very truly,

A. E. DEMARAY,
Vice Chairman and Acting Executive Officer.

NATIONAL CAPITAL HOUSING AUTHORITY—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the National Capital Housing Authority on the Hoover Commission Recommendations as they affect that agency.

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

STATEMENT OF SENATOR JOHN L. M'CLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. MCCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, today released a letter from Mr. John Ihlder, executive officer of the National Capital Housing Authority, with reference to the effect recommendations of the Hoover Commission would have on that agency.

Mr. Ihlder commented specifically on a recommendation made by the Hoover Commission in its report on General Services, which suggested that the National Capital Park and Planning Commission, the National Capital Housing Authority and the Commission of Fine Arts should report to the General Services Administrator. It is Mr. Ihlder's contention that the only purpose of this recommendation was that those agencies should report to some responsible part of the executive branch, and expressed concern lest there be costly breakage of the essential day-to-day direct official contacts between the Authority and the Public Housing Administration, Department of Justice, National Capital Park and Planning Commission, the District of Columbia government, and other public agencies with which the Authority has a continuing working relationship.

Mr. Ihlder countered with an alternative suggestion for the establishment of an Office for the National Capital on the staff of the President, for the purpose of reporting and coordination, which Office would perform a most useful function, and would give recognition to the fact that the District of Columbia is a major responsibility of the Federal Government.

The Authority is in general accord with the recommendations contained in the Hoover Commission Reports on General Management of the Executive Branch, but points out that it is limited to a localized operation, reflecting the joint concern and responsibility of the Federal Government and local public agencies in the development of the National Capital, and that, therefore, most of the specific recommendations would have little effect on the agency.

Mr. Ihlder also comments favorably on the recommendations relating to Personnel Management, and points out that the ratio of personnel management to total employees in the Authority is much less than the average indicated in the Hoover Commission report, the Authority having only 1 personnel worker for every 102 employees.

In concluding his report, the executive officer of the National Capital Housing Authority approves the joint cooperative study now under way by the General Accounting Office, the Treasury Department, and the Bureau of the Budget, with a view to effecting budgeting and accounting reforms.

The letter from the Executive Officer of the National Capital Housing Authority follows:

NATIONAL CAPITAL HOUSING AUTHORITY,
Washington, D. C.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

SIR: This Authority is appreciative of the opportunity given by you to comment on the reports and recommendations of the Commission on Organization of the Executive Branch of the Government. The excellent digest and index which were prepared for the use of your committee, and which you enclosed with your letter, facilitate reference and have been utilized in connection with the comments which follow.

Comments on the several reports of the Commission in which this agency has a direct or indirect official interest follow:

1. GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

The Authority is in general accord with the recommendation that steps be taken to assure creation and maintenance of clear lines of authority among the agencies of the executive branch, through the various means suggested by the Commission.

In this connection, the Authority would point out that, while technically (and legally) an agency of the Federal Government, it operates only within the National Capital region, and so is distinguished from Federal agencies of national scope. Further, the work of the Authority under existing law must be implemented by various types of contracts with the Public Housing Administration and with the Government of the District of Columbia, while maintaining its autonomous status in essentially the same fashion as local public housing authorities in other communities throughout the United States.

The Authority has no comment on the report's recommendations 1 to 11, affecting the organization of the Executive Office of the President. Recommendations 12 to 19 deal with agencies of national scope, as contrasted with localized agencies such as this Authority, which must be evaluated in terms of necessary autonomy unless it is to become merely an instrumentality for demonstrating a Federal program.

The present organization of the Authority reflects the joint concern and responsibility of the Federal Government and of local public agencies in the development of the National Capital. The Authority's policies are determined by its board of Federal and District officials who are appointed (ex officio) by the President; responsibility for carrying into effect approved policies and programs vests in the Authority's executive officer, to whom all staff officers report, and who is responsible, within the United States Civil Service Act and rules, for the selection and appointment of major staff members. It is therefore evident that the Authority is giving practical effect to the Commission's recommendations 19 and 20.

The Authority also has adopted the standard nomenclature proposed in recommendation No. 21, so far as it applies; i. e., division, section, unit.

No comment is offered on recommendations 22 to 27, concerned with Federal field services.

2. PERSONNEL MANAGEMENT

The Authority is in general agreement with the recommendations in this report, while recognizing the necessity for clarification suggested by Commissioner Pollock (p. 47, et seq.).

This agreement bears with particular emphasis on recommendation No. 2 (decentralization of recruiting and examining among employing agencies), recommendation No. 22 (abolition of the present cumbersome and unrealistic system of efficiency ratings) and recommendation No. 24 (procedure for discharge of incompetent employees).

The report refers (p. 6) to overstaffing of Federal personnel offices, and cites one agency in which the ratio of personnel workers to total employees is 1 to 38, while the average is given as 1 to 78. The personnel operations involved in the computation of these ratios do not include pay-roll processing, leave bookkeeping, or maintenance of retirement deduction records.

As an item of information, the Personnel Section of this Authority has four employees, but at least one man-year is occupied by pay rolls, leave records, and retirement records. As the present total employment of the Authority is 308, the Authority has 1 personnel worker for 102 employees.

3. OFFICE OF GENERAL SERVICES

A proposal made by the Commission in connection with its recommended establishment of an Office of General Services was of particular interest to this Authority. This proposal was contained in its recommendation No. 9, which stated that the National Capital Park and Planning Commission, the National Capital Housing Authority, and the Commission of Fine Arts should report to the Director of the Office of General Services. The only reason given for the recommendation was that "these agencies should report to some responsible part of the executive branch."

(This recommendation, as affecting this Authority, was rescinded in a subsequent report of the Commission.)

In connection with this suggestion (and with the Commission's later proposal), the Authority is concerned lest there be a costly breakage of the essential day-to-day direct official contacts between the Authority and the Public Housing Administration, Department of Justice, National Capital Park and Planning Commission, the District of Columbia government, and other public agencies with which the Authority has a continuing working relationship.

The Commission's strictures against the time-consuming, expensive, and confusing practice of "channeling" for channeling's own sake would seem to deny that the Commission would recommend that such contacts by the Authority be made through another agency. The recommendation would seem to contravene the Commission's repeated urgings in favor of organizational simplification, clear lines of responsibility, direct action to the fullest extent feasible.

(In the Commission's subsequent report on Federal Business Enterprises the Commission withdrew the above proposal in favor of a recommendation that the Authority be placed under the Commissioners of the District of Columbia. The proposal gives no intimation of current congressional recommendations, resulting from extensive study, that the Authority be continued as an independent agency of the Federal Government.)

The Authority would suggest as an alternative the establishment of an Office for the National Capital on the staff of the President for the purpose of reporting and coordination. Such an office could perform a most useful function and would give recognition to the fact that the District of Columbia is a major responsibility of the Federal Government.

4. SUPPLY ACTIVITIES

The Commission has provided a valuable service of critical analysis in its report on this subject—particularly in the section entitled "What is Wrong With Federal Supply Operations," which identifies the defects in the present system.

It is assumed that acceptance and implementation of Recommendation No. 5 would result in the centralization of procurement for items in general use, while the purchase of supplies and services peculiar to individual agencies would be made the responsibility of these agencies. Such an arrangement would be of material benefit to this Authority, as its Purchasing Section is required to buy a great variety of household equipment and household repair parts for the maintenance of housing under the management of this agency.

The Authority also would welcome inauguration of standard procedures in property identification and property utilization, as outlined in the report.

5. BUDGETING AND ACCOUNTING

The Authority feels that no comment on this report is indicated at this time. The Vice Chairman of the Commission calls attention to a joint cooperative study of these subjects by the General Accounting Office, the Treasury Department, and the Bureau of the Budget. It would seem advisable to await the outcome of this joint effort.

Respectfully,

JOHN IHLDER,
Executive Officer.

THE LATE ASSOCIATE JUSTICE FRANK MURPHY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial relating to the late Associate Justice Frank Murphy, published in the Leader, of Bismarck, N. Dak., under date of August 11, 1949.

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

THE PRICE OF PUBLIC SERVICE

News dispatches this week reported that the late United States Supreme Court Justice Frank Murphy had left an estate in Washington amounting to $2,100—and that $1,600 of that sum is due the Washington Hotel, where he made his home.

That report shows in a striking way the price of being a public servant in America.

Justice Murphy was a man who served his country well. He was a fighter for justice, a man who had a deep and abiding hatred for wrong and oppression, and a man of remarkable tolerance and wisdom.

All of those unusual talents he gave to the service of his country, for a rather meager salary, as you can tell from the report of the estate he left.

He could have made far larger sums by offering his great talent and ability to some private legal firm or some big corporation.

Lots of other gifted men have done that very thing. But Justice Murphy was not built that way. He preferred to serve where he thought his services would do the most good—without considering the financial returns involved.

There are undoubtedly a lot of $100,000-a-year Wall Street corporation lawyers who will sneer at Justice Murphy as a "chump" for doing what he did, instead of "making his pile" like the rest of their gang.

But the common people of America won't feel that way. The Leader is certain that the people, like this newspaper, will salute the late Justice for his conduct. He leaves something behind him in the world besides money—the admiration and respect and gratitude of his Nation.

And you can't buy that with any sum of money.

THE HAWAIIAN STRIKE SITUATION—LETTER FROM MANUEL R. GOEAS AND EDITORIAL FROM DEMILLE FOUNDATION BULLETIN

Mr. BUTLER. Mr. President, I seldom present for the RECORD letters I have received, but I am doing so now for I think this one is of special interest and value. It comes from a man who was born in Hawaii, has lived and worked there till now he has reached the age of retirement, and writes me in some detail of his views of conditions in Hawaii. His father came from Portugal to Hawaii and like so many from that country, he became an American citizen. His son, who wrote this letter, appears to appreciate the value of American citizenship. I think by reading his letter Members of Congress can better appreciate conditions prevailing in Hawaii.

I ask unanimous consent to have it printed in the body of the RECORD.

Mr. President, I also ask unanimous consent to have printed immediately following these brief remarks a short editorial appearing in the July issue of the DeMille Foundation Bulletin.

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

HONOLULU, *July 30, 1949.*

Hon. Senator H. BUTLER,
Washington.

DEAR SIR: Greetings from isolated Hawaii. You have seen Hawaii, and you know the lay of the land.

You know that sugar and pineapples are the industries which make Hawaii. If these industries are wrecked by the unions, then Congress should give Hawaii to China, Japan, or Russia.

This stevedore strike is not a small incident. There is more than wages back of the union demand. This is a strike to gain more power for the few dictators—H. Bridges, J. Hall, Schmidt, and a few others. Our people are having a hard time trying to live on what they earn. Freight rates, as you know, are high, because the wages of seamen are high. I believe in unions, but I believe they are carrying things too far. I must admit there are two standards of pay in Hawaii. The stevedores are earning $1.40 per hour. They were offered 8, then 12, then 14 cents per hour; 8 times $1.54 equals $12.32 per day. Those men can surely live on this wage per day.

I worked for one of the so-called Big Five for 43 years, the American Factors. I retired at the age of 60. My salary was $360 per month. My bonus averaged $70 per month, or $430 per month. I did cost accounting. I worked hard. I saved my money. I do not own an automobile. I own my home, but I had to give up a lot of pleasures, or, as most people call it, good times. I own stock or shares in the American Factors, Kekaha & Co., Olaa & Co., Waialua & Co., Halemano Co., Hawaiian Comm. & Co., Matson Navigation Co., and American President Lines. I own these because I worked and saved my money. I invested so that I could get some income in my old age. There are no Big Five families any more. The Big Five are shareholders like myself and other small people. Those so-called Big Five are just running the big business that is supporting we, the people. If Congress allows the unions to become very powerful, then what is to prevent John Lewis or Harry Bridges from marching on Washington and demanding more than Congress can give them without hurting the people in general.

When a business becomes a monopoly the Federal Government breaks it up. Why can't Congress pass laws that will permit unions to operate in the individual States and Territories, but deny them the right to amalgamate with unions in other States and make people other than those they are striking against suffer, or to bring other unions to increase pressure. These unions are more than monopolies; they are becoming international unions. We all know how much jealousy there is in this world, how some countries would like to bring on chaos in the United States. Many of our so-called Americans would like to help other countries wreck ours.

If the unions keep on demanding higher wages on the sugar plantations, I figure that the sugar and pineapple industries will be wrecked in from 10 to 15 years, then our people will not be able to make a living and the United States Government will lose millions in taxes.

It is true that stevedores on the west coast earn more money but they work less days than Hawaii's stevedores.

This stevedores' strike has forced many people to lose their jobs, about 30,000 people are out of work on that account. Wages have been cut and many small commission merchants have gone out of business.

I shall not attempt to write about communism. If there are Communists here they have come from continental United States.

This was God's country until the unions began demanding more and more money.

The union leaders are threatening to bring pressure on the west coast if they do not gain what they are after here.

What I believe will happen in 25 or 30 years is that a John Lewis or his successor or H. Bridges or his successor, will march on Washington, kick out the President, tell the Congressmen to go home, become a dictator, and punish the Congressmen who voted in favor of legislation against the unions.

Please do not consider this a joke, you Congressmen just give the union leaders

more power and then you and I will be at their mercy.

Last year a friend traveled on a Portuguese steamer in the Atlantic near Portugal. The Portuguese captain said "In a few years there will not be many American ships sailing the ocean carrying on foreign cargo because they pay too high wages to the seamen."

Before the stevedores voted on the 14-cent wage increase, they told me they were going to vote against settlement because the leaders told them to do so. What can you do with people who cannot use a little judgment? They voted against it even though their families were suffering.

Other men have been unloading the ships, and they are glad to earn $1.40 per hour; they are glad to be given the opportunity to work.

May I inform you that many people have left Hawaii, and others will follow who will make their homes on the mainland United States.

I, too, am thinking seriously of selling out and going to the mainland, and possibly to Brazil for a while. I am retired and free to express my opinion on this matter, so please do not think I am influenced by anyone. Even when I was employed by one of the so-called Big Five I was never afraid to say what I wanted.

I shall be pleased to hear that you will do all you can to curb the powers of the unions and business monopolies for the good of the people of America.

My father, an engineer, came here 66 years ago; he became a United States citizen; he helped build up this community; he and I did construction work. I too learned construction work and architecture. All this work was done many years ago. I managed the construction company while employed at American Factors. I speak French, Portuguese, Spanish, and some Italian. My father came from Portugal yet he put his heart and soul in America.

I believe Hawaii is not yet ready for statehood. Harry Bridges will be tried for perjury, and I believe the local employers were right in refusing to deal with him.

Something should be done to save Hawaii's economy. I cannot believe that you and the other Congressmen will permit the unions to paralyze and wreck what we have built.

May God bless you and aid and guide you in your work for the people of America.

Respectfully yours,

MANUEL R. GOEAS.

[From the DeMille Foundation Bulletin]

THE PATTERN TAKES SHAPE

May 11, 1948, Mr. deMille said to the House Labor Committee:

"Today, in those (Hawaiian) islands, the whole labor movement is controlled by one union. That same union controls shipping on the west coast. Its leader has lately united in one international union the sugar workers of the United States, Hawaii, Cuba, Puerto Rico, and the Dominican Republic. The policies of this union, in some respects at least, are sometimes hard to distinguish from those of the Communist Party line. The pattern takes shape. Control shipping, control raw materials, control men through control of their right to work, and you can soon control a nation."

June 28, 1949, the Honolulu Advertiser said:

"The people of Hawaii—450,000 loyal American citizens living in an organized Territory of the United States—are being held in bondage today by Harry Bridges' International Longshoremen's and Warehousemen's Union (CIO). This union is declared by Philip Murray, CIO president, United States Senator HUGH BUTLER, and many others to be Communist dominated. * * * Babies are short of canned milk, food supplies for adults lack many essential items; * * * 42 stores are completely out of stock, 19 have gone out of business. * * * Sugar mills have had to shut down. * * * More than 20,000 persons are jobless. * * * The people of Hawaii are in dire distress."

The DeMille Foundation does not attempt to decide whether Harry Bridges' strikers are entitled to a raise in wages or not. Even if their claim is just, no man or group of men should have power to blockade a half million Americans—or even one—in need of food.

PROGRAM OF THE COMMITTEE ON FINANCE

Mr. GEORGE. Mr. President, if I may be indulged for two or three minutes, I wish to make a statement.

The House Ways and Means Committee has not yet reported to the House the amendments to the Social Security Act. It is obvious that the social security bill could not reach the Senate until the latter part of this month, or perhaps the middle of next month. It will therefore be entirely out of the question to undertake to hold hearings on social security at this session, assuming that Congress will adjourn by the end of September.

The Finance Committee will begin hearings this week upon two important veterans' bills which have passed the House, and those hearings will be concluded. Thereafter it is the purpose of the Finance Committee, if the majority of the committee agree, not to open hearings on any other contested matter at this session of the Congress. It is perfectly obvious that if we continue to grind out wholesale legislation for the calendar we shall never reach a point where we can look for adjournment of this session of the Congress.

PROGRAM FOR CONSIDERATION OF REORGANIZATION PLANS NOS. 1 AND 2

Mr. LUCAS. Mr. President, I wish to advise the Senate with respect to the program for tomorrow. This is a mere reiteration of what I said last week. There may be some Senators present who were not present last week when I advised the Senate that tomorrow we expect to call up Senate Resolution 147, reported by the Senator from Arkansas [Mr. FULBRIGHT] and other Senators. It is a resolution disapproving Reorganization Plan No. 1 of 1949. Under the law, 10 hours of debate are permitted on that measure, but I am hoping that some time today we can reach some sort of an agreement whereby we can have a limitation of debate. If we cannot, we shall probably begin tomorrow's session at 11 o'clock and remain in session continuously for a period of 10 hours, with the possible exception of an hour for dinner tomorrow evening, so that we may complete consideration of Reorganization Plan No. 1.

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

Mr. LUCAS. I yield.

Mr. McCLELLAN. If we are able to reach some understanding with reference to limiting debate, and save some time, would the Senator then consider a unanimous-consent request that after all debate is concluded we take a recess and not have a vote until Wednesday afternoon, say at 12:15?

Mr. LUCAS. I cannot say that I will enter into that kind of an agreement at this time, Mr. President. We have for consideration both Reorganization Plan No. 1 and Reorganization Plan No. 2. I had hoped that we might conclude consideration of both of them tomorrow. If we cannot do that, we shall have to take them one at a time, Reorganization Plan No. 1 tomorrow, and Reorganization Plan No. 2 the next day. I cannot agree to any unanimous-consent request of that kind at this time.

Mr. McCLELLAN. Mr. President, this is a matter of some importance. Senators would like to be recorded on this question one way or the other. Some have made arrangements to be away tomorrow. If the vote is taken tomorrow night, it is possible that one or two Senators will not be here, whereas they would be here if the vote were taken at 12 o'clock the next day. Out of deference to their situation, I feel that there would not actually be a loss of time greater than that involved in calling the roll.

Mr. LUCAS. That may be true with respect to two Senators; but every time we attempt to accommodate two Senators on a particular day, there are two other Senators who would like to be accommodated on the following day. We can never find a time when all Senators will be present. This situation arises every time we attempt to get a unanimous-consent agreement to vote upon a measure at a certain hour. There is always some Senator who comes to the majority leader and says, "Can you not postpone the vote, because Senator So-and-so is out of town on important business? If you can only put the vote off until tomorrow, he will be back." If we put it off until tomorrow, we find that another Senator has made arrangements to make a speech on that day, and he will be absent. So we can never find a time when it is possible to accommodate all Senators.

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

Mr. LUCAS. I yield.

Mr. TAFT. I wonder if possibly we could obtain an agreement. I think perhaps Senators on this side of the aisle who are interested in supporting the resolution would be agreeable to a 6-hour limitation of debate on Tuesday, and a vote on Wednesday. In that event we would not be forced into a night session.

Mr. LUCAS. Some Senators who want to vote on Tuesday will probably be absent on Wednesday.

Mr. TAFT. I know of none.

Mr. LUCAS. I know of one Senator on our side of the aisle who was discussing that very question with me before the session began today. The point I am trying to make is that we never can find a time which satisfies every Senator. If we agree to vote on Wednesday, we may preclude the vote of some Senator who is either favorable or unfavorable to the plan; and if we vote on Tuesday, we find the same situation. I thought I had given ample notice almost a week ago for all Senators to be here on Tuesday.

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

Mr. LUCAS. I yield.

Mr. McCLELLAN. The Senator did say that we would take up the resolution on Tuesday; but there being 10 hours' debate, no Senator had any

notice at that time that we would drive through in a night session to a final vote.

Mr. LUCAS. I have read the RECORD, and the colloquy which I had with the able Senator from New York [Mr. IVES] definitely indicates that if we could not get a limitation of time we would have a night session.

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

Mr. LUCAS. I yield.

Mr. IVES. Realizing the situation as I do, I suggest to the able Senator from Illinois that he allow the debate on these two plans to proceed, one plan after the other, and then have the vote at the end of the debate on the two plans. That would adequately cover the debate, and allow the vote to be taken at a time when presumably absentees who are apparently going to be necessarily absent, will be present.

Mr. LUCAS. That is a suggestion which I will take under consideration.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 9.

Mr. THOMAS of Oklahoma. Mr. President, I hope the Senate will not assume that I am going to take an undue length of time upon the pending amendment. There are three amendments to which I wish to address myself, namely, the one now pending, the one which will follow it, and the one which will follow the second amendment. I desire to discuss the three amendments together. I shall take only sufficient time to make clear the position of the committee.

I first call attention to some charts and maps which I have had placed on display in the front of the Chamber. The first is a map of the United States showing the number of Authorities that already are in existence, and others that are contemplated. In the northeastern section of the United States an Authority is contemplated, to be developed as soon as the St. Lawrence River improvement has been made.

In the south-central part of the United States we already have the Tennessee Valley Authority, located at the point I now indicate on the map, east of the Mississippi River and south of the Ohio River. That already is in existence.

Then, east of the Mississippi River and south of the Ohio River, all that territory is proposed by the pending amendment to form the Southeastern Power Administration or Southeastern Power Authority. It includes all the land east of the Mississippi River and all the land south of the Ohio River in the United States. If created, it will surround the Tennessee Valley Authority. So, if that Authority is created, covering the entire southeastern area of the United States, we shall have in the center of that Authority the TVA.

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

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. HILL. Is it not true that the Southeastern Power Authority, so-called, is entirely different from the TVA?

Mr. THOMAS of Oklahoma. Senators may assume that and argue that; but when the arguments have been concluded, I think the Senate will understand that there is no difference whatever; they are one and the same, in effect.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. HILL. I do not wish to interrupt the Senator's speech; but if he will permit me to do so, I wish to take very sharp issue with him on the last statement he has made. They are entirely different, I am sure.

Mr. THOMAS of Oklahoma. Mr. President, the Senator will have his opportunity on the floor to answer my remarks.

Beginning at the Mississippi River and going west, embracing the States of Louisiana, Arkansas, a part of Missouri, a part of Kansas, practically all of Oklahoma, and practically all of Texas, is the area now covered into what is known as the Southwestern Power Administration. All the territory within the red lines, as now marked on the map, is embraced in the Southwestern Power Administration, or SPA. That covers my State of Oklahoma, and that is why I am somewhat interested in this developing program.

Then, going north from the Southwestern Power Administration, we find the Missouri Valley Authority in the making. I am not sure what will be developed in time, but bills proposing the creation of the Missouri Valley Authority have been introduced.

In the center of the Missouri Valley Authority, which may be created, we find the State of Nebraska, which is an Authority by itself. There are no private power companies, to speak of, in the State of Nebraska; the power companies in that area have been taken over by the State. So in the center of the Missouri Valley Authority territory there is the State of Nebraska with its own private Authority.

Then, going to the far Northwest, to the States of Oregon and Washington, in that territory we have the Columbia Valley Authority. That is known legally as the Bonneville Administration. It embraces the power dams which have been constructed on the great Columbia River and other dams which have been built and other dams which are being built in that section of the United States.

South of the Columbia Valley Authority we have embraced in the State of California what is known as the Central Valley. That will be discussed at a later point in connection with this bill, but not in connection with my remarks.

I have indicated what we have confronting us today in the way of a developing electric empire covering the points where we are developing hydroelectric power.

At this time I wish to call attention to some statements printed on the chart. Secretary J. C. Krug, in his 1948 annual report, at page 51, said:

> We need to develop within the next 20 years at least 40,000,000 kilowatts. The Federal Government probably will need to build at least 30,000,000 of those kilowatts, at a cost of $12,000,000,000 to $15,000,000,000.

Mr. President, there is the outline. Those are the Authorities and those are the areas where the $12,000,000,000 to $15,000,000,000 is proposed to be expended.

Coming down to my particular section of the country, I exhibit to the Senate a map of the State of Oklahoma. In my State there are many thousands of miles of existing electric lines. There are some 47 steam plants in my State of Oklahoma. A number of hydroelectric projects are now being constructed in my State. My State is almost in the center of the Southwestern Power Administration.

The map I now exhibit to the Senate shows in black the existing power lines in Oklahoma. The lines shown in red indicate the ones which are proposed to be built by the Federal Government to distribute the hydroelectric power which has been developed and is being developed in my State.

The third map is a map of Oklahoma and Arkansas, showing the lines which have been built to date by the Government and the lines which are to be completed with the money carried in this bill.

We have one large, major power plant at Denison, which is on the boundary line between Oklahoma and Texas. It has a large lake, called Lake Texoma. The dam is called the Denison Dam, and it produces or will produce a sizable amount of power. It is the only dam in my State now producing power.

In northeastern Arkansas, 500 miles away, there is in production another hydroelectric plant known as Norfork. That plant and the Denison plant are producing power. In past years the Congress has appropriated money for the building of a line from Denison 500 miles to Norfork. The line is practically completed. During the war the necessary materials could not be obtained, so construction was delayed. Now the material is on hand; and by December of this year that line, so I am advised, will have been completed. That is a major, backbone transmission line; and this bill contains money for the completion of that line, and the committee recommends that it be completed.

In addition to recommending that this line, connecting these two major dams, be completed, the committee is recommending the appropriation of money for the building of a line from the main, backbone line in eastern Oklahoma up to what is known as the Fort Gibson Dam, which is a large flood-control project. It is not yet completed, and will not be completed until about 1953. So the committee is recommending money for the purpose of building a connecting line with this main backbone line up to Fort Gibson, at a point near Muskogee, Okla.

Secondly, the committee recommends the appropriation of money to connect this main backbone line with what is known as the Tenkiller Ferry. That is

another hydroelectric project in my State of Oklahoma. So, if the bill as finally passed carries the money which the committee recommend, we shall have this main line completed, and we shall then have a line from main line to Fort Gibson, another line from the main line to Tenkiller Ferry.

In Arkansas, the committee recommends that a line be built from Norfork to Bull Shoals. Bull Shoals is a very large hydroelectric power plant, which will not be completed for two or three years. We plan to have these lines built, with the connecting lines long before the dams come into production. So if the committee recommendations are accepted by the Senate and by the Congress and are approved by the President, we shall have, just as soon as the money can be expended and the work completed, a complete connection with the only two dams we now have, and a complete connection with the only three dams which will come into production within the next 5 years. The committee is of the impression that that is making progress rather rapidly.

Before we begin on another line, I desire to call attention to a few charts. The first chart shows the requests for expenditures already made to the Congress, and requests which are still pending before the Congress. The items are in millions of dollars.

For foreign relief, the request was for $6,709,000,000; for national defense, $14,268,000,000; for veterans, $5,496,000,000; for social welfare, $2,358,000,000; for housing, $388,000,000; for education and research, $414,000,000; for agriculture, $1,662,000,000; for natural resources, $1,861,000,000; for transportation and communication, $1,586,000,000; for finance, commerce, and industry, $108,000,000; for labor, $187,000,000; for general government, $1,224,000,000; for interest on the public debt, $5,450,000,000; and for contingencies, $150,000,000; making a grand total, if the requests are complied with, of $41,858,000,000. I may say that since the chart was prepared, additional requests have come in bringing the total to more than $42,000,000,000.

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

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. KEM. I should like to ask the Senator whether there is any request or any arrangement for payment of any part of the principal of the national debt?

Mr. THOMAS of Oklahoma. We of course hope to pay something on the national debt. The second chart will answer that question. The second chart is marked "United States, fiscal." The figures are in millions of dollars. The facts are, Mr. President, that since 1931, there have only been 2 years in which the Federal budget has been balanced. We balanced the budget in 1930. We did that on tax collections of about $2,000,000,000. We did not spend much money in 1930. The depression was on. Later, the expenses began to climb, but the revenue did not decrease very much. I shall explain the chart briefly.

In 1932, the total receipts of the Federal Government were only $2,005,000,000. The expenditures that year were $4,741,000,000, causing a deficit of $2,736,000,000. In 1940, 8 years thereafter, the war was just breaking. We were spending liberally. The revenues that year were only $5,387,000,000; expenditures, $9,305,000,000; a deficit of $3,918,000,000. At that time the gross debt had climbed to $43,000,000,000. At the end of World War I, we had a total debt of about $26,000,000,000. We had large quantities of goods on hand which were sold and the proceeds applied to the reduction of the national debt resulting from the war. During the years from 1918, after the conclusion of World War I, until 1926, we had fairly good times. The people were fairly prosperous, and, by applying the proceeds of the sales of war property, and by levying rather heavy taxes, we were able to pay on the national debt the sum of about $1,000,000,000 a year. From 1918 until 1926 we reduced the national debt from $26,000,000,000 to about $16,000,000,000. Later, because of conditions, the debt began to increase. The depression increased it somewhat. When the war came on, of course, the debt began to mount. In 1940, just after the World War struck America, we owed $43,000,000,000. In 1941 we owed $72,400,000,000. In 1942, the year in which we entered the war actively, the total receipts amounted to $12,799,000,000. The total expenditures were $34,289,000,000. That caused a deficit of $21,490,000,000, and, as I said, the debt jumped to $72,400,000,000. In 1944, receipts were $44,148,000,000, and expenditures were $95,572,000,000, causing a deficit of $51,424,000,000, in turn causing the national debt to rise to the sum of $201,000,000,000.

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

The VICE PRESIDENT. Does the senior Senator from Oklahoma yield to the junior Senator from Oklahoma?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. KERR. Did the deficit in 1944, amounting to $51,424,000,000, increase the national debt from $72,400,000,000 to $201,000,000,000?

Mr. THOMAS of Oklahoma. A period of 2 years is involved. I do not show 1941. I skipped from 1940 to 1942, and I then skipped from 1942 to 1944. I do not show the figures for 1943, because I did not want to include too much detail to be explained to the Senate. In 1945, the next year, the receipts were $46,456,000,000; expenditures, $100,397,000,000; causing a deficit for that year of $53,941,000,000, increasing the public debt to $258,700,000,000. In 1946 the total receipts were $43,037,000,000; expenditures, $63,713,000,000; resulting in a deficit of $20,676,000,000, and increasing the public debt to $269,400,000,000. In 1947, when the war was over, the receipts were still $43,258,000,000; expenditures, $42,505,000,000. At the end of the year we had the first balanced budget since 1931, and the balance in the Treasury at the end of that year was $753,000,000. But the debt fell somewhat. It fell to $258,300,000,000.

Last year, 1948, receipts were still high. We collected $42,200,000,000. We spent $32,700,000,000. That left a balance of $8,500,000,000 in the Treasury. That was the second year in which this country has had a balanced budget since 1931.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. May I inquire where the Senator obtained these figures?

Mr. THOMAS of Oklahoma. I obtained them from the Secretary of the Treasury. If the Senator can give me a better authority I should like to have it.

Mr. LUCAS. No. I was anxious to know. I thought the expenditures were greater than $33,000,000,000, and that is the reason I made the inquiry.

Mr. THOMAS of Oklahoma. I am sure the Senator understands why that was. Three billion dollars of that money was taken, by some legerdemain or juggling, and was used in some manner so that the official figures, after $3,000,000,000 was taken out, left only approximately $5,000,000,000 as surplus. At the end of the year we still had a debt of $252,300,000,000.

The next figures are estimated. It is estimated that we shall collect in 1949 approximately $40,000,000,000. We shall expend $42,259,000,000. The estimate was that on the 1st day of July of this year there was a deficit of $1,811,000,000, and we still had a national debt of $252,300,000,000.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. We now have a deficit of $1,811,000,000, and yet we increased the national debt only $66,000,000.

Mr. THOMAS of Oklahoma. That figure will be explained in a moment, and it will be corrected.

For 1950 the best estimate I could obtain was that we hope to collect $40,955,000,000, and we hope to keep our expenditures down to $41,853,000,000.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. CAPEHART. There must be some mistake, because the receipts in 1949 were only $40,448,000,000. We anticipated collecting $40,985,000,000. I do not believe anyone believes we shall collect as much money in taxes as we did up to June 30, 1948.

Mr. THOMAS of Oklahoma. Of course these are estimates. Times will tell. The figures are reasonably correct.

Mr. CAPEHART. In my opinion, the amount will be no more than $35,000,000,000 rather than $40,985,000,000. I appreciate the fact that the Senator got his figures from the Treasury Department.

Mr. THOMAS of Oklahoma. I got them from the Treasury Department and from other data which I think are the best available. If these figures are approximately correct, at the end of the fiscal year 1950 we will be in debt for the year in the sum of $868,000,000, and that will still leave a national debt of $252,000,000,000. Since these figures were secured the national debt has climbed

$2,000,000,000, and that figure, Mr. President, should be increased from $252,000,000,000 to $254,000,000,000.

I shall come to the charts and maps a little later.

We are about to consider, Mr. President, some amendments to the pending bill which, in my opinion, may affect materially the future of our people and the future of our Government.

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

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

Mr. THOMAS of Oklahoma. Certainly.

Mr. DONNELL. I was called out of the Chamber a few minutes ago, and I had been following with much interest the Senator's statement with respect to the charts. I am wondering whether he put them into the RECORD in that form?

Mr. THOMAS of Oklahoma. At a later time I shall ask permission to put the wording and the figures of these two center charts in the RECORD in connection with my remarks. I cannot put into the RECORD the maps showing the power projects which are already developed or are being developed, and of course I cannot put into the RECORD the maps of the showing the power lines already existent and the power lines requested. I cannot put into the RECORD the maps of the States of Oklahoma and Arkansas showing the lines being constructed and the lines to be constructed if the committee recommendations are agreed to.

Mr. DONNELL. The charts to which I am referring, and which I am pleased to know will be placed in the RECORD, are those entitled "1950" and "U. S. Fiscal."

Mr. THOMAS of Oklahoma. At the close of my remarks I shall ask permission to insert them in the RECORD.

Mr. President, under the guidance of the Constitution, we have traveled the road of rugged individualism and free enterprise for a period of 160 years and today we have arrived at the forks of the road.

One road continues on toward greater freedom, greater prosperity, and a more influential place among the family of nations, and the other road leads off toward regimentation, a loss of national income, a loss of tax resources, and a loss of the leadership of the free peoples of the world.

The question now before us is, Which road shall we take?

The issue on its face involves only a few million dollars, but our action on the few millions involved will determine the choice of the road we shall take tomorrow.

Mr. President, it is altogether fitting and proper that this issue should be considered and decided in this historic room—the oval, half-circular chamber designed and constructed by our fathers for the deliberations and actions of the Senate of the United States.

This—to Americans—ancient Senate Chamber was dedicated to the public service in the year of 1800 and thereafter remained the free forum of the American Government until the year of 1860, when, because of expanded membership, this free forum of necessity was transferred to a larger chamber in the Capitol Building of our Government.

Within these classic walls such patriotic and able giants as Henry Clay, James Buchanan, Thomas H. Benton, Franklin Pierce, John C. Calhoun, and Daniel Webster debated, considered, and decided the early problems which confronted the new democratic Republic.

From 1860 to 1935 this room was the temple of justice of the Supreme Court of the United States.

Today as we debate, consider, and decide the multitude of issues—local, national, and international—which constantly arise before us, we have as our gallery the marble busts of some of the great jurists of the past.

For the record let me call the roll of these distinguished Americans. To my right is Morrison R. Waite, who served as Chief Justice of the United States from 1874 to 1888.

Next is Roger B. Taney, the fifth Chief Justice of the United States.

Then Oliver Ellsworth, the third Chief Justice.

Next is John Jay, who holds the honor and distinction of having been the first Chief Justice of the new Western World Government founded in 1789.

Next to John Jay is John Rutledge, the second Chief Justice. Next to Chief Justice Rutledge is John Marshall, the fourth Chief Justice, and in the estimation of many the greatest of them all. Then there is Salmon P. Chase, the sixth to hold the exalted honor. Next is Melville W. Fuller. Last but not least is the former President of the United States, and later Chief Justice, William Howard Taft.

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

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. ELLENDER. I noticed the Senator overlooked one of the most distinguished of all the Chief Justices, namely, Chief Justice Edward D. White, of Louisiana.

Mr. THOMAS of Oklahoma. The Senator is correct. I apologize to the memory of Chief Justice White. I have a chair in my apartment which was used by Chief Justice White. I found it in the basement of this Capitol, dilapidated, discarded. All that was left was the mahogany, the running gears, and the springs. The canvas and leather were entirely gone. The chair had been discarded.

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

Mr. THOMAS of Oklahoma. In a moment. When I first came to Congress, in 1923, investigating around in the basement of this building, I saw this dilapidated chair. I sought the custodian and asked if I might procure it. He said, "Ever so often we clean out the debris, and if we can get enough out of the stuff that is assembled for discarding to pay for hauling it off, we are glad to do so." I asked the custodian to set this chair aside. I took it down to Woodward & Lothrop's and had it gone over. It was put into fine and proper shape. There was nothing wrong with it except that the leather and the canvas were gone, as I have said.

Mr. President, I now have that chair. It has on it a plaque reciting that it was used in the Chamber of the Supreme Court by Chief Justice White, and the chair remained in that Chamber until 1921.

Now I am glad to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, while the Senator was naming the Chief Justices of the United States, it occurred to me that there appear in this Chamber busts of only 10 of them. There were 3 other distinguished men whose busts are not in this Chamber and should be mentioned while we are numbering the Chief Justices of the United States, 13 in all. One was Harlan Fiske Stone, one was Charles Evans Hughes, two of the most able and distinguished of all our Chief Justices and the thirteenth is the present distinguished Chief Justice of the United States, Fred M. Vinson, one of the finest and ablest of Justices.

Mr. THOMAS of Oklahoma. I thank the Senator from Tennessee for his contribution.

Mr. McKELLAR. There have been 13 Chief Justices in all.

Mr. THOMAS of Oklahoma. It is here in this historic Chamber that we are to debate, consider, and decide whether this Nation shall continue on the road of free enterprise, or shall we be diverted to the road of collectivism, which means the initiation of a program for the nationalization of the industries of our Nation.

Mr. President, history records that some of the great conflicts of the past have had their beginning in, at the time, seemingly trivial and unimportant incidents. Such may be the result of the decision of this hour.

Before proceeding to a discussion of the main issue before the Senate, let me call to attention the present fiscal status of our Treasury, and when I refer to "Treasury" I mean to include the treasuries of our States, our cities, our counties, and our districts, because all are inseparably connected with the financial status of our National Government.

At this point I exhibit to the Senate two charts, one showing the group requests for appropriations for the coming year, and I ask permission to have the world and figures shown on chart No. 1 inserted at this point in connection with my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the words and figures of the chart were ordered to be printed in the RECORD, as follows:

CHART NO. 1.—*United States fiscal status*

[Millions of dollars]

Fiscal year	Receipts	Expenditures	Deficit or surplus	Gross debt
1932	2,005	4,741	−2,741	
1940	5,387	9,305	−3,918	43,000
1942	12,799	34,289	−21,490	72,400
1944	44,148	95,572	−51,424	201,000
1945	46,456	100,397	−53,941	258,700
1946	43,037	63,713	−20,676	269,400
1947	43,258	42,505	+753	258,300
1948	42,200	33,700	+8,500	252,300
1949	40,448	42,259	−1,811	252,366
1950 (estimate)	40,985	41,853	−868	[1] 252,000

[1] Plus.

Our national debt is over $252,000,000,000.

Mr. THOMAS of Oklahoma. Mr. President, in brief, the chart shows that if all the requests for appropriations are met, then the taxpayers of the Nation will be called upon, this year, to pay a total sum of almost $42,000,000,000 in Federal taxes. But this is not all. In addition to Federal taxes our taxpayers will be called upon to pay an additional sum of some $17,000,000,000 to meet their State, county, city, and local budgets. When these tax bills are added, we find the consolidated sum to be almost $60,000,000,000. This $60,000,000,000 is almost twice the value of all the known monetary gold in the entire world today.

The second chart shows the financial status of our Government during the past 17 years. In only two of the years since 1931 have we had a balanced budget.

I ask permission to show, at this point in my remarks, the words and figures shown on chart No. 2.

The PRESIDING OFFICER. Is there objection?

There being no objection, the words and figures of the chart were ordered to be printed in the RECORD, as follows:

CHART No. 2—*1950 estimated expenditures*

[In millions]

Foreign relief	$6,709
National defense	14,268
Veterans	5,496
Social welfare	2,358
Housing	388
Education—research	414
Agriculture	1,662
Natural resources	1,861
Transportation—communication	1,586
Finance, commerce, industry	107
Labor	187
General government	1,224
Interest on public debt	5,450
Contingencies	150
Total	41,858

Mr. THOMAS of Oklahoma. Mr. President, as this debate proceeds I hope Senators will consider and reflect upon the facts as portrayed in the two charts now ordered to be made a part of the permanent records of this Senate.

At this point I wish to refer to another chart now displayed before the Senate. I shall refer to the chart as No. 3.

The wording on this chart is a reproduction of two sentences found on page 51 of the 1948 Annual Report of the Secretary of the Interior. It must be remembered that the Interior Department has supervision over the distribution of power generated at reclamation dams, and also has supervision over the sale of power generated at flood-control dams.

The two sentences are as follows:

> We need to develop within the next 20 years at least 40,000,000 kilowatts. The Federal Government probably will need to build at least 30,000,000 of these kilowatts at a cost of 12 to 15 billion dollars.

Here, in brief, is the recommended public-power policy for the United States.

As we proceed I hope at least three facts may be impressed upon the minds of Senators, as follows:

First. Our national debt is today over $254,000,000,000.

Second. Our current budget contains requests for over $42,000,000,000; and,

Third. The Secretary of the Interior is recommending that we go into the power business to the extent of from twelve to fifteen billion dollars.

The issue before us at this hour is—Shall we comply with the recommendations made and submitted by the Secretary of the Interior?

Mr. President, this issue has nothing whatever to do with either motives or personalities. I shall seek to present the matter from the standpoint of what I consider to be best for all the people of our great country.

Mr. President, I shall try to make clear the issue or issues in detail which are now before the Senate. The first issue is with respect to the creation of a Southeastern Power Authority. I referred to that and showed its location on the map a few minutes ago. The question involved in the pending amendment is whether or not the Senate will approve the committee recommendation which seeks to strike out the paragraph of the bill beginning in line 10 on page 5. If the paragraph remains in the bill a Southeastern Power Authority will be created and an appropriation will be made in the sum of $70,000 to start that Authority on its way.

The second issue is with respect to the amount of funds to be appropriated for the Southwestern Power Authority. That is the Authority which is south of Kansas and west of the Mississippi River. It is dealt with in the next amendment which will come before the Senate. The first issue will be whether or not the Senate will approve the House language which, if approved, will create a Southeastern Power Authority or Administration. As I said, the second amendment will deal with the question whether or not the Senate will accept the committee recommendation, which is a reduction of more than $5,000,000 below the House item suggested for the Southwestern Power Administration.

The third issue is with respect to the creation of a continuing fund or a checking account in the sum of $300,000 for the Administrator of the said Southwestern Power Authority.

Legislative language is contained in the section which, if approved, will authorize the Administrator to "purchase electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives and privately owned companies."

If the language is approved, then the power of the SPA will be expanded to include not only the sale of electricity, but in addition the Administrator will have the legal right to purchase electricity and to rent transmission lines and steam power generating plants. The Administrator has no such power now. That is legislation in the bill inserted by the other body. If enacted, as stated, the power of the Administrator in the southwestern area of the United States will be vastly expanded.

While these three amendments must be voted on separately, yet they are so closely related that I propose to discuss them together.

As I have said, the first amendment, found on page 5 of the bill, proposes to create a Southeastern Power Authority, with an initial appropriation in the sum of $70,000.

The other body of the Congress inserted the provision and the Senate committee recommends that it be stricken from the bill. Later I shall explain why the committee made such a recommendation.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. MAGNUSON. I wonder if the Senator knows whether there was a unanimous report, or what was the division of the vote on the first amendment?

Mr. THOMAS of Oklahoma. Mr. President, the votes in the Senate committee are rarely unanimous. Sometimes they are. But they rarely are. The vote on this amendment was not unanimous.

Mr. MAGNUSON. Does the Senator know how many Senators voted for it?

Mr. THOMAS of Oklahoma. No; I do not have the record.

If the public power program recommended by the committee is approved, then the committee holds and recommends that there is no substantial reason for the creation of a Southeastern Power Authority.

That is, the Authority south of the Ohio River and east of the Mississippi.

However, this section, when reached, will be debated later upon its merits.

Mr. President, because of the importance of the issue that is now before this Senate and, further, because such issue deals, first, with the fundamental principles of the free-enterprise system by and through which our country has become the richest, the strongest, and the most influential Nation of the earth, and, second, because the issue deals with figures, I most respectfully request that I may be permitted to proceed without questions from the floor. However that is not mandatory. I shall be glad to yield if any Senator desires to submit a question.

When I have stated the issue, as I understand it, I shall be glad to yield for questions in order that my position may be made clear.

The issue before the Senate relates to the development and distribution of public power.

The issue is not with respect to legislation but is confined, strictly, to an item of appropriation, yet the issue, in reality, is with respect to what should be the public power policy of the United States.

The pending amendment, on its face, appears to be merely a matter of whether we appropriate the sum of $3,874,020 or the sum of $9,000,000 for the construction, operation, and maintenance of power-transmission facilities in six States—Kansas, Missouri, Arkansas, Louisiana, Texas, and Okahoma—all embraced in the territory allocated to the Southwestern Power Administration.

The other body of the Congress recommended the $9,000,000 and the Senate Committee on Appropriations has recommended that the House sum be reduced to $3,874,020.

In other words, the Senate committee recommends that the House item be reduced by the sum of $5,125,980.

The reduction in this item is recommended along with reductions in other

items in an effort to reduce our total appropriations so as to escape the necessity of having to increase taxes to balance the budget.

The issue raised by the recommended cut has to do with the construction of reclamation and flood-control dams, the development of hydroelectric and steam power, and the building of electric-transmission lines and related facilities.

On this issue I want to make my position clear.

I have been, and am now, in favor of a program for the increased development of hydroelectric power.

I have consistently favored the building of all transmission lines and related facilities which may be necessary to make such power available for the REA cooperatives and Federal and State public bodies.

I have worked to accomplish these two desirable and necessary objectives.

It was my committee that developed and recommended these programs.

In addition, I want the power generated at the public plants made available to the consumers at the lowest possible costs consistent with sound business principles.

Today in the several States covered by the SPA we have the second lowest rates to rural electric cooperatives and governmental bodies in the entire United States.

Only Bonneville affords power at lower rates than the rates announced and approved for the States of Arkansas and Oklahoma. If cheaper rates can be secured, then I want the lower rates.

I am a member of the Cotton Electric Cooperative, operating in southwest Oklahoma. For the first 30 kilowatt-hours of electricity I consume I pay 10 cents per kilowatt-hour. Ten cents per kilowatt-hour means 100 mills per kilowatt-hour, so to a degree I am interested personally in ample power at lower rates.

Mr. President, I came from a rural area. I was not born in a city, or a town, or a village, and not even near a public highway. I first saw the light of day in a wooded area, almost a mile from the nearest public road.

During my early days my knowledge that others lived was by sound of wooden-wheeled wagons slowly traveling over the frozen roads in winter, and by the sight of clouds of dust following those same early-day wagons in the good old summer time.

Mr. President, I know our rural people and I know their way of life. I know of their lack of almost the necessities of existence. I can never forget the early-day lighting systems: The coal oil lamp, the lantern, the candle, the woolen rag in the greasy skillet, and the glowing blaze in the open fireplace.

I know of the early-day roads in Indiana. Uncomfortable in the frozen winter, impassible in the spring thaw-outs, and suffocating in the summer dust.

Because I have been a pioneer in three different States and know the limitations and hardships incident to rural life, I have a definite goal for those who have been and still are deprived of the conveniences of modern-day civilization.

Mr. President, I hope to see the day when every American citizen may have a modern home equipped with cheap electricity, connected with modern telephone service, and located on an all-weather road leading to church, to school, and to market. To attain such a goal I have striven for over 40 years as a legislator in my State and in the Congress of the United States.

At the beginning of this debate, permit me to state that the matter at issue is much broader than appears on the surface.

This issue—the expansion of the Southwestern Power Administration—has been before the Senate on previous occasions.

If this issue is resolved in favor of the House figures; that is, if the Senate recommendation in the sum of $3,874,020 is increased to the House figures of $9,000,000, then the Senate commits itself to a total appropriation of some $31,000,000 to be made available and expended in the territory embraced in the Southwestern Power Administration within the next 3 years.

In the present condition of our Treasury I contend that we cannot afford to commit ourselves to such a program, especially at a time from 3 to 5 years before we have any additional power to transmit.

But, Mr. President, this is not all that is embraced in the pending amendment.

Let me at this point remind those who have been Members of this body for more than one term that in 1944 the Congress passed legislation, approved December 22, 1944, directing that all hydroelectric power generated at flood-control dams be turned over to the Secretary of the Interior for disposal and sale.

In order that the record may be complete, I ask unanimous consent to place in the RECORD at this point, in connection with my remarks, a copy of section 5 of the 1944 flood-control law, which section is all the legislation now on the statute books with respect to the disposition of the hydro power being developed and to be developed at the various public flood-control dams located and to be located throughout the country.

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

SEC. 5. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

Mr. THOMAS of Oklahoma. Soon after this brief section of law was enacted, the Secretary of the Interior prepared and proclaimed an Executive order creating the Southwestern Power Administration. At that time little hydroelectric power was being developed and available for disposal and sale.

Immediately following the enactment of section 5 and the issuance of the Executive order, the Congress appropriated the sum of $140,000 for salaries and expenses in connection with the administration of SPA.

In the same year the sum of $135,000 was appropriated in the First Supplemental National Defense Appropriation Act and, in addition, a continuing fund in the form of a checking account was set up in the Treasury for the benefit of the Administrator of the Southwestern Power Administration. How much money has been expended under the so-called "continuing fund" has not been disclosed to the committee.

In 1945 an additional amount in the sum of $610,000 was appropriated to maintain and support the Interior Department-created SPA.

In 1946 the Congress appropriated an additional $7,500,000 for the support of the SPA.

In 1947 the Congress appropriated $215,000 for the support of the Administration.

In 1948 the Congress appropriated $260,000 for the support of the said administration, and again for the fiscal year 1949 the Congress appropriated a further sum of $260,000 for the support of this administration.

In all, to date, the Congress has appropriated a total sum of $8,895,000 for salaries, expenses, and the construction of a transmission line from the Denison Dam, located on the Red River between Oklahoma and Texas, and the Norfork Dam, located some 500 miles away in northeastern Arkansas.

Mr. President, if this Congress appropriates the amount recommended by the committee in the sum of $3,874,000, when added to the sums heretofore made available the total is some $12,500,000.

If this appropriation is made in the figures recommended by the committee, thereafter when the money has been expended what will we have to show for the sums appropriated?

All we will have to show for the $12,500,000 will be a high line from the Denison Dam to the Norfork Dam, branch lines—one to the city of Walters, in the State of Oklahoma, one to the Fort Gibson Dam; one to the Tenkiller Dam, and one to the Bull Shoals Dam with substations.

This transmission line—500 miles in length and related facilities—will have cost the taxpayers over-all, excluding operating expenses, approximately $25,000 per mile.

In the SPA territory we have over 37,000 miles of electric lines already constructed and in service.

Multiply the number of miles already in existence in these 6 States by the sum of $25,000, and we find the total to be some $925,000,000.

If the Government proposes, first, to build its own steam-power plants; second, to duplicate the existing electric lines; and, then, third, to build additional lines as proposed in the Southwestern Power Administration recommendations then the total cost at present prices will run well over $1,000,000,000.

Obviously this is a part of the over-all program for the nationalizing of electricity and I am unalterably opposed to the nationalization of electricity or any other industry in the United States.

Mr. President, am I justified in my fears that this is the program now being considered by this Congress?

At this point permit me to call the attention of the Senate to what has already happened:

Within less than 2 years after the Southwestern Power Administration was created by Executive order, the Administrator developed and submitted a program for the construction of transmission lines and other facilities for the sale of the hydro power to be developed in the territory allocated to the Southwestern Power Administration.

This program was presented to the Congress in the summer of 1946.

The program presented embraced a network of power-transmission and distributing lines with substations and switching stations covering the States of Oklahoma, Arkansas, and Texas and reaching over into the States of Kansas, Missouri, and Louisiana.

At that time the program was estimated to cost a sum in excess of $200,000,000. That was in 1946.

With recent increased costs, the same program today would cost in excess of $350,000,000. It generally is estimated and accepted that labor prices and the prices of material have increased approximately 6 percent in the past 2 or 3 years, and it is on the basis of that increase that I make this statement.

In 1946 the Administrator of the SPA asked the Congress for the sum of $23,000,000 with which to start construction of the over-all program as outlined and submitted to the Congress; however, after consideration and debate, the Congress allowed only the sum of $7,500,000 of the $23,000,000 requested.

Mr. President, at this point I wish to submit for the consideration of the Senate some charts which are authentic. They are small, and I shall have to pass them around among Senators, in order that the charts may be seen clearly. The first chart shows in black the electric lines already in existence in these six States. The lines shown in red are the ones projected by the Southwestern Power Administration in 1946, for which the cost estimate of $202,000,000 was made. The lines, if now constructed as they are indicated on these plans, would cost an estimated amount of $350,000,000. I pass this chart among Senators, for their inspection.

Mr. President, I opposed that program in 1946. I have opposed the program since. I am opposed to the program now. I am not opposed to having all our people have an abundance of cheap electricity. I am in favor of that. If it were necessary to build these lines at such an enormous expense, I might take a different viewpoint with respect to this issue. But, as I shall show in a moment, this expenditure is not necessary. Not a single dollar of the money above the amount of money recommended for appropriation by the Senate committee is necessary to be spent, save a small amount for administration.

The requests for money with which to start this ambitious program and the objections to such program began in earnest here in the Congress in the summer of 1946.

Since 1946 the appropriations for the SPA to supervise the sale and distribution of power developed at hydroelectric power dams in the Southwest have been in reasonable amounts, but this year the Administrator of the SPA came before the Congress and asked approval of a program to spend some $31,000,000 in the building of transmission and distributing lines in the Southwestern States over a period of the next 3 years.

In other words, Mr. President, having been defeated in 1946, the Administrator now returns and initiates a request to do now what he could not do in 1946. In 1946 he requested only $23,000,000. Now he is requesting $31,000,000.

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

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. McCLELLAN. Is the $31,000,000 now requested a part of the over-all $202,000,000 which was the amount for the over-all plan in 1946?

Mr. THOMAS of Oklahoma. The Senator from Arkansas will have to draw his own conclusion as to that. My answer would be that this is the beginning of the construction of the over-all program as submitted to the Congress in 1946.

Mr. McCLELLAN. Let me ask this question of the able Senator: If the fund of $31,000,000 is appropriated, as now requested for the next 3 years, and if the construction is had, would that provide power lines and transmission lines which would be adequate to serve the whole area covered by the Southwestern Power Administration, or would it provide for service in only a portion of the area?

Mr. THOMAS of Oklahoma. It would be utterly impossible to duplicate, by anything like the expenditure of $31,000,000, the present 35,000 miles of electric wires strung over six States and to duplicate the great number of existing steam plants in those States. The proposed expenditure of $31,000,000 is only the beginning. It is the first request for funds to start the construction of this gigantic power empire.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WILEY. I am very much interested in this situation and in what the Senator calls a duplicating system of transmission lines as proposed by the Southwestern Power Administration. I notice that by lifting the celluloid, or whatever the cover of map is made of, we can see very clearly on the map the present existing lines. I wonder whether in the bill the Senator has been discussing there is any provision which would limit the expenditure to only the lines as to which there would be no duplication, or whether the thought is that there should be duplicating lines and the creation of unnecessary service and unnecessary service outlets, thus calling for unnecessary expenditures.

It seems to me this proposal calls for tremendous duplication. I wonder whether there is any thought that, in this connection, lines might be built to render service to persons who do not now receive electric-power or electric-light service, a service which apparently the present power companies do not provide. I wonder if any such proposal is included in the provisions of the bill or of the amendment.

Mr. THOMAS of Oklahoma. Mr. President, the fault of this whole program lies in the fact that the Congress has not considered and developed a national public power policy. I introduced a bill about 2 years ago suggesting the adoption of a national public-power policy, but for some reason unknown to myself I could get no action upon the bill. So the only law we have today is section 5 of the Flood Control Act of 1944, and all that section does is to order that the power developed at flood-control dams built by the Corps of United States Engineers shall be turned over to the Secretary of the Interior for sale and distribution. It provides that he shall not build unnecessary power lines and that he shall build only such power lines as will make the power available to REA's and to public bodies, with the excess, if any, to be made available for sale to private companies.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. MURRAY. I should like to ask the able Senator whether it is not a fact that from the time we developed TVA there has been repeated action in the Congress, with a recognition of the principle that in connection with public dams creating hydroelectric power, preferences should be given to municipalities, rural cooperatives, and public bodies?

Mr. THOMAS of Oklahoma. That is all stated in section 5 of the law just mentioned.

Mr. MURRAY. Has the Senator any objection to the Government giving such preferences?

Mr. THOMAS of Oklahoma. No, I favor the policy.

Mr. MURRAY. The Senator does not advocate, does he, the establishment of a rule which would compel the sale of power direct from the bus bar at the public dams, under programs of the kind

being discussed? The Senator believes in transmission lines, does he not, to carry power into the interior where the load centers exist?

Mr. THOMAS of Oklahoma. We must have transmission lines wherever they are needed.

Mr. MURRAY. The Senator does not oppose that, does he?

Mr. THOMAS of Oklahoma. I am for it.

Mr. MURRAY. That is fine.

Mr. THOMAS of Oklahoma. Yet, Mr. President, this is not the entire picture with respect to the program for the development and distribution of electric power.

On March 28 of this year, the Secretary of the Interior, in its annual report to the President, proposed a $12,000,000,000 to $15,000,000,000 Federal power program to be fully developed in the next 20 years. If anyone cares to examine the report, there will be found on page 51 the language which is shown on the chart, and which has already been read into the RECORD.

This means that the Congress may soon be called upon to appropriate from $500,000,000 to $1,000,000,000 annually with which to build steam power generating plants, transmission lines, substations and related facilities; and from my knowledge of what has already happened, what is contained in the pending bill and the recommendations of the Secretary of the Interior I am convinced that the paramount issue is not the relatively simple amendment to appropriate the sum of $9,000,000 instead of $3,874,020—but instead the issue is the nationalization of electricity in the United States.

Mr. President, as before stated, I am opposed to initiating a program which will, in my opinion, lead to the nationalization of the electric industry or any other industry.

Such a development would be contrary to our free enterprise system and, likewise, contrary to the American way of life.

Such a development is not necessary to accomplish the exact things that our people want and demand.

Our people, and especially those who live in rural areas, want, need, and are demanding an ample supply of electric energy, and they want such energy supplied at the lowest cost consistent with sound business principles.

To such objective I am in complete accord.

The pending issue relates directly to the sale and distribution of power developed, and to be developed, in the territory allotted to the Southwestern Power Administration.

The Administrator of the said SPA is Douglas G. Wright, with headquarters at Tulsa, Okla.

In the Annual Report of the Secretary of the Interior for 1948, the book which is now being passed around, is a chapter prepared by Mr. Wright, and in such article the Administrator makes a recommendation as follows:

> To support the maximum capability from hydroelectric generating projects in the area they must be integrated with fuel-burning generating plants. This can be accomplished by * * * interchanging contracts with private utilities, cooperatives, public bodies, or industrial establishments having fuel-burning generating plants.

Administrator Wright approves of such a policy for the disposal and sale of the hydroelectric energy generated at the publicly owned plants located in the SPA territory.

He lists other plans for the disposal of such energy, but of all the plans listed he has the following to say about the plan just stated:

> The first method would be satisfactory and beneficial to the Government, the companies, and the customers of both systems.

Again, Mr. Wright says:

> Such arrangements would provide for the most economical development of the country's hydroelectric resources to the maximum benefit to all the people.

Mr. President, with such recommendation and conclusion I am in complete accord, and the balance of my argument will be devoted to the support of such plan for the disposal and sale of the hydroelectric energy as authorized in the said section 5 of the Flood Control Act of 1944.

Mr. President, my main objection to the SPA program is that it imposes upon the farmers of my State a concealed mortgage in the sum of $350,000,000 to cover the cost of building an unknown number of steam-generating power plants and thousands of miles of transmission and distributing lines to carry the electricity from the dams and steam plants to the farmers' rural electric coops of Oklahoma and the Southwest.

I have just said that if the SPA program is carried out that a concealed mortgage in the sum of more than $350,000,000 will be imposed upon the farmers in Oklahoma and the adjoining States. Where do I get my figures? The answer is: The plans and specifications are all set forth in the 1945 report on the comprehensive plan of power production and distribution in the territory covered by the Southwestern Power Administration.

Mr. President, at this point, I exhibit to the Senate the plans and specifications for the program which I have been discussing. Here are the detailed plans and specifications outlining the power lines from where they start to where they end, covering more than 10,000 miles, as I remember, of territory in the six States of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma. The figures which I shall give are taken from this report. The report is entitled "Report on Comprehensive Plan of Power Distribution and Sales From Hydroelectric Projects as Authorized by Flood Control Act of 1944, H. R. 4485, in the Southwestern Region."

On page 102, table No. 4, the cost of transmission lines is estimated to be $125,000,000, and the cost of the steam plants, page 113, table 13, is estimated to be $77,000,000. That estimate was made in 1944. Since that time prices have increased, wages have increased, the cost of wire has increased, the cost of poles and accessories has increased, so that now, in order to get the relative cost of the construction of these lines, we would have to add 70 percent to the figure $125,000,000.

On page 113, table 13, there is found the estimated cost of the steam plant necessary to firm up this hydroelectric power.

In my section of the country we do not have dependable power, such as is obtained on the great Columbia River, in the Northwest. We do not have dependable hydroelectric power as they have in the Northwest, on the Snake River. There are two power systems in the Northwest which do not have any steam generating facilities. They have hydroelectric plants, and hydroelectric plants alone. They do not need steam stand-by plants to firm up the hydroelectric power. They have ample water on each of the days of the year. So those two systems in the far Northwest have no steam stand-by plants.

In 1944, when these estimates were prepared, which were submitted in 1945, the estimated cost of the lines and the steam plants necessary to serve the Southwestern part of the United States, parts of six States, as shown by the small map, was $202,000,000.

As I stated, construction costs are approximately 70 percent higher than in 1944, when the original estimates were made, so that now, to build the SPA system as outlined in the 1945 report, at present prices of materials and labor, it will require an outlay of approximately $350,000,000.

Why do I say that the cost of this program in the sum of $350,000,000 is a concealed mortgage upon the farmers of Oklahoma and the Southwest?

The answer:

First. Section 5 of the 1944 act authorizing the construction or purchase of transmission lines and related facilities provides that the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power, shall be returned to the Federal Treasury in a reasonable period of years.

Second. The Secretary of the Interior, in his annual report for the fiscal year ended June 30, 1948, page 135, Division of Power, says, "The power is to be sold at rates which will cover its cost."

Mr. President, just what is proposed for the farmers enrolled in the 29 coops located in my State of Oklahoma?

I have just quoted the law providing that the costs incurred in building the system must be amortized, which means paid for in power rates charged to the consumers of the power produced and this is not all.

The farmer consumers will be charged with the cost of maintenance, depreciation, management, and operation of the system.

The 11 major electric companies now serving the Southwest employ some 15,000 people.

If the Government builds a competing system to serve the same territory, then the number of employees necessary to operate the system satisfactorily will not be less than the number employed to operate the comparable part of the private systems.

The costs of maintenance and operation of the system have all been figured out.

In exhibit on page 115, table 15, and page 116, table 16, of the plans and

specifications of 1945, we find the estimated cost of operation and management.

The southwestern system was planned to be constructed, starting in 1946.

As the system was to have been built, the cost of operation and management was estimated, and here is an estimate of the cost of operating the system, beginning in 1946. For that year the estimate was $4,715,000.

The cost of management and operation for the year 1947 was $7,062,000.

For 1948 it was $8,420,000, and for 1949 it was $14,867,000; and then, by the year 1965, 20 years forward from 1946, when the system as planned will be completed, the operating, interest, and management costs were to be $43,252,000 a year.

Mr. President, whatever may happen in the future, the opposition to this appropriation in past years has saved the taxpayers of the Nation already these several sums. If the system had been constructed as planned, enough of the system would be created and under operation at this time so that the management costs this year, 1949, would be more than $14,000,000. As I said, whatever may happen in the future, we have escaped, up to this good hour, this enormous drain upon the Treasury.

At present-day prices, these costs would be increased by approximately 70 percent. I have said that the end of 20 years, in 1965, if this system were constructed, the operating and management costs would be $43,000,000 a year. At present-day prices, which are estimated to be 70 percent higher, these costs would be increased to the sum of $73,528,400.

This is the program which confronts us at this hour. If we desire to start upon this gigantic program, we shall have an opportunity when these issues come to be resolved.

Again, Mr. President, who is to pay for the $350,000,000 construction costs and more than $500,000,000 of operation and management costs through the year 1965, if this SPA empire electric system is constructed at today's prices.

This will mean a unit price per kilowatt-hour, at present day costs, of 8.26 mills. That is a cheap rate in some sections of the country, as I shall show a little later. But that would be the cost of power in my section of the country, which is above what is being charged now. In the State of Oklahoma, in Arkansas, Texas, and Louisiana, the REA's are getting the power now for less than 7 mills per kilowatt-hour. They have a standing offer today, which they can accept, for all the power they can use, at a rate of 5 mills per kilowatt-hour. Some have accepted that rate, and those that have accepted the rate of 5 mills per kilowatt-hour today have the second lowest electric rate in the Nation.

As I have said, Mr. President, the question is, Who is to pay the costs? To such a question there is but one answer. The farmer co-op members of Oklahoma and the Southwest are to pay. Someone must pay this gigantic bill. The only ones to pay it will be the consumers of the electric products, and if they do not pay it, then this enormous burden will fall upon the backs of the taxpayers of the United States.

Mr. President, how will the consumers, the members of farmer cooperatives and other consumers of this power, pay this enormous bill in a reasonable number of years?

Under the law each farmer consumer must pay his part of the construction costs and his part of the costs of operation and management in the form of rates in monthly bills for the power that he uses.

At this point I will make it clear, I hope, just what this SPA program means to the farmers of Oklahoma and the Southwest.

First. That portion of the costs of installing hydroelectric machinery at each of the power dams in Oklahoma and the Southwest and that part of the dam allocable to power will be charged in the form of electric rates to the farmers and other consumers of such publicly produced power.

The total cost of this outlay will depend upon the number of dams built and to be built.

Second. The cost of the construction of the necessary steam plants, the cost of the necessary transmission and distributing lines, and the cost of operation and management of the SPA electric empire will likewise be added to the rates to be assessed against the farmers and other consumers of such publicly produced power.

According to the original 1945 plans and specifications, the initial cost, at present prices, will be some $350,000,000. To this sum must be added the annual costs of maintenance, including interest, depreciation, operation, and bureaucratic management in the sum of $18,959,080 through the year 1965.

Third. The costs of the construction, maintenance, and operation of the lines and facilities of the existing electric cooperatives are already fixed and covered by loans from the REA here in Washington.

From the foregoing it is clear that the power rates to be fixed by the Federal Power Commission must take into consideration—

First, the costs of the hydroelectric equipment and costs of maintenance, interest, and operation at the power dams;

Second, the costs of the steam plants, the transmission and distributing lines, and their maintenance, interest, and operation; and

Third, the interest on and the amortization of the several co-op loans and, in addition, the maintenance, operation, and management of the several individual electric co-ops.

Mr. President, electric rates based upon so costly a system must of necessity be high, and if this grandiose electric empire is constructed, then the hope of cheap power rates in Oklahoma and the Southwest is dispelled forever.

Mr. President, the law directs the Federal Power Commission to consider all costs of construction, maintenance, amortization, interest and operation in approving the public-power rates in any given area.

The law further directs that the power rates shall be "consistent with sound business principles."

Since I have been a Member of the Senate I have concentrated my efforts in trying to get funds for the building of flood control and power dams.

To develop the hydropower we must build the dams and these costs we cannot escape.

It has been my subcommittee handling funds for the Corps of Army Engineers that has approved and recommended money for the construction of dams and hydroelectric plants.

To make possible the transmission and distribution of power to the farms of the country, it was necessary, first, to create the Rural Electrification Administration; and, second, to provide such administration with funds for the making of loans to the several cooperatives so that the lines and facilities might be constructed.

It was my Committee on Agriculture and Forestry which developed and recommended and caused to be created the REA system.

Again, it was the subcommittee handling funds for the Agriculture Department, of which I am an ex officio member, that has approved and recommended funds for making the necessary loans.

Again, it is the subcommittee handling funds for the Interior Department, of which I am a member, that is approving and recommending funds for connecting the power dams years before they are completed.

These expenses are necessary and cannot be avoided.

Electric rates based upon the costs of developing hydroelectric power and the costs of the necessary connecting backbone transmission lines, together with the costs of interest, maintenance, and operation, should be reasonably low.

In the Columbia River area of the Northwest, the rates to the co-ops are the lowest in the United States and average some 3.5 mills per kilowatt-hour.

In the Tennessee Valley area the rates to the co-ops average some 5.2 mills per kilowatt-hour.

In the Southwestern Power Administration area, embracing my State of Oklahoma, the rates approved by the Federal Power Commission are some 5.8 mills per kilowatt-hour, and a rate of 5 mills per kilowatt-hour is now being offered by the major power companies to the REA cooperatives located in Oklahoma.

If the SPA plan for steam plants and a vast network of transmission and distributing lines is approved by the Congress, and constructed at the cost of some $350,000,000, with an annual maintenance, interest, and operation cost in the sum of $18,959,080 average estimated through 1965 in the 1945 plan, then the power rates in my section of the country must, of necessity, be vastly increased, and it is this initial cost and the perpetual maintenance, interest, and operating costs that I am opposing here today.

The question may be asked: "How may farmers get the cheap power from the hydro dams unless the steam plants and the transmission lines are constructed?" The answer is: "By embodying the principles of the Texas Power & Light contract into contracts to be made between the Government and the several local electric distributing companies." In the State of Texas, under the provisions of the Texas Power & Light contract, not a single steam

plant and not even 1 mile of extra transmission line has been constructed save a short connection between the power plant at the Denison Dam and the nearest transmission line of the Texas Power & Light Co.

I have just exhibited a map to the Senate. Recheck the map and Senators will see a multitude of red lines indicating the plan originally made for the building of transmission lines over the State of Texas. Because there was developed a contract known as the Texas Power & Light contract in Texas, not a single one of those red lines have matured into a transmission line. Not a single mile of transmission line has been built in the great State of Texas because there is no need for the building of the line. The Denison Dam is only a few miles from a main transmission line belonging to the Texas Power & Light Co. A short connection was made and all the power produced at the Denison Dam was fed into the Texas Power & Light Co.'s existing lines. The contract provides, in brief, that of the power fed into those lines the Government can take out 70 percent and deliver it at any point it sees fit where the Government has commitments.

Meanwhile the Texas Power & Light Co. is buying all the output of that dam and paying for it, as I understand, in excess of 5 mills per kilowatt-hour. The Texas Power & Light Co. transmits the power, and as the Government makes its contracts with REA or with great Army camps and great naval installations, of each of which there are a number in Texas, and with other public bodies to deliver power to any of them, the Government has the right under the contract to take out the power that is needed, deliver it, and fulfill its commitments.

Mr. President, if it has been good and is now good for Texas to have a contract embodying these principles, thus avoiding an expense of from at least $75,000,000 to $100,000,000 in building duplicate lines, why would it not be equally good for my State of Oklahoma, and why would it not be equally good for the great State of Arkansas?

Let me say a word in passing. No State in the Nation has greater possibilities than has the State of Arkansas. Arkansas has everything. It has fine water, fine land, fine products. It has unknown and unmeasured natural resources. The Government is now building in Arkansas a number of power dams. A vast amount of electricity will be produced in that State. That electricity will be connected by a great system covering my State of Oklahoma. Here is Arkansas side by side with Oklahoma.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. I appreciate very much the Senator's complimentary reference to my native State and the State which I am honored in part to represent in this body. The Senator is correct that Arkansas is one of the States which has the greatest potentialities for growth and development in the future, and this program of developing hydroelectric power is hastening the day when Arkansas will come into its own. We are very much interested in the program and in the development of the great natural resources which we possess.

I should like to ask the Senator a question in this connection. Let us say the dams are built, and are generating power. Is it not true that in order to secure the maximum benefits of the power thus developed we must have what is termed firm power, power produced by a fuel-burning plant, in order to firm up the central power which is generated at the dams?

Mr. THOMAS of Oklahoma. I am glad to have that question asked. The answer is plain to anyone who has thought about the program. As I stated a moment ago, there are only two rivers, so far as I know, in the United States, where the water is constant. One is the Snake River in the far Northwest. I believe the other river is in the State of Montana, but I am not sure about that. The Columbia River approaches perfection from the standpoint of constancy of water. In the Snake system and Montana River system—but not in the Columbia Basin—it is not necessary to have any steam stand-by plants. The water there is ample. The turbines can be operated 365 days a year with no diminution of the output.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. Would not the Senator include the St. Lawrence seaway as another source of water which would be constant or uniform?

Mr. THOMAS of Oklahoma. I think the Senator is correct, but I have made no study of that system. I do not know how low the water gets in the St. Lawrence River. Most Senators have visited the great St. Lawrence area. Many, no doubt, have spent some happy times there in their younger days. I have not had the privilege of inspecting even the great fall. On the map yonder can be seen a proposed authority, already existing in the mind of someone, which as soon as the St. Lawrence program is developed will become a reality in that area, to sell the dispose of the power.

As I stated a while ago, in my section of the State the water is not constant. We have heavy flash rains and floods. Great damage is done by the floods. Then we have dry spells. The only way we can have the benefit of power is to build vast dams to stop the floods in the first instance, then to hold a certain amount of water in the dams for the developing of hydroelectric energy. I have seen times in my section of Oklahoma, however, when the drought has lasted so long that the vast rivers were entirely dry. I say "vast rivers." They are considered vast in our section of the country. I have seen dry the Cimarron, the North Canadian, the South Canadian, and even the Red River. Yet we have a large dam at Denison which makes a gigantic lake, one of the finest bodies of water created artificially in the world. The lake is called Lake Texhoma, a combination of Texas and Oklahoma. We have a vast power pool there, a vast power potential. We are installing machinery. As soon as the power line is constructed from Denison to Norfork that power will become available.

But, Mr. President, we cannot depend upon hydropower in my section of the country. Even in the great Tennessee Valley, where they have more rain than we have farther west, we found it necessary to start construction of an electrical steam plant in that area. When the Tennessee Valley Authority was inaugurated there were a number of steam plants throughout the Tennessee Valley. They were getting along fairly well with the then population and the then number of factories. But when cheap power was developed there was a movement of population and industries into that valley. Northern industries, eastern industries, western industries, and even southern industries, seeing the advantage of cheap power, moved into the Tennessee Valley. Now it is a beehive of activity. They are using more power than the hydroturbines produce, because they do not have dependable water at all seasons of the year, and although all the existing stand-by steam plants are being used to their capacity when water is low, still they do not have enough power. So the present Congress appropriated money to start construction of a gigantic steam plant at New Johnsonville, Tenn., an absolute necessity.

If we had known years ago that this development was coming, I am not sure that Congress would have initiated the TVA system. I was in the Senate at that time. The bill was reported from the Committee on Agriculture and Forestry. The famous and distinguished Senator Norris was the author of that bill. The argument before the committee at that time was that the Nation needed a yardstick to ascertain how much it cost to produce power. A bill was formulated, reported, and passed, as a means of creating a yardstick to see what power cost. After the movement was started it spread until today the Tennessee Valley area is soon to be swallowed up and surrounded by the Southeastern Power Administration if the other body has its will. I do not know what will happen; but I prophesy that if the Southeastern Power Administration is developed, immediately a fight will start between the TVA and the Southeastern Power Authority. That, I am trying to avoid.

In my section we must have steam to firm up hydro power. In dry times we have no power in that area. We have steam plants there now, as there were steam plants in the Tennessee Valley when the Tennessee Valley Authority was created. I am hoping that when we develop hydro power in the Southwest people will move into our area and factories will come into our area, resulting in a greatly increased demand for power and making it necessary not only to use every kilowatt of hydro power but to build a vast number of steam plants.

That does not imply, however, that such steam plants must be built by the Federal Government. So long as we keep free enterprise in existence in this country the private power companies can build their own steam plants, and they will build their own steam plants. But if the giant monopoly portrayed in two sentences in a recent report from the Secretary of the Interior comes into being, then the credit of every private

power plant in the Nation will be destroyed. Already in some parts of the country private power companies are finding it difficult to float their bonds and debentures. I have no brief for any power company. I committed myself to the program I am announcing here today, at the dedication of the Denison Dam on the 1st of July 1944. That was before Congress enacted section 5 of the 1944 Flood Control Act. Later in my address I shall insert in the RECORD that part of my Denison Dam dedicatory address referring to power.

Luckily for me, I outlined in some detail the program which I thought should be followed. It is gratifying to me to know that the Texas contract has outlined in detail the principles I asserted in my dedicatory speech at the Denison Dam on July 1, 1944. I committed myself then. I have not changed. I have the same opinion now.

The program which the committee recommends is a program which will serve the best interests of every man, woman, and child in America; and if I fail to show that before I conclude, I shall expect the committee report to be overturned.

Again let me say that if it is good for Texas and good for the Government to forego the building over the great State of Texas of all the red lines shown on the chart, it should be equally good to adopt the same program in the States of Louisiana, Arkansas, Missouri, Kansas, and my own State of Oklahoma. It can be done; and if it is done, future Congresses will not be requested to appropriate vast sums of money to build either steam plants or transmission lines.

There is no request here to build steam plants in Texas. There is no request here to build transmission lines in Texas. If the program favored by the committee and recommended in the committee report is adopted by this Congress, what has happened in Texas will happen all through that area. That is not all, Mr. President. It may happen in some areas outside the Southwest.

(At this point Mr. THOMAS of Oklahoma yielded to Mr. TYDINGS for the consideration of certain routine nominations in the armed forces. Debate ensued, which, on request of Mr. TYDINGS, and by unanimous consent, was ordered to be printed in the RECORD at the conclusion of the remarks of Mr. THOMAS of Oklahoma.)

Mr. THOMAS of Oklahoma. Mr. President, I am about through. The SPA Administrator developed the Texas Power & Light contract, and such contract was approved in Washington. That accounts for the absence of the red lines covering thousands of miles in Texas. There is now no occasion for those red lines. There is no application for money to build those lines. The Administrator at the headquarters at Tulsa, Mr. Douglas Wright, is an estimable and able gentleman and a high-class engineer. He developed this contract, making it unnecessary for the Government to spend a single penny in serving that great State with such hydroelectric power as we are now able to develop.

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

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. In order to be clear in my own mind regarding what happened before the subcommittee and before the full committee, let me say that I believe the Senator from Oklahoma has stated correctly what I had in mind. It appears to me that Mr. Douglas Wright stated to the committee that he was satisfied with the contract with the Texas Power & Light Co.

Mr. THOMAS of Oklahoma. I shall place that in the RECORD in a moment. That is correct.

Mr. CHAVEZ. Very well. If my memory serves me correctly, the committee decided, after hearing the testimony from the other companies that they were willing to make the same kind of contract that was satisfactory to Mr. Wright——

Mr. THOMAS of Oklahoma. The Senator from New Mexico is again correct.

Mr. CHAVEZ. Is it not a fact that all the committee did was to say, in effect, "All right; if the Federal Government gets a contract with the Texas Power & Light Co. that is satisfactory to both the Federal Government and the people of that area, why would it not be well, as long as the other power companies are willing to make the same kind of contract with the Southwestern Power Authority, to give them an opportunity to do so?" Is that correct?

Mr. THOMAS of Oklahoma. The Senator is a third time correct. In fact, he is always correct.

Mr. CHAVEZ. That is very kind of the Senator.

Was it not the attitude of the committee: "All right; let us give these private concerns an opportunity to make the same kind of contract the Southwestern Power Authority would be willing to accept; and if they do not, we can come back in January and take further steps"? Is that correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. President, the only point discussed by the committee was a plan for forcing through, all over the southwestern area, a contract similar to the Texas contract. It was the opinion of some members of the committee that we should appropriate according to the Southwestern Power Authority figures, and should put the money in the hands of the Administrator. Then the Administrator could have that money to be used as a club over the private power companies; in effect, it would enable him to say to them, "If you are unwilling to sign a contract similar to the Texas contract, we will proceed to build the lines as outlined in our program." On the other hand, if they did sign contracts, that would imply that the Authority would not build the lines, save only the lines regarded as necessary by the Federal Government.

Mr. President, the Congress always has a club in its hands, and it is the largest club in the world.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. KERR. Was not the situation the Senator has described—that of letting the Administrator have in hand the money for the building of the lines if the contract was not negotiated—the same situation which existed in reference to the Southwest Power & Light contract?

Mr. THOMAS of Oklahoma. That is correct. There is no difference between my distinguished colleague and myself. I was a candidate in 1944. I took that position then and announced it, and it is still my position. My colleague was a candidate in 1948. He took his position in 1948, and to his credit he is still insisting that his position is correct. He may be correct; I may be wrong. That remains to be seen.

Mr. CHAVEZ. Mr. President, if the Senator will further yield, I should like to clear the RECORD in connection with this matter, if the Senator from Oklahoma will permit me to do so. I am not opposed to public power. As a matter of fact, I am in favor of public power.

Mr. THOMAS of Oklahoma. I am in favor of more public power.

Mr. CHAVEZ. I am in favor of more public power, too. But if private enterprise is willing to spend money for the distribution of power which the Federal Government provides, I cannot see where we shall be doing anything wrong if we permit private enterprise to make that expenditure, and thus save the money of the American taxpayers, provided, of course, that the ultimate results in the way of distributing public power are accomplished.

I do not like the attitude which seems to prevail in certain quarters, that because we provide public power at the Denison Dam or some dam in Arkansas, Oklahoma, New Mexico, or elsewhere, to be distributed to the people, we should be criticized, or those who believe in public power should be criticized, if, after we find that private enterprise is willing to spend its money to distribute that power, we let private enterprise do so, rather than spend the money of the taxpayers for that purpose.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, there are some arguments which can be made against the position I am trying to make clear. The argument will be made upon this floor in the next few minutes or few hours that when the Congress decides to deny a part of this appropriation to the Southwestern Power Administration, thus forcing the Administrator to sign a contract similar to the Texas contract, when that times comes there will be a private monopoly, and the private monopoly will cast its greedy eyes about and will proceed to raise rates as high as the traffic will stand. Mr. President, that position is not tenable. Before the Government, for example, can establish a rate in my territory or in the southeastern territory or anywhere else in the United States, the body which produces the power must submit its program to the Federal Power Commission. After hearings and consideration, the Federal Power Commission either approves or disapproves the rate or modifies it. There is not a single public power rate in the United States in

existence today that has not been approved, so far as I know, by the Federal Power Commission. When the Federal Power Commission approves the rate, the rate cannot be raised without the consent of that Commission.

The argument that this will be a monopoly is not tenable. The argument that if and when it gets to be a monopoly, the rate will be raised to the height of the ability of the people to pay, likewise is not tenable, let me say; for I believe I would take my chances in dealing with the head of a public power concern in my home town or my home State in preference to having to come to Washington and deal with some bureaucrat who never was elected to any position, and try to obtain consideration at the hands of a power-mad bureaucrat here in the Government at Washington. As between them, I have made my choice. I think I shall have no occasion to change it.

If I go down to the various departments along Constitution Avenue, I find that the bureaucrats listen to me, but that is about all they do. Were it not for the power which we hold in our hands as Members of the Congress, we would receive no consideration whatever at the hands of some of these nonelected officials presiding at the Capital of our Nation.

Mr. President, I come now to show who is in favor of the program I am trying to explain. Speaker RAYBURN represents the congressional district immediately adjacent the Denison Dam. There is the fine home of the great Speaker of the House of Representatives. Speaker RAYBURN approves of the plan embraced in the Texas power and light contract. In a moment I shall insert his letter in the RECORD.

The Texas Power & Light contract, made and executed in 1947, more than 3 years after I announced my policy at the dedication of Denison Dam, sets forth in detail the plan for the distribution of public power outlined by me in my speech made on July 1, 1944, on the occasion of the dedication of the Denison Dam-Lake Texoma flood-control power project. They are similar, if not identical. Mr. President, at this point I ask permission to insert in the RECORD as a part of my remarks a copy of that part of my Denison Dam dedication speech which referred to the distribution of public power.

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

How will this power be distributed?

Public power, as a rule, is produced as a byproduct of flood control, reclamation, and navigation developments.

The Government should not, in my judgment, enter the field of power development in such a manner as to destroy the value of existing power facilities which have served and are serving the wants and needs of the people.

It seems to me that a cooperative plan of power development and distribution may be worked out whereby the people in the cities and on the farms may receive the benefits of such power at reasonable rates.

Such a plan should embrace a program wherein the Government may create the electrical energy and the existing distributing systems may take the current at the point of manufacture and thereby both the Government and the existing systems may profit by such cooperative plan of operation.

Former Senator James P. Pope, now a Director of the Tennessee Valley Authority, has just made the following statement:

"There is no doubt but that this cooperative effort, which makes for efficiency, economy, and better service, is here to stay and will play an increasingly important part in the future development of the public and private power industry."

Unless this policy is adopted the Government will be forced to build stand-by steam plants and in addition will have to build transmission and distributing lines in order to deliver the electricity to the consumers.

The Government is interested in making a success of its flood control, reclamation, and navigation power developments.

The public is interested in securing electricity at a reasonable price.

These two interests can be harmonized and adjusted to the benefit of both the Government and the consumers.

This is one of the problems that must be solved and when it is solved it must take into consideration the injury done by removing property from taxation and then it must give credit to the values which may be created as the direct result of the making available of an abundance of cheap power.

Mr. THOMAS of Oklahoma. Mr. President, after 4 years of hearings and consideration, the committee recommends as follows:

First. That funds be appropriated to construct main transmission lines connecting all power dams in any one region or area; and

Second. That the Secretary of the Interior be directed to make contracts embracing the principles of the Texas Power and Light contract, with the several local distributing companies whereby hydro power may be firmed up by existing systems of steam plants and transmitted over existing systems of lines at rates to to fixed by the Federal Power Commission.

The committee also recommends that ample funds be provided to connect the two dams, the one at Denison, the other at Norfork, in Arkansas. These two dams are now in operation. The committee further recommends that sufficient funds be appropriated to build lines to the three dams, one at Fort Gibson, in my State, which involves building a connection from the main backbone line to Fort Gibson, building a second branch line from the main line to the Tenkiller Ferry Dam, and third, building a dam from the Norfork existing power plant to the Bull Shoals Power Plant to be. Neither of these three dams is ready for production. They will not be ready for from 3 to 5 years, depending upon how rapidly the money is provided. Were it not for the drain upon the Treasury, with ample funds we could rush to completion these three dams and get power much more quickly. But, Mr. President, we are having difficulty now in getting the budget estimates approved by the conference committee. Already a number of the items have been agreed to, and the budget estimates have been substantially reduced.

Mr. President, I desire to explain for a moment the Texas contract. In order to do so, I shall not take the time of the Senate, but I ask that at this point in my remarks the statement of what the Texas contract means, as outlined by Mr. Wright, the Administrator of the SPA, be placed in the RECORD.

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

DOUGLAS WRIGHT EXPLAINS DETAILS OF TEXAS POWER & LIGHT CO.-SOUTHWESTERN POWER ADMINISTRATION CONTRACT TO HOUSE COMMITTEE DURING HEARINGS ON INTERIOR DEPARTMENT APPROPRIATIONS BILL FOR FISCAL YEAR 1948

We have just completed the negotiation of a contract with the Texas Power & Light Co. which will provide, so far as I know, the first arrangement in this country where a public power operation and a private utility company have contracted with each other for the integration of their systems, the carrying of each other's power and arrangements which utilize all the facilities there.

This contract provides substantially as follows: We deliver to the Texas Power & Light Co. system half the power at Denison, which comprises 35,000 kilowatts of capacity, about 148,000,000 kilowatt-hours of energy—70,000,000 of it primary, the balance secondary—and a reserve unit, when it is constructed, into their system. They propose to allow us to take out of their system at any point, for the service of our customers, 25,000 kilowatts of load at any load factor. Until we take power out, they pay us the value of that power at our rate, and as we take it out the company's payment is reduced to us proportionately as to the amount we have taken out. Thus the Government immediately achieves the full sale of its power and as it sells power to preferred customers, under the Flood Control Act, it withdraws power from the company's and the company's payment to us is reduced. Obviously, the company could not do that without protecting itself from what we might do to their business.

We have worked out three forms of protection that seem to be mutually agreeable. One is that we shall not serve a town over the company's lines where the company is serving retail consumers—and there are some towns down there where the company has part of the town and a municipal operation has the other part. There is no prohibition against our doing this, but we will have to build a line from the Denison Dam to any such customer.

We do not ask the company to carry the power to put itself out of business, which is perfectly fair and reasonable. The Congress can then decide whether or not they want to build a line and serve any customer to which the company will not deliver power.

The second restriction is, if we pick up any customer other than rural cooperatives or federally owned loads, which are now served by the company, we suffer a financial penalty, or a penalty in withdrawal, between what the company would have charged this customer at his rate and what our rate is. That is to see that we do not go and pirate the company's area with their own lines, which also seems fair and reasonable.

The third restriction is that if we take a customer from a utility company in the area around the Texas Power & Light Co., who is interconnected with that company and buying power from him, we lose some right of withdrawal. There is no prohibition against doing it, but the penalty is such that you would think twice before you would do it.

There is enough load of the REA cooperatives and other preferred customers to absorb immediately all the power from the Denison Dam in this area in Texas [indicating]. There are 5,000 kilowatts of Federal load, there are 12,000 kilowatts of REA load, and possibly 10,000 kilowatts of load generated by municipally owned plants. The

power available will be 25,000 kilowatts and you have immediate requirements for at least 27,000 kilowatts.

The company proposes to cancel its existing contracts with the preferred customers and turn them over to Government immediately. That is entirely satisfactory to them.

The arrangements to the north [note: meaning Oklahoma] will probably be somewhat different. I think we can work out arrangements to the north whereby the companies will agree to carry our power to REA cooperatives, and to towns that own their own municipal systems and which generate their own power; possibly also to towns that buy power from them wholesale, but I am not sure.

The operation is beneficial to both because it throws into the company's picture a great deal of capacity, which is very valuable to them on a peaking basis. (Interior Department appropriations bill, 1948, House hearings, pt. 2, pp. 265–266.)

Mr. THOMAS of Oklahoma. Mr. President, after the Texas contract was made, the Southwestern Power Administrator, Mr. Wright, was in Washington, appearing before congressional committees, trying to justify his request for $9,000,000 this year and a balance of $31,000,000 over the next 3 years. I desire to quote some questions and answers taken from the official records of the hearings in the House of Representatives. In part II, at page 57 of the House hearings for this year, Mr. JACKSON, a member of the committee, asked Mr. Wright these questions and received these replies:

The Texas Power & Light Co. is now serving some of the REA co-ops in Texas and other preferred customers?

Mr. WRIGHT. That is right; they are serving them for us under our contracts with the cooperatives.

Mr. JACKSON. It is working out well?

Mr. WRIGHT. Very well.

Later, on page 66, Mr. Wright said:

If we had had a reasonable offer, as in the case of the Texas Power & Light Co., where I thought it was reasonable, it did not make a bit of difference to me what anybody else in the Department of the Interior or anyone else thought. I recommended the Texas Power contract and I stayed with that recommendation, because I thought it was a good, fair deal for both sides.

Then, in part two, at page 1069, Mr. Wright is further quoted as follows:

The type of arrangements we have effectuated with the Texas Power & Light Co. can be used with several companies; as a matter of fact, we have proposed that it be used with both the Oklahoma companies together for the power to be sent north from the Denison Dam.

That means north in my State of Oklahoma.

Mr. President, Mr. Wright approves that form. He developed the contract. He signed the contract. It was approved in Washington. All we are asking is the chance now to enter into contracts similar to that with the great company in the State of Texas.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. CHAVEZ. Is it not true that Mr. Wright stated before the committee that he would approve all contracts if they were similar to the Texas contract, but that, until now, the other private concerns there had not submitted the kind of contract that would be similar to the Texas contract, and that was why he had not approved them?

Mr. THOMAS of Oklahoma. That is my understanding.

Mr. CHAVEZ. But is it not also true there was some testimony before the committee that private concerns within the area, that would be either the beneficiaries or the firms served with public power in that particular area, stated to the committee they were willing to sign a contract such as the Texas contract?

Mr. THOMAS of Oklahoma. Again, as always, the Senator is correct, Mr. President.

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

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. McCLELLAN. Is it not further true that some of those companies have already tendered to the Southwest Power Administrator contracts identical in form with the Texas contract?

Mr. THOMAS of Oklahoma. Mr. President, I have in my brief case, which I am unable to lay my hand on for the moment, a copy of the Texas contract. Each of the 10 companies operating in the Southwest has affixed its signature to the contract, and although I have not seen the letter, I am advised the contract thus signed was forwarded to Mr. Wright, who now has it in his files. The letter contained a recommendation or a statement of willingness on the part of the companies to sign the exact provisions of the Texas contract, with the necessary change of names and dates, or that they will modify the contract in any way consistent with those principles that may be suggested by the Government's agent.

Mr. President, sometime ago a Mr. Clyde T. Ellis, who was at one time a Member of the House of Representatives and was later the organizer of the several REA's of the Nation into one group, and who now is appearing in Washington frequently before congressional committees, urging appropriations, wrote Speaker RAYBURN a letter. I do not have a copy of his letter, but I do have a copy of Speaker RAYBURN'S reply, and from the reply we can gather, I think, the nature of the letter sent to the Speaker by former Representative Ellis. I will say for Mr. Ellis that he is a man of great ability and with a pleasing personality, and is one of the most effective lobbyists who has ever come before a committee of the Congress of which I am a member. He has the facility of having people meet him in Washington at any time. Any time he has an interest in a particular subject great numbers of persons come, not invited, and without the knowledge or consent of Mr. Ellis. In any event, Mr. Ellis wrote Speaker RAYBURN a letter on January 2, 1948, and Speaker RAYBURN replied to Mr. Ellis in the following words:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 22, 1948.

Mr. CLYDE T. ELLIS,
National Rural Electric Cooperative,
Washington, D. C.

DEAR CLYDE: I have yours enclosing copy of letter that you wrote Douglas Wright with reference to the contract between the Southwestern Power Administration and the Texas Power & Light Co. I have also been told by several Members that you have written them about this contract. I simply have this to say and that is that I was kept informed at all times of the progress of the negotiations between the Southwestern Power Administration and the Texas Power & Light Co. I think I know that the contract was a good thing for the Southwestern Power Administration and rural electrification in the area covered by the contract. Every rural electric cooperative in that area that has been offered a contract with the Southwestern Power Administration since have gladly accepted it and are indeed well pleased with it. With justice to both sides, Southwestern Power Administration and the Texas Power & Light Co. have demonstrated that where both parties want to do the right thing, they can cooperate and work together. We are assured plenty of power to operate our rural electrification cooperatives by mutual exchanges and the Texas Power & Light Co. carries SPA power over their lines at a reasonable rate and SPA carries TPL power at a reasonable rate. I think it is a good contract, not hurtful to the Southwestern Power Administration nor the Texas Power & Light Co., but mutually benefits both in the long run.

I am still quoting from Speaker RAYBURN'S letter to Mr. Ellis—

I do not know any language except the language of candor and I want to say to you that I think your fight on this contract is doing a real disservice, not only to the Rural Electrification Administration, the Southwestern Power Administration, but to public power in general. I think I can qualify as a friend of rural electrification because Senator Norris and I pioneered rural electrification—he, passing the bill to authorize rural electrification through the Senate, and I, passing it through the House—

Speaker RAYBURN is saying this to Mr. Ellis—

Let me suggest to you that all of us who are deeply interested in rural electrification should work together and not go in different directions. I know to do otherwise would cripple and is crippling our program for expansion of this great service to the people.

Sincerely yours,

SAM RAYBURN.

Mr. President, Mr. RAYBURN is not the only official of the Government who approves of this class of activity. On an investigation, exploration, and pleasure trip last fall, the President of the United States made a tour of the West. He is always welcome there. On this tour he visited the great State of Arizona. He stopped at Phoenix, a most pleasant place at which to stop, and, while there, he had occasion to meet a great number of his friends, and in an address to them he said:

You are fortunate here in Arizona that the private utilities and the public-power agencies have shown a fine spirit of cooperation with the Federal Government in the development and transmission of power.

Mr. President, that is being done in Arizona, it is being done in Texas, and,

in a moment, I shall tell the Senator other places in which it is being done. All I am asking is that what is being done in Arizona and other places be accorded to the people of my State of Oklahoma.

The only other gentleman living who has held the exalted office of President is Mr. Herbert Hoover. Not long ago President Truman appointed Mr. Hoover as the head of a commission to consider the structure of our Government. He was requested to submit some recommendations, if he found that recommendations could be submitted, in the hope of improving the affairs and the structure of the Federal Government. In Mr. Hoover's report there is found this recommendation:

> That the Congress consider in each case whether the transmission and distribution of power can be secured under advantageous long-term contracts by selling the power at the generating plant (bus-bar) before deciding to authorize the construction of Government transmission and distribution lines.

Mr. President, no one could possibly accuse Mr. Hoover of being interested in anything other than a recommendation for the best interests of all the people of the Nation, and on this identical issue he recommends that before we begin to build the plants, before we begin to spend the people's money to build competing, duplicating, and unnecessary transmission lines, a survey be made, and if we find we can sell the power and get it to the consumers without the necessity of building steam plants and transmission lines at great expense that at least such a program be considered. That is exactly the program contained in the Texas Power & Light contract. It is exactly the program which, after some deliberation, I determined to be a proper program, and so announced on July 1, 1944, at the dedication of the Denison Dam.

Mr. President, under the program which the committee recommends we will not have to appropriate any money with which to build steam plants. We will use the plants we have. We will not have to appropriate money to build transmission lines. We will use the lines we have, exactly as the steam plants and transmission lines are being used in the State of Texas.

If we take over and destroy the existing electric systems, what will happen? Already the credit of some of these concerns, if not destroyed, is badly injured in certain parts of the United States. If this plan continues in operation for another year, who would want to buy an electric-company bond? No one would, because with the program now sought to be effectuated, the program outlined on the map before the Senate, and already in the process of construction, it will not be long before bonds and preferred stocks and debentures of such companies will be next to worthless.

If these companies are forced out of existence, then they will pay no taxes. They pay taxes now. There are two major companies in my State, and the two together paid taxes last year of $8,161,054. One of the companies paid, of that sum, $3,626,746, the other company paid $4,534,308, making the total I have mentioned.

If the program now before the Senate is continued, and the Government builds the system indicated by the red lines over my State, these two power companies cannot exist. They cannot compete with the Government. The companies would fold up, and the State would not collect the $8,000,000 in taxes. A part of it goes to the Federal Government, and a part to the cities, a part to the State, a part to the counties, and a part to the districts. My State, my counties, my cities, cannot afford to lose that $8,000,000.

Mr. President, that is not all. According to the Edison Electric Institute, all the electric power companies in the country paid in taxes last year $731,000,000. That is almost three-quarters of a billion dollars. Can the Treasury afford to lose that three-quarters of a billion dollars? It would not all go to the Federal Treasury itself, but $308,000,000 of it went to the Federal Treasury last year. More than that, $84,000,000 in miscellaneous taxes charged to these companies went to the Federal Treasury, and $321,000,000 went to the States, counties, cities, and districts. Can these States, these cities, these counties, and these districts throughout the Nation afford to lose almost a half billion dollars in taxes? That is what will surely happen if that power empire is developed, which will mean that the present companies will be forced to close.

Mr. President, the way power is now expanding, in the next few years the present companies, if permitted to operate, will be paying more than a billion dollars in taxes. If they are forced to close that billion dollars will never come to the Treasury of the United States, to the States, counties, and cities.

Just another word or two, Mr. President. I know the people want cheap power rates. They first want ample power, delivered, if not at the front door, at the back door. They want the power, and they want plenty of it. They want the power at the cheapest rates at which power can be secured.

I said earlier in my remarks that my State of Oklahoma has the second lowest rate among the States in the Nation, second only to the power rates charged in the Bonneville area. In the Bonneville Power Administration territory, on either side of the Columbia River, in Washington, Oregon, and adjacent States, energy can be made and is being made at the rate of 3.6 mills per kilowatt-hour, slightly more than three and a half mills. That is the power rate charged by that Administration.

In my State of Oklahoma the REA's are now getting their power at a little more than 6 mills in some areas, and in other areas I think it is a little less than 6 mills. But the power companies in my State have made an offer to the REA's of a flat 5-mill rate. They are solvent. They have made application to the Oklahoma regulatory body, known as the corporation commission. The application has been approved, but has not been announced. In that application they agree to furnish the REA cooperatives the rate of 5 mills per kilowatt-hour. If the rate is approved by the corporation commission, and likewise by the Federal Power Commission—which is necessary, because it is an interstate area—those companies will be bound by the contract which they will make. The rate will be 5 mills per kilowatt-hour during the life of the contract.

Across the line in Texas the rates are a little higher. The rates there are 6.6 mills per kilowatt-hour. In our sister State of Georgia, where power is being developed—and I shall come to that in a moment—the approved rate is 6.7 mills per kilowatt-hour, charged by the Georgia Power Co., with the approval of the Federal Power Commission.

In New Hampshire, in the far northeast, the rate the REA's have to pay is 13.9 mills per kilowatt-hour.

In the great State of Wisconsin there is a gigantic power plant known as Dairyland. It is an REA institution, I am advised, and the rate charged by the REA power plant at Dairyland I am told is 14.6 mills per kilowatt-hour. So the rate in my State is one-third the REA rate in the great State of Wisconsin.

Mr. President, that can be explained. In my State we are most fortunate. We have an abundance of cheap coal. We have an abundance of cheap oil. We have an abundance of cheap gas. The gas wells in the State of Oklahoma when first drilled are uncontrolled and uncontrollable. In the daytime vast flames shoot high into the air and at night they light up the surrounding countryside. I have seen gas wells gushing for more than a year before they could be controlled. My State is underlain with gas. The gas is cheap. Power made by steam generating plants is cheap.

Mr. President, I have stated the rates in the various sections of the country. I shall now place in the RECORD the figures showing what the War Department is paying for its electric power. It is assumed that the contracting authorities and purchasing agents of the War Department are good businessmen. It is assumed they are getting their requirements of power at low rates, or at least at reasonable rates, and I shall now state the figures the War Department is paying.

In the northeastern section of the United States they are paying 14 mills per kilowatt-hour for the Army requirements.

In Maryland, Virginia, and Pennsylvania the rate to the military authorities is 12 mills per kilowatt-hour.

In the Atlantic States, further south, the rate is 7 mills per kilowatt-hour.

In the Fort Sam Houston area in Texas the rate is 9 mills per kilowatt-hour.

At Chicago the rate is 12 mills per kilowatt-hour. San Francisco, 9 mills per kilowatt-hour. District of Columbia, 13 mills per kilowatt-hour.

So, Mr. President, when we remember the rates charged for REA power, and consider the rates paid by the Army, we find that the rates now in force and tendered in the southwestern power area of the United States are the lowest, second only to those of the Bonneville Power Administration.

Mr. President, I support Mr. Wright's Texas power contract. I support the testimony which he gave before the House

committee. I support the viewpoint of Speaker RAYBURN, who approves the Texas contract. I support the viewpoint and the statement made by President Truman at Phoenix, Ariz. I support the viewpoint and recommendation of the only living ex-President of the Nation, Mr. Hoover.

Why am I supporting this program, Mr. President? I am supporting it for the best of reasons. First, the program will enable the Government to get by far the largest amount of revenue of any plan which has been or can be proposed. Why do I make that statement? I make it for this reason: Under these contracts the Government makes the power, and the power companies take not merely the low water power, not the average power, not the firm power, but the power companies take it all. When the water is high they take the dump power. The Government could not sell the dump power to the consumer, because when the flood is gone his power would be gone. But the companies can take that power and put it into their systems. The steam plants can be slowed down while the flood is on, resulting in the saving of money which would otherwise go for gas, coal, and labor. As the water recedes and more power is needed the steam plants are fired up. At all times there is kept a constant, firm flow of power to the consumers of the area. Under this program the Government sells every kilowatt of its power and gets money for it. That is No. 1. That is a sufficient reason, to me at least, for supporting the program I have announced.

But that is not all. By entering the Texas program with the Texas Power Company, the Government saves money. On the one hand, it makes money by selling all its power. On the other hand, it saves money by not having to build any steam plants, by not having to build any transmission lines, by not having to hire a horde of Federal employees to operate the various systems located throughout the United States. That is another reason why I favor the program. It makes money on the one hand. It makes the most money possible for the Government. It saves money, on the other hand, by reason of the fact that the Government is not obliged to spend any money to do unnecessary things.

That, however, is not all, Mr. President. The system provides the consumers with more power. If the consumers, the REA's, and the public power customers, had to depend upon the hydro power, at times they would have no power when the water is low, unless there are steam plants in operation, and at times the power would not be firm and would not be satisfactory. But by feeding the hydro power into the various systems which have steam stand-by plants, the power is immediately made firm and the consumer obtains firm power. That is what he wants. The demand is for firm power. That is what we as a Congress should provide for the people of the United States. The Texas Power contract does that very identical thing.

Then the power which is provided under the Texas Power program will cost the consumers less. Under this program all they would have to pay is their loan to the local REA cooperative. Thereafter they pay the rate the cooperative fixes upon its local members. It is not necessary to pay any interest or amortization charges upon the hundreds of millions of dollars the Government would be obliged to spend to build its own transmission system and to build its own stand-by steam plants. If such system and plants are built someone must pay for them. If they are not paid for by the consumers by way of higher rates, then, Mr. President, they will be paid for by the people of the United States at large.

So, let me reiterate, the Texas Power and Light program, the program I favor, and which I have favored all these years, will result in more money coming to the Government. That is No. 1. It will save the Government untold millions of dollars. That is No. 2. It will give the consumer all the firm power he wants and can use. That is No. 3. Then No. 4: He will get power at the lowest possible rates consistent with sound business principles. What more can Congress provide?

Mr. President, during the hearings before the committee a faithful member of the committee attended most of the sessions. He was the distinguished junior Senator from Virginia [Mr. ROBERTSON]. He heard the testimony. When the testimony was completed he read what had been said. He took time to make an analysis of the testimony. I have a copy of his analysis. With his permission, I ask unanimous consent to have a copy of the analysis prepared by the junior Senator from Virginia inserted in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THOMAS of Oklahoma. Mr. President, let me make one or two other points before I conclude. I said the Texas Power and Light contract was a good thing. I have said that it should be extended throughout the country. I now report to the Senate that it is being extended throughout the country. In the center of the territory proposed to be created in the Southeastern Power Administration is the Tennessee Valley Authority. The Government is building three great dams in the area embraced in the TVA. One is at Dale Hollow, one is at Wolf Creek, Ky., and one is at Center Hill, Tenn. Those dams are being built by the Army engineers. The dams are flood-control dams, but they also provide power. Under section 5 of the Act of 1944 the engineers are directed to turn all the power these dams generate over to the Secretary of the Interior for distribution and sale. What is the Secretary doing with that power? A contract similar to the Texas contract has been entered into there. The Secretary has made a contract with the TVA whereby all the power which is to be generated at these three dams in the Tennessee Valley will be turned over at the bus bar to the Tennessee Valley Authority. The Tennessee Valley Authority will pay for all the power that is produced. For example, at Dale Hollow, which will be in production late this year or next year, and which will be the first one to come into production, all the power which can be developed will be taken by the Tennessee Valley Authority and paid for. Not a penny will have to be expended there to build a steam plant. Not a penny will have to be expended there for transmission lines. The Tennessee Valley Authority will build the line to the bus bar and take the power and pay for it. Is not that a good proposition? I commend the Government on the one hand for selling it to the Tennessee Valley Authority, and I commend the Tennessee Valley Authority on the other hand for being willing to buy it.

In the southeastern section of the country other power plants will come into operation soon. We shall have the Bugs Island hydroelectric plant. That is on a river between Virginia and North Carolina. That will come into production in 1952. We shall have the Phillpott plant in Virginia, which will come into production in 1952. The Clarks Hill hydroelectric power plant, with a flood-control element, in Georgia and South Carolina, will come into production in 1953. The Jim Woodruff plant in Georgia will come into production in 1953.

In Georgia there is a plant which is now almost ready for production of electric energy. It is the Allatoona plant, located in the great State of Georgia on the edge of the Tennessee Valley domain. That is a flood-control project. Congress has ordered the engineers to turn over all the power developed at the Allatoona plant in Georgia to the Secretary of the Interior for disposition. Because he did not have any money, I presume, and because this authority was not created, all he could do was to make a contract with the Georgia Power Co. whereby the Government sells all the power which can be generated, and the Georgia Power Co. buys it all and is willing to pay for it. They are not going to build any steam plants. They are unnecessary. They are not going to build any transmission lines. None is necessary. The Georgia Power Co. builds the line up to the dams, takes the power, and this is what it pays the Government: First, $510,000 a year, which is the overhead cost. Each year the Government gets $510,000 for the water which is called surplus and is used for making power. In addition, the Georgia Power Co. pays 3½ mills for firm power and 2 mills for the dump, flood, or secondary power. That is what we will get in the way of return from the Allatoona plant in Georgia. That is the Texas Power program in exact duplicate.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. The Senator states that that is the Texas Power contract. It that the Texas contract in principle, or the exact terms of the contract?

Mr. THOMAS of Oklahoma. It is the Texas contract in principle.

Mr. WHERRY. The theory is that the Government itself is selling to the Georgia Power Co., under the principles established in the Texas contract in the two sections which the Senator has already mentioned.

Mr. THOMAS of Oklahoma. That is correct.

Mr. WHERRY. That is the thing which is in question in connection with the Southwestern Power Authority.

Mr. THOMAS of Oklahoma. Exactly so. All I am asking is that the same policy now in force in the Tennessee Valley, whereby the Government sells power from its flood-control dams to the Tennessee Valley Authority, be applied in my State. All I am asking is that the same principles governing the contract between the Government and the Georgia Power Co. with respect to power from the Allatoona Dam be applied in my section of the country.

Mr. WHERRY. Is there any provision, in the event the Georgia Power Co. does not take the electrical energy, under which the Interior Department expects to build transmission lines, or parallel existing lines in that territory in order to distribute electrical energy?

Mr. THOMAS of Oklahoma. Naturally I do not know all the details. I have discussed the matter with those who are supposed to know, and I understand that when the Georgia Power Co. takes all the power it will cost it about 5½ mills, which it will pay to the Government. In turn, the Georgia Power Co. will firm up the power and transmit it, selling it to Rural Electrification Administration cooperatives, Army and Navy camps, public bodies, and other agencies, for 6.7 mills, or practically 7 mills.

Mr. President, to me this is wholly a one-sided issue. As I stated a moment ago, the request is for $9,000,000. That is the House figure. The Senate committee recommends that it be reduced to $3,000,000-plus, saving more than $5,000,000. So when the vote comes it will be on the issue whether we shall approve the Senate committee reduction or disapprove it. A vote "yea" means a vote in favor of the lower appropriation; and a vote "nay" means a vote in favor of the $9,000,000 appropriation.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Is it not true that it is the understanding at least of the members of the committee that this opportunity should be given the private power companies, and that if they fail, then the issue will arise again next year?

Mr. THOMAS of Oklahoma. I stated a moment ago in answer to a question by the Senator from Nebraska that the Congress always has a club. We have a club just as big as we may want to make it. If the private power companies refuse to cooperate and honestly try to make a satisfactory contract to protect the Government's interest on the one hand and the interest of the consumers on the other, when we meet again, if I am here, I shall be released from my commitment. I shall vote for at least reasonable sums to start the building of any lines which may be necessary to transmit this power to the rural cooperatives and the consumers of the country.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. A little while ago, when the Senator turned the other way, I understood him to say that he did not have his brief case with him, but that there was some assurance of some kind, by way of a signed contract which had been sent to the Government, indicating that the various companies would sign a contract of the same nature as the Texas contract. Did I correctly understand the Senator?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. DONNELL. I have in my hand a letter dated July 25, 1949, from R. K. Lane, chairman of negotiations for 10 companies, namely, the Arkansas-Missouri Power Co., the Arkansas Power & Light Co., the Empire District Electric Co., the Gulf States Utilities Co., the Louisiana Power & Light Co., the Missouri Public Service Corp., the Missouri Utilities Co., the Oklahoma Gas & Electric Co., the Public Service Co. of Oklahoma, and the Southwestern Gas & Electric Co. This letter seems to me to be in direct corroboration of what the distinguished Senator from Oklahoma has said. I wonder if he would have any objection to my reading the letter, or will he be kind enough to have it read into the RECORD?

Mr. THOMAS of Oklahoma. I shall be very glad to have it read. It is pertinent.

Mr. DONNELL. May I read it?

Mr. THOMAS of Oklahoma. If that may be done without my losing the floor.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. DONNELL. I take it the Senator from Oklahoma is acquainted with Mr. R. K. Lane, president of the Public Service Co. of Oklahoma, of Tulsa, Okla.?

Mr. THOMAS of Oklahoma. I am.

Mr. DONNELL. And I assume the Senator regards Mr. Lane's word as being worth while.

Mr. THOMAS of Oklahoma. There is no occasion for me to eulogize anyone from my State. I am for all of them. Mr. Lane is the head of the Public Service Co. of Oklahoma, at Tulsa, Okla. Like a great many others, he came from the backwoods—the sticks. He now holds a responsible position.

Before the Senator reads the letter, I exhibit to the Senate what purports to be an exact duplicate of the Texas contract. While this is a copy, it shows the signatures of the heads of the various power companies operating in the southwestern area of the United States.

I now yield to the Senator from Missouri.

Mr. DONNELL. Does that include all companies operating in that section of the country?

Mr. THOMAS of Oklahoma. It includes 10 companies. The Texas Light & Power Co. has its contract, so naturally the name of that company is not signed.

Mr. DONNELL. Excluding the Texas Light & Power Co., does it include all of them?

Mr. THOMAS of Oklahoma. Yes.

Mr. DONNELL. With the permission of the Senate, I shall read the letter:

WASHINGTON, D. C., *July 25, 1949.*

Hon. FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: With reference to appropriations for the Southwestern Power Administration contained in the Department of the Interior appropriation bill, it has been suggested in the testimony of Mr. Douglas Wright Administrator of the Southwestern Power Administration, that the contracts which the private power companies in the area have executed and tendered to the Administrator materially differ from the contract which the Administration has entered into with the Texas Power & Light Co. covering the distribution of hydroelectric power from the Denison Dam on Red River.

In this connection, I am unanimously authorized by the companies submitting these contracts to say that they do not agree that this is a correct statement, and all of these companies now specifically state and make it clear that they stand ready and willing to execute agreements containing the identical provisions of the Texas Power & Light Co. contract with the Southwestern Power Administration.

The companies also want to make it clear that they will construct, maintain, and operate their systems such that they will be adequate to receive the hydroelectric power from the reservoir projects in the Southwest area and to deliver firm continuous power from their systems to the Government for the supply by the Government to its customers, as provided in the above-mentioned Texas Power & Light Co. contract.

Very truly yours,

R. K. LANE,
Chairman, Negotiations for the Southwestern Companies Tendering Contracts.

After the signature of the letter appear the names of the 10 companies I previously read.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I hold in my hand a letter dated July 18, from Mr. Ellis, who was referred to by the Senator from Oklahoma. This is Mr. Clyde T. Ellis, executive manager of the National Rural Electric Cooperative Association. In the letter—and I am perfectly willing to introduce all of it for the RECORD, if that is desired—I notice that the opening paragraph reads as follows:

We feel absolutely certain that when you know the facts you will not be a party to forcing the abominable Texas contract upon us. However, if you go along with certain Senate Appropriations Committee amendments to the Interior bill, that is exactly what you will do. Those amendments will make "slaves" of us. That is what even the power companies themselves said a year ago.

That leads me to ask the Senator, if he will permit me to do so, whether he knows if the letter which Speaker RAYBURN wrote, and which the Senator read, was in response to a letter of similar tenor from Mr. Ellis?

Mr. THOMAS of Oklahoma. I am sorry that I cannot answer that question. Obviously Mr. Ellis sent letters to Members of Congress criticizing the Texas contracts and protesting any approval or semblance of approval of the contract. But further than that, I am not advised.

Mr. DONNELL. I thank the Senator.

Mr. THOMAS of Oklahoma. I thank the Senator from Missouri.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. If the Senator will permit, inasmuch as we want both sides of this matter to be presented, I think it might be well to insert in the RECORD at this point the letter of Mr. Ellis, together with the papers which accompany it, which are several pages in length and contain an analysis of the Texas contract. Does the Senator from Oklahoma have any objection to having this matter go in at the conclusion of his remarks?

Mr. THOMAS of Oklahoma. I should be glad to have it incorporated in the RECORD following the analysis prepared by the Senator from Virginia [Mr. ROBERTSON] which has been ordered to be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

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

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. Will the distinguished Senator from Missouri make known just who Mr. Ellis is, so that the general public in reading the CONGRESSIONAL RECORD may understand the entire question?

Mr. DONNELL. With the permission of the Senator from Oklahoma, let me state that at the top of the letterhead the following appears:

National Rural Electric Cooperative Association, 1303 New Hampshire Avenue, Washington, D. C., Clyde T. Ellis, Executive Manager.

I understand this Mr. Ellis to be the same gentleman to whom the Senator from Oklahoma referred a few moments ago. I ask the Senator from Oklahoma whether that is correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. DONNELL. He is the same gentleman to whom Speaker RAYBURN addressed the letter the Senator from Oklahoma has read; is he?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. President, since Mr. Ellis is being discussed, let me say that when the hearings were completed in the Senate committee on this bill and when the committee had made its recommendation, Mr. Ellis was not satisfied, obviously; and he immediately prepared a letter and sent it to all the thousands of electric cooperatives in the United States. Incidentally, let me say that Mr. Ellis is a former Member of the House of Representatives and is a resident of my neighboring State of Arkansas. I know him personally; he is a personal friend of mine and is an estimable gentleman of great ability. I have a copy of the letter to which I have referred. It is dated July 18, 1949, and is on the stationery of the National Rural Electric Cooperative Association, at the address just stated by the Senator from Missouri. It reads as follows:

Memorandum to managers and directors of all rural electric systems, NRECA directors, State presidents, secretaries, managers, and editors.

From: Clyde T. Ellis, executive manager.

I shall read the memorandum, Mr. President:

The rural electrification program faces perhaps its darkest hour since it got well under way.

It is the consensus of opinion here that, if the Senate Appropriations Committee gets away with its attempt to force what is known as the Texas contract upon us, the next step will be to effectively deny us the right to generate our own power.

Then up will go our wholesale rates and a thousand Craig-Botetourt attacks upon us will follow.

There is no question but what the Senate committee has capitulated to a well-laid scheme of the power companies to destroy us.

After a bitter committee fight, the Senate Appropriations Committee has adopted amendments to the Interior appropriation bill cutting our reclamation, Bonneville, and Southwestern Power Administration transmission lines and providing that the power companies shall first be given the opportunity to deliver the Government's power to the Government's customers along the line of the Texas contract.

Space does not permit here an analysis of that abominable Texas contract, but most of you know that with all its inadequacies and restrictions it will wreck the program in many States.

The next step would be to deny our systems generation loans until the power companies have been determined to be unwilling or unable to provide our power supply. Our right to generate our own energy is our only bargaining power.

We are mailing this to you on Monday. The bill is scheduled to come up for Senate vote on Wednesday afternoon or Thursday. You've just barely got time to wire both your Senators and get a lot of other people to do the same.

I shall omit the next two lines, and then read the remainder:

We urge you as we have never urged you to do anything before to pass this word to just as many of your neighbors and prominent citizens as you can, and get them to send just as many telegrams as you can to both your Senators, urging your Senators to kill all those Texas contract provisions in the Interior bill (they will know what you mean) and to restore all the transmission lines which the Senate committee cut out. (Please mail us copies.)

Sincerely,

CLYDE T. ELLIS.

Mr. President, a while ago I said that Mr. Ellis is an estimable gentleman and is very effective. That letter or memorandum went all over my State. As a result, I received 150 telegrams. I exhibit to the Senate 54 of those telegrams. I should like to pass them around to Senators. If Senators can find one telegram among them that is not an exact duplicate of the others, then I withdraw my statement from the RECORD—54 telegrams from one small town in my State, each a duplicate from top to bottom, except for the name of the sender. I call that effective propaganda.

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

Mr. THOMAS of Oklahoma. I yield.

Mr. ECTON. The Senator from Oklahoma might be interested to know that the same thing happened throughout Montana with all the REA's. I suspected that a national propaganda scheme was being developed. I appreciate having the very able Senator from Oklahoma bring it to light, thus informing us about how it all started. I agree that Mr. Ellis has been very effective.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, although I received approximately 150 telegrams asking me to favor the major program, to change my position, and to vote for the restoration of the entire amounts, I have received from my State more than 1,000 telegrams asking me not to change my position. On the other hand, a newspaper in my State printed a sort of ballot containing about 16 questions and distributed papers containing the ballot throughout the State. Readers of the paper were requested to cut out the ballot, mark the answers to each of the 16 questions, and send the ballot as marked to their Senator. I have received almost 2,500 of the ballots. Of the 2,500, less than 200 are in favor of the Government's entering private business. The remaining 2,000 from my State signified their opposition to the Government's entering any form of private business in competition with private citizens. In addition to the telegrams and ballots I have received, I have a multitude of editorials.

Mr. DONNELL. Mr. President, will the Senator be kind enough to yield for one further question?

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

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. As bearing on the willingness or unwillingness of the companies to enter into a contract of the same tenor as the Texas contract, I note at page 1380 and following, of part I of the hearings before the subcommittee of the Committee on Appropriations of the Senate, Eighty-first Congress, a copy of a letter, dated May 2, 1949, from the Public Service Co. of Oklahoma, by R. K. Lane, president, addressed to Mr. Douglas Wright, Administrator of the Southwestern Power Administration, the opening sentence of which reads as follows:

Further confirming our written offer of April 19, 1949, to enter into a contract with Southwestern Power Administration for the cooperative distribution of electric power and energy for reservoir projects within the Southwestern Power Administration area on the terms and conditions of the existing contract between the Administration and the Texas Power & Light Co., we herewith hand you an executed agreement containing all of the terms, conditions, and provisions of the Texas Power & Light Co. contract, insofar as it has been possible to make them applicable to the service area of the Public Service Co. of Oklahoma.

The next sentence reads:

In those instances where it has been necessary to change the wording of the contract to fit the purely local circumstances of our service area, we believe that we have enlarged the rights and privileges of the Administration with respect to the cooperative distribution of the Administration's power and energy to its customers.

He then proceeds to some question of being willing to discuss changes, if Mr. Wright finds that the contract can be improved in any particular.

Mr. THOMAS of Oklahoma. I thank the Senator from Missouri.

Mr. President, this issue is of local interest to every State, every city, every county, every village, and every district. In my State of Oklahoma and in the southwest power area there are 322,000 stockholders of the several public utilities. Great numbers of them live in my State. I must, in passing, give them consideration. If their companies are destroyed, unless they could get out before it was too late, they would lose entirely their investment in the power companies. The companies have 15,000 employees, who would lose their jobs. They would have to get jobs with the Government or with someone else. The pay roll in this area is $38,290,000 a year. That is impressive. At the present time

the companies have power plants and lines under construction in my section totaling $20,000,000. Those are the lines of only two companies in my State. Companies in six southwestern States have current contracts covering power lines and power plants now under construction to cost $40,000,000. The southwestern companies pay into the treasuries of my State and of adjacent States, cities, counties, and districts, more than $30,000,000 a year. As I said earlier, the companies in the six States have together 37,371 miles of transmission lines.

Mr. President, if it should be the policy of the Government to enter upon a gigantic scheme of building power plants and distributing lines, why not let the Government first decide that it will buy the existing power plants, steam plants, and transmission lines? They were built at a time when labor was cheap. The Government could buy those power plants now, and could buy the transmission lines, 37,000 miles of them, for one-half, and even less, what they would cost today. So if it is the desire of this policy-making branch of the Government to enter upon a public-power policy, I suggest we consider the advisability, instead of building steam plants and high-priced power plants at this time, of negotiating with existing companies. If necessary, the Congress could continue with appropriate legislation. It might require legislation; but the Congress makes the laws. We could save half the cost by taking over the existing facilities. If it is to be the policy of the United States to enter upon a public-power program, we can save half of what it would cost now, by taking over plants already in existence. There are 58 steam plants in the southwestern part of the United States, in my territory, which will become worthless if the Government builds competing plants. The power lines will become worthless, if the Government builds competing transmission lines.

So, Mr. President, if it is the desire of the Congress, as the policy-making branch of the Government, to go into the public power business, then as a business proposition I shall certainly recommend that we take over all the existing plants, pay for them, and go into the business in an appropriate way. It will cost a vast sum. The recommendation, as I have shown, is to supplement what we have, in the next 20 years, by an expenditure of from $12,000,000,000 to $15,000,000,000. Not a single penny of that money is necessary if we do all that can be done by spending the money to get ample power and cheap power for the people of the United States. They will get cheaper power under the plan I have suggested than under the other.

Since the issue was raised in my section of the country, in addition to more than 1,000 telegrams and more than 2,500 ballots, I have received a multitude of editorials from the newspapers of my State. There are too many of them to read now, but I have as a sample an editorial which was published in the newspapers at Chickasha, Okla., under date of June 2, 1949. The editorial is short and it is entitled "Better Save This Twelve Millions."

Mr. WILEY. Twelve millions?

Mr. THOMAS of Oklahoma. They are asking for $9,000,000 now, and $31,000,000 in the next 3 years, but, for some reason, the editor understood that the amount was $12,000,000 this year. I read:

> The Government is asking for $12,000,000 to build high-voltage lines all over southeastern Oklahoma. No one can be found outside of the fellows whose jobs depend upon the expenditure of these funds who will claim that this expenditure of funds is needed or necessary. These lines are not needed to give any farmer in this area rural electricity. The promoters of the plan have only thought in mind to socialize the production of light and power.
>
> They intend to completely take over the power business in southeastern Oklahoma, just as they have taken it over in Nebraska and Tennessee. They do not claim that there is any dearth of power or power facilities in private hands in this section. What they want is socialized industry, and the easiest group on which to start is the production and distribution of electrical power. With a mounting Federal deficit, where would be a better place to start economy than by the lopping off of this 12 millions?

Mr. President, they asked for $9,000,000 in the first place, and since we have lopped off $5,000,000, I think it is a fairly realistic compliance with the request contained in this editorial.

Mr. President, I hold in my hand a newspaper article under a London date line of August 6 by the Associated Press. I read just one paragraph from it:

> Laborites, under Prime Minister Attlee, took up the challenge with a promise to pursue their program which already has put railroads, coal mines, air lines, communications, the Bank of England, gas, and electricity under Government ownership.

Suppose the Government should go into the power business. It will either buy or build steam plants. It has got to have fuel. To make steam, it must have coal or oil or gas, and for either oil or gas it must have pipe lines. A demand for fuel of one kind or another would justify a request of Congress to take over the gas fields, the oil fields, and the pipe lines. What would be the next round? To transport coal it would be necessary to follow England's precedent and take over the railroads. Funds with which to finance the transactions must be had. The next step would be to take over the banking system of America. Where would we stop? If that should happen, if it ever does—and I am against it—where would we get $42,000,000,000 in taxes to pay the ever-mounting bills of the Federal Government? Where would the States, the counties, the cities, and the districts get $17,000,000,000 with which to finance their public affairs—a total of $60,000,000,000?

Mr. President, there was a time when England had private enterprise. There was a time when private enterprise paid taxes in England. At that time there was plenty of revenue with which to carry on her form of government. But as industry after industry was nationalized, they ceased to pay taxes. The program was carried on until the time came when practically no one in England was required to pay taxes. Then what happened? England had to have money. Nationalized industries pay no taxes. What did England do? She sent emissaries to America to negotiate a loan of $3,750,000,000. At that time the program had not progressed so far but what it was thought England could still meet any obligations she incurred. But there were no tax sources. The money was soon gone. Then what happened? England tried to borrow more money, but we discovered at different times that if we advanced money, the chances were we would not get it back. So we did not waste the effort; we simply began to give England money. England has not paid back what she borrowed. We did not expect her to pay back what we gave her. That program is still being followed. I voted for the appropriation for England, but I am cataloging and stating that what has happened to England in the past 2 years is now proposed for the great United States of America. If nationalization is undertaken, what will it mean? Nationalization means collectivism; it means nazism, fascism; it means socialism, and, if we carry it one step further, communism. If we nationalize our industries and lose our source of revenue, where will we get the money to operate this great Government? We cannot borrow it. No one is left to loan us money. I am against it.

No harm could be done by the program which is advocated by the committee. It is the only thing that should be done. Build the necessary lines that have been started, and, if lines are neccesary to transmit the power to where it is needed, to private companies, build those lines. I should be willing to vote to build those lines. If the Texas contract is entered into, free enterprise will build all the lines that are necessary, all the steam plants that are necessary; the Government will build the dams, generate the power, and sell it, and thus we shall avoid the expense of duplicating steam plants and transmission lines to firm up all the power in the United States—in the Tennessee Valley, the Southeast, the Northeast, the Southwest, the Northwest, the Columbia River Basin, and central California. People everywhere will have ample firm power. There is now a shortage in some areas, but every effort is being made to fill that shortage. This program will give the people plenty of firm power at much lower power rates to them than they will have if this gigantic system should be installed and operated by the Federal Power Commission.

Mr. President, I apologize to the Senate for the length of time I have taken.

Mr. HAYDEN, Mr. McCLELLAN, and Mr. MURRAY addressed the Chair.

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

Mr. THOMAS of Oklahoma. I yield to the chairman of the subcommittee [Mr. HAYDEN].

Mr. HAYDEN. I desire to make a few comments on the Senator's address.

Mr. THOMAS of Oklahoma. Then, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I wish to call the attention of the Senator to the report with respect to the Central Valley project and the Big Thompson project. We find language in the report to the effect that failure to authorize construction of certain lines, or appropriate for them, is based upon the assumption

that the private power companies will enter into contracts like the Texas company contract, and therefore the appropriation is being withheld. The same language, I note, is not used with reference to the Southwestern Power Administration. There is no statement in the report that the withholding of these lines in the Southwest power area is based on the assumption that such contracts may be entered into. The report does state with respect to the Southwestern Power Administration area that the private power companies in the area manifested a willingness to, or have given assurances, that they would enter into such contract.

It is my understanding that the committee has undertaken to declare a unified public-power policy in these three areas—the Central Valley, the Big Thompson Dam area, and also in the Southwestern Power Administration area. Is there any difference in what the committee is undertaking to do in all these areas with respect to obtaining a general unified policy in the transmission and distribution of electric power?

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the question just submitted by the able Senator from Arkansas. As I said earlier in my remarks, the trouble has been that the Congress has not as yet developed and adopted a Nation-wide public-power policy, and because of that neglect or failure it has forced the Committee on Appropriations to do what it can toward the adoption, or suggestion, at least, of a public-power policy. After 4 years of hearings and much discussion and debate the recommendation made in the committee report is what we think would be a desirable policy to be developed into a national public-power policy.

Mr. McCLELLAN. Notwithstanding the language of the report to which I referred, it was the intent of the committee, that the power policy in these three areas should be uniform and in line with what the able Senator has stated, was it not?

Mr. THOMAS of Oklahoma. That is my understanding, that so far as possible the Texas Power & Light Co. contract should be taken as a set of basic power principles, the application of those principles to be modified to fit the different areas, so that the best possible kind of a contract could be entered into in the several areas.

Mr. McCLELLAN. But the basic principle is to be the same in each of the three areas?

Mr. THOMAS of Oklahoma. That is my understanding, and I am free to state that I think that was the understanding of the committee.

I now yield to the distinguished Senator from Montana.

Mr. MURRAY. Mr. President, the able Senator a few moments ago was discussing the conditions in England which resulted in the nationalization of the various industries there. I should like to ask him if it is not a fact that the nationalization of those industries grew out of the fact that the country had been saddled with monopolies, and that it was because of those conditions that they were compelled to nationalize their industries?

Mr. THOMAS of Oklahoma. The Senator may have some foundation for his conclusion. I am not disputing it; I am not acquainted with conditions in England.

Mr. MURRAY. Is it not a fact that we are seeking in this country today to avoid having a power monopoly fastened on the American people? That is exactly what would happen if an effort were not made on the part of those of us who are urging these programs in different sections of the country to bring low-cost power to the people, to help to develop the natural resources, and at the same time to prevent monopolies.

The other matter the Senator discussed a short time ago, about a great many telegrams being sent in, is an illustration of an old system that has prevailed for many years. It was developed in the first instance by the power monopoly. I remember back some years ago when we were having holding company hearings in Washington, hundreds of thousands of such telegrams came in, and one enterprising messenger boy who was being paid 10 cents a name for every telegram he could get sent went out and got a telephone book and signed the names he found in the telephone book, and made quite a killing.

I do not think anyone is greatly affected by telegrams and editorials such as those referred to. Also let me point out all over the country there are subsidized newspapers which are printing boilerplate editorials designed to influence such legislation. The legislation is to be decided on its merits, and on the facts, and not on mass telegrams and boilerplate editorials.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement made by the distinguished Senator from Montana, but speaking for myself, and myself alone, I would rather deal with a private monopoly whom I can contact freely than to deal with a bureaucratic public monopoly operating out of Washington, or from anywhere else in the United States. If it is monopoly on behalf of the Government or monopoly on behalf of free enterprise, I would take my stand on the side of free enterprise.

Mr. MURRAY. Mr. President, I appreciate the Senator's statement, but it is not always possible to deal directly and freely with the representatives of private utilities, because sometimes there are absentee managements, as in the State of Montana. The Montana Power Co. is owned 90 percent by the American Power & Light Co., a holding company, which is owned by the Electric Bond & Share Co. So we do not have any contacts with the utilities in Montana. They own the newspapers in the State, and, of course, can print editorials proclaiming their views in a very pleasant form.

Mr. THOMAS of Oklahoma. I thank the Senator.

EXHIBIT 1

MEMO ON TESTIMONY BEFORE SENATE APPROPRIATIONS COMMITTEE CONCERNING ITEMS FOR THE SOUTHWESTERN POWER ADMINISTRATION AND THE SOUTHEASTERN POWER MARKETING AGENCY IN THE INTERIOR DEPARTMENT APPROPRIATION BILL

Secretary Krug said the Interior Department now operates more hydro capacity than any other supplier in the world (p. 35).

Discussing the $85,000 requested for the Southeastern Agency, Walton Seymour, Director of the Division of Power, said a contract had been made with TVA for sale of power from two projects in Tennessee and one in Kentucky but the contract still had to be cleared with the Federal Power Commission. Senator Hayden said: "The job (of selling power from these projects) is practically done except that from now on the money will be paid to you and you in turn will account for it and pay it into the Treasury." Mr. Seymour replied: "That is right" (p. 95). Asked about the status of other Southeastern projects, Seymour said that in addition to the three dams on the Cumberland watershed, output of which is being sold to TVA there were the Altoona project in Georgia to be finished in 1950 and with a contract already made with the Georgia Power Co.; the Jim Woodruff project in Florida, Clark Hill on the Savannah River and Buggs Island and Philpott on the Roanoke River, none of which is scheduled to be finished until 1952 (p. 96).

Seymour said the Georgia contract provided for the power company to take the entire output of the project but gave the Government the right to withdraw a substantial amount for delivery to preferred customers. He said no Federal transmission lines are planned in the Southeast now but "it may be necessary for some agency to build transmission lines to some extent to connect every one of these projects. * * * If public bodies and cooperatives want to buy this power and they lie within feasible distance of the projects they have the right under the law to buy the power" (pp. 100–101).

Senator Hayden asked: "If a private power company would make an agreement with you to transmit this power from this Buggs Island Dam to the city, you would make a deal with them and you would not have to build a transmission line?"

"Mr. SEYMOUR. That is right."

"Senator HAYDEN. That would be the ideal way to work it out?"

"Mr. SEYMOUR. Assuming the private line could carry that additional load."

Senator THOMAS recalled that the Southwestern Power Administration had proposed to spend $200,000,000 for a power system and asked if something similar was contemplated for the Southeast. Seymour said: "The requirement is the same in both areas." Senator THOMAS asked if every kilowatt of power the Government projects can produce now cannot be sold without spending a penny for transmission lines and Seymour said he did not think all the power could be sold "in accordance with the requirements of the law" without the addition of some transmission facilities (p. 105).

There was discussion of the contract between the Southwestern Power Administration and the Texas Power & Light Co., under which the Government has the right to transfer power over the company's system and sell it to public bodies and cooperatives. Senator HAYDEN asked: "It has worked out to the satisfaction of both the Government and the Texas Power & Light Co.?" Seymour replied: "Yes, sir, it has worked out very satisfactorily" (p. 108).

Senator CORDON asked how it could make any difference to users of electricity whether it is wheeled into them by a private utility under contract with the Federal Government or brought to them on a duplicating line built by the Government. He asked: "How can he be any better served by the latter than by the former?" Seymour said: "I think each method of service is equally satisfactory if the contractual arrangements are adequate to meet the requirements and if the Government in fact enters into the same contract with the customer, whether the power is supplied over a private company's system or over the Government's own system, as long as the facilities are adequate in both cases" (p. 109).

Replying to questions by Senator ELLENDER, Seymour said that under the Texas contract the Government did not lose control of the amount of power handled by the utility and can dispose of it as it sees fit. ELLENDER then said: "In other words, if a contract can be entered into with the Government for this publicly owned power with private concerns who probably would be willing to extend their facilities in order to carry this electricity, there would be no objection by you or by the purchasers of this electricity?" Seymour said: "That is right, sir" (pp. 111-112).

(In its report the committee reviewed the status of Southeastern power projects and said: "The committee sees no need for setting up another organization, which includes personnel increases of $68,000, to carry on work which is already being performed, and which is of such nature that a separate organization should not be required" (Rept., p. 69).

* * * * *

Testifying for Southwestern Power Administration, Administrator Douglas G. Wright, said its present program contemplates $31,000,000 for transmission systems (p. 1298).

Asked by Senator WHERRY whether if other companies made offers identical in principle with the Texas contract, he would be willing to negotiate with them and handle the business that way rather than through building public lines, Wright said: "I certainly would be very happy to work out that arrangement wherever it will work. * * * I am willing to let the Texas Power & Light Co. pattern work wherever it can work in the area." Meanwhile, Wright said, SPA had gone along with cooperatives which were building their own integrated systems, including generation and now has "contracts for 297,000 kilowatts of Government power, which we won't have to sell these people until 1953. We have gone out and sold this power 4 years before it is here" (p. 1335). He said he had promised to meet with utility representatives immediately after action on the appropriation was completed "to discuss with them any possibility of putting the Texas Power & Light Co. pattern wherever it will be put" (p. 1341).

Discussing competition with private power, Senator GURNEY asked Wright: "Would you build a line in competition with a line that is now serving the load centers that you are aiming at?" Wright: "Yes, if it was necessary to deliver the power there." Senator WHERRY: "At a lower rate?" Wright: "At a lower rate or Government rate." Wright said he could not foresee that this policy would kill private competition because expanding power requirements would continue to create new demand for line facilities (pp. 1352-1353).

Frank M. Wilkes, of the Arkansas Power & Light Co., pointed out that there are no private power companies left in Nebraska or in the TVA area and that similar results were threatened elsewhere by proposd new valley authorities. "That is what we are headed for and we just hope you gentlemen will deny any appropriation here and let us go and see if we cannot join hands with the Federal Government," Wilkes said. "We are ready to go the whole way, we will let the Government take service from our lines and if they want to sell the cooperatives direct and the cooperatives want to buy direct from them, then the Government can do it. We sell it to the Government; the Government can give it to the cooperatives if they want to then" (p. 1360).

R. K. Lane, president of the Public Service Co. of Oklahoma, said the contract which 11 power companies had offered to make with SPA was fundamentally the same as the Texas contract. He said the companies would use power obtained from the Government as peaking power and would firm up the power sold back to the Government. "In selling the power produced by the Government to the companies, as peaking power, they have a little over twice as much power to sell, and they get twice as much money for it, as they otherwise would get," Lane said. "So they would not be sure of the energy to supply their own customers unless they built steam plants. But under the Texas Power & Light Co. contract, which is the same contract we are offering, we firm that power up." Asked by Senator MCCARRAN who absorbs line losses, Lane said: "We do. I will tell you why it is. We want to maintain the integrity of our investment. We don't want to happen to us what happened to all the companies in Tennessee" (p. 1399).

Walter B. Gesell, vice president, Oklahoma Gas & Electric Co., said transmission lines which SPA wants to build would connect with "a proposed supercooperative which plans to build a steam generating plant at Anadarko and high-voltage transmission lines to serve cooperatives which are already adequately served at low rates by the companies. The SPA proposes to lease this plant and these transmission lines, thus also blanketing the west half of the State with a transmission network to be operated by the Interior Department. This latter leased-line plan has not been disclosed in much detail, but the whole program, as contemplated, would create a duplicating transmission network over most of the State" (p. 1405).

C. Hamilton Moses, president, Arkansas Power & Light Co., said: "We hated to sign that Texas contract. It's a pretty hard thing to work down there for years, building up your customers—and our company serves 13 co-ops at 45 points of delivery. * * * But we are saying to the co-ops now that if they don't want to take power from us, we will make an arrangement, if Mr. Wright will, so that they will take either from us at our present points of delivery—the utilities in the Southwestern area will dedicate all of their thousands of miles of line and Mr. Lane says it is 35,000 to take this Government power to those preferred customers all over the area and sell them at a rate equal to or cheaper than the present SPA rate. Our rate is cheaper than the SPA rate" (pp. 1428-1429).

Thomas B. Fitzhugh, attorney representing Arkansas State Electric Cooperative, Inc., in his prepared statement said they opposed the utilities, Texas type contract proposal because: It would give the companies a monopoly of all power from the federally financed projects. REA co-ops and municipally owned systems would have no choice as to their source of power. Towns and cities would be precluded from buying their own distribution systems and later getting power from Government dams. Cooperatives would be precluded from serving within the corporate limits of a city or town served by power companies and both SPA and cooperatives would not be allowed to serve customers who had been served by a private company but the private companies would not be precluded from raiding territory served by cooperatives (p. 1438).

Clyde T. Ellis, executive manager of the National Rural Cooperative Association in his statement said the Texas contract virtually precludes cooperatives from serving rural industries and that it was dangerous because in other States the State regulatory commissions can change the contract terms. (P. 1567.)

The committee approved proposals of SPA for 11 projects including 82 miles of transmission line and involving cash appropriations of $986,115 and contract authorizations of $2,257,906. It disapproved six projects including 282 miles of transmission line involving an estimated cost of $5,177,000. The facilities disapproved all were for the purpose of connecting with either the M. and A. Electric Power Cooperative or the Western Electric Cooperative. The justification showed these as supercooperatives planning to have their own generation facilities and high power transmission lines. (Pp. 1293-94.)

In its report the committee pointed out that the private utility companies had advised the committee they would make the entire transmission and related facilities of their systems available to the Government without charge to the Government's customers for carrying power from the Government's own transmission system to preferred customers and that the companies also had said they would supply all the energy required by the Government in addition to its own production to serve preferred customers. The committee "directs that the Administrator of the Southwestern Power Administration report to the Senate and House Appropriation Committees by January 1, 1950, on progress made on entering into contracts with private power companies in the area where the Southeastern Power Administration operates." (P. 4 of report.)

EXHIBIT 2

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,
Washington, D. C., July 18, 1949.

Hon. FORREST C. DONNELL,
United States Senate,
Washington, D. C.

DEAR SENATOR: We feel absolutely certain that when you know the facts you will not be a party to forcing the abominable Texas contract upon us. However, if you go along with certain Senate Appropriations Committee amendments to the Interior bill that is exactly what you will do. Those amendments will make "slaves" of us. That is what even the power companies themselves said a year ago.

Four days before the Interior subcommittee hearing on the Southwestern Power Administration item the word got out that the power companies would make such a last minute move and more than a hundred farmers and representatives of the rural electric systems from Kansas, Missouri, Oklahoma, Arkansas, Louisiana, and Texas came to Washington on their own initiative in protest. Only a few of them got heard. Perhaps not half of them ever got in the committee room.

Our people in Colorado, California, and Idaho on whom the committee would also force the Texas contract had no inkling of such catastrophe until the committee report came out. Certainly no proper hearing on it has been had, even if it is right and proper for an appropriations committee to legislate well-established policy and law out of existence. Such amendments would clearly nullify those provisions of the Reclamation laws, the Bonneville Act and the Flood Control Act of 1944 which give the municipally owned and rural electric systems a chance at the public power without the power companies coming in between with all their inadequacies and enslaving restrictions.

This organization represents more than 2,000,000 farm families in your State and 41 others. I can tell you that they are practically unanimous in insisting that all the transmission facilities as approved by the House, plus a few lines added by the Senate committee, be approved.

Attached hereto is an analysis of that Texas contract.

Attached also are quotations from some of the power company testimony of last year.

Won't you please read these and then do all in your power to help kill those Texas contract amendments and restore the transmission line cuts. Incidentally, I should add that our systems in the Southwest have already guaranteed the repayment of the cost of these lines with interest by contracts already executed with the Government.

Anxiously awaiting your help, I am,

Sincerely,

CLYDE T. ELLIS,
Executive Manager.

THE TEXAS CONTRACT—SUMMARY OF FOLLOWING ANALYSIS

1. The Texas Power & Light Co. contract was negotiated only after Congress had appropriated funds for transmission lines in T. P. & L. territory.

2. Texas Power & Light Co. contract was designed to fit a particular situation, that is to market one-half of the output of one project in a limited market area. It applies to only one-half the output of Denison project to be sold in the area served by Texas Power & Light.

3. It does not follow that a contract arrangement, which will work in a particular and limited situation, will also work when applied to general and unlimited situation. For instance, in the rest of the territory there are areas where no power companies operate or where their transmission facilities are already inadequate. The belated power company attempt to apply the principles of the T. P. & L. contract to the service areas of all of these companies, extending over several States, injects many new problems which did not exist in the Texas situation.

(1) Will the preferred customers absorb all the output of the several projects to be developed during the life of the contract?

(2) If not, what will be done with the remainder of the power? The companies have contended it will overwhelm them. (See analysis of power company testimony.)

(3) Who will secure the benefits to be derived from tying the dams together?

(4) What about the areas where no power company transmission lines exist or are inadequate?

4. What would happen to the present contracts which the cooperatives have with SPA and municipally owned systems? SPA has sold all its power and has none left.

5. The problem of service to municipally owned systems will be far more complicated in the area of the 11 companies than in Texas.

6. In the Texas contract, SPA will deal with one company. Now many companies are involved and the question of individual liability under a joint contract would be a serious one.

7. From an engineering point of view, it is doubtful that such an operating plan as devised for one project as in T. P. & L. contract would be workable for a whole series of projects scattered over a wide area including many different water sheds.

8. The T. P. & L. contract in the rest of the territory would be violation of both the letter and spirit of the law. For instance, it would leave the municipally owned systems out in the cold. The Texas contract clearly sold down the river those municipally owned systems which desire to purchase SPA power.

9. Under power company proposals, the State regulatory bodies could still raise the rates which the power companies would charge to our systems. (Texas has no regulatory body.)

10. What would happen to the rural electric systems on the expiration of such contracts? Would the power companies then apply their recent and past tactics of trying to kill the electric co-ops off, for obviously the co-ops would then be at their mercy.

THE TEXAS POWER & LIGHT CO. CONTRACT ANALYSIS

The Texas Power & Light Co. negotiated the contract with Southwestern Power Administration after Congress had appropriated for transmission lines in T. P. & L. territory. The lines were never built.

The Texas contract arrangement restricts the Government power program to serving only two classes of customers—namely Federal Government loans and rural cooperatives, except under the penalty provisions. It is thus in conflict with section 5 of the Flood Control Act of 1944 which provides the same priority to municipally owned systems. Section 3 (a) (7) controls in this respect and is as follows:

"In the event and so long as the Government delivers power and energy for service to customers now or hereafter supplied (excepting (a) establishments operated by or for the account of the Federal Government and (b) rural electric cooperatives, incorporated under the Electric Cooperative Corporation Act of the State of Texas and serving only customers authorized to be served under said act), the Government shall compensate the company by means of a credit equal to the difference between the cost of such power and energy computed at the lowest then effective rate of the Government and the cost of such power and energy computed at the lowest then effective rate of the company applicable to the service to such customers."

It appears from section 3 (a) (5) that the company would not deliver power off its system for delivery to municipalities owning their own distribution systems, except at the dam and then under the penalty.

The Government cannot afford to serve any customer which, under the contract, would require penalty payments. The Government rate is a cost rate and any penalty would cause the Government to sell below cost and thereby nullify its pay-out schedules. Secondly, only under conditions of a very large load or a customer located near the dam would make it possible for the Government to build a line to serve customers. Furthermore, even though the Government built its own line to a town or municipality now served or which may hereafter be served at retail by the company, it would still have to pay the penalty. So under no condition could these customers be served under the contract.

The Federal power program should assist the development of all phases of the economy of the region—agriculture, commerce, industry, and trade. Under the contract, large segments of the economy are so isolated and restricted that it can receive no assistance from this cheap power. Industry, commerce, and municipalities have most to lose by it. REA's will not benefit, except in some instances, and if the contract saps the virility of the SPA program, as it probably will, they have much to lose.

The Government power program is not free under the contract. It can only move and develop within the narrow framework of the restrictive contract.

Significant provisions of the Texas Power & Light Co. contract

1. The Texas Power & Light contract is a bus-bar sale of power at the dam. The company agrees to purchase 120,000,000 kilowatt-hours of firm energy and available secondary energy from the first unit at the Denison project except that from 5,000 kilowatts reserved for Oklahoma companies. It agrees to pay $59,000 per month less a credit of all power taken out of the company's system by the Government at a rate slightly higher than the SPA rate.

2. After the second unit is installed, the company agrees to take 70,000,000 kilowatt-hours of firm energy and one-half of the secondary energy produced for $52,000 per month less a credit of all power taken out of the company's system by the Government at a rate slightly higher than the SPA rate.

3. After the third unit is installed, the company agrees to purchase 70,000,000 kilowatt-hours firm energy and one-half the secondary energy produced from all three units and also the output of the third unit when not needed by SPA for reserve or to maintain service. The company agrees to pay $6,000 per month additional to the $52,000 stated above for the third unit.

4. The Government is given the right by the company to take out of its system 20,000 kilowatts of power and after the third unit is installed 25,000 kilowatts of power. This power to be firmed up by the company as necessary to meet the customers' needs.

5. The conditions and restrictions under which this power can be withdrawn are as follows:

(a) The Government agrees to make diligent effort to dispose of all its power to preferred customers and will not dispose of power to others as long as it can be marketed to the preferred classes.

(b) The Government agrees not to sell power to other than preferred classes for a period of 18 months.

(c) If at any time the Government sells to other than preferred customers, the company can terminate the contract by giving 3 years' notice.

(d) The Government cannot sell power to any town or municipality in which the company is now serving or may hereafter serve at retail unless it builds a line from the dam to the customers and by paying the company a penalty equal to the difference between their respective rates.

(e) The Government cannot serve any customer on another system interconnected with the company.

(f) The Government cannot serve any customer that is now or hereafter served by the company except by paying the penalty equal to the difference in respective rates except to Federal Government and cooperative loads.

6. The company agrees to provide the necessary facilities for rendering service to the Government's customers except those of excessive cost.

7. The company agrees to relinquish its customers to the Government entitled to receive service under the contract when requested by the customer.

8. The contract is for a term of 20 years subject to termination by giving 6-year notice. After the contract expires or is terminated, what then?

9. There is no State regulatory commission in Texas which could raise the rates to the cooperatives, but the commissions in all the other SPA States (Oklahoma, Kansas, Missouri, Arkansas, Louisiana) could raise the rates.

STATEMENTS OF POWER COMPANY OFFICIALS, SENATE HEARINGS, INTERIOR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1949, RE: SPA CONTRACT WITH TEXAS POWER & LIGHT CO.

Testimony of Hamilton Moses, president, Arkansas Power & Light Co. (p. 425)

Senator O'MAHONEY. The Southwestern Power Administration told us this morning, if I understood the testimony correctly, that it had a contract with the Texas Co., which was satisfactory. Would that contract be satisfactory to you?

Mr. MOSES. No, sir. And this chart answers the question.

Texas Power & Light has the Denison Dam to take care. There will be three units in it. About 100,000 kilowatts of power, part of it in Oklahoma and part in Texas, and Texas can absorb that power without hurting them very much. They can easily absorb it in their loads. What would we do in Arkansas absorbing this enormous amount of hydro power (of the several other dams) on the basis of the Texas contract? It would overwhelm us.

Testimony of Frank M. Wilkes, president, Southwestern Gas & Electric Co. (p. 1436)

Personally, I would feel that I was almost criminally to blame should I make such a contract with Southwestern Power Administration for the Southwestern Gas & Electric Co. * * *

When the rural electric cooperatives learned of the fact that the Texas Power & Light Co. and SPA had literally sold them down the river into slavery, they were rather upset.

CONSIDERATION OF NOMINATIONS IN THE ARMED FORCES

During the delivery of the speech of Mr. THOMAS of Oklahoma,

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

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. The Senator from Oklahoma is making a very learned and interesting address. I know that he is covering the subject in a very extensive way, and I anticipate that his remarks will continue for some time. Solely in the interest of economy, I am wondering whether he would yield to me for a moment to have some routine nominations in the Army considered.

Mr. THOMAS of Oklahoma. Mr. President, I am accustomed to addressing the Senate. Time does not mean much to me. I am only too glad to yield to any Senator for the transaction of necessary business, provided the record in connection therewith appears at the close of my remarks.

Mr. TYDINGS. I shall ask that that be done.

Unless these nominations are considered at this time, they will have to be printed in the RECORD, which will involve considerable expense. I ask unanimous consent that, as in executive session, certain routine nominations in the Army, Navy, and Air Force reported unanimously today from the Committee on the Armed Services, be confirmed, and that the President be immediately notified. Among the nominations is that of General Bradley to be Chairman of the Joint Chiefs of Staff, General Collins to be Chief of Staff of the Army, Mr. Voorhees to be Under Secretary of the Army, and Mr. Alexander to be Assistant Secretary of the Army.

The PRESIDING OFFICER. Is there objection?

Mr. CHAVEZ. Mr. President, may I ask the Senator from Maryland what is the hurry about Mr. Alexander and the other civilians?

Mr. TYDINGS. For more than a month there has been only one official in the Department of the Army. There are no assistants. I think the exigencies of the case, both at home and abroad, make it necessary for all these nominations to be confirmed at once.

The PRESIDING OFFICER. Is there objection to the present consideration of the nominations, as in executive session? The Chair hears none. Without objection, the nominations are confirmed; and, without objection, the President will be notified forthwith.

Mr. TYDINGS. Mr. President, I ask unanimous consent, in view of the kind permission granted by the Senator from Oklahoma to have his remarks interrupted, that the interruption be printed at the conclusion of his address. I thank the Senator from Oklahoma for his courtesy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, I am always glad to yield to any request submitted by the senior Senator from Maryland. When I came to the Congress in 1923 I found the Senator from Maryland already there. We served in the House together for 4 years, and we walked—I am not sure that it was in step; he was in step, but I am not sure that I was—from the House to the Senate, on the 4th of March 1927. I am glad that we are both still here.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, I wish to comment on the remarks made by the Senator from Oklahoma. So far as the Texas Light & Power contract is concerned, I have no question in my own mind that it is a good contract for both the public utility and the Government. If the other utilities in the area affected are willing to enter into the same kind of contracts, it will be good for them and for the Government.

The difficulty experienced before the committee was, first, that the utilities in the area opposed connecting the several dams. There are some six hydroelectric power developments possible in that area. The nearest local utility wanted to go to the busbar of the particular dam and get the power there. Congress provided the money to connect the dams, because it is obvious that if the power of the six dams is on one transmission line, the Government is going to have more power to sell.

I could not follow the Senator in what appears on the chart before the Senate.

Mr. HILL. Mr. President, before the Senator leaves what he was stating about the other power companies, let me ask him if it is not true that when the Texas Light & Power Co. entered into this contract, the other eight private power companies in that area denounced the contract, said it was a criminal thing to enter into the contract, and have they not for years taken that position? It was only after the House of Representatives put these appropriations in the bill that there was talk about them entering into the same kind of a contract I have mentioned.

Mr. HAYDEN. That was the only difference of opinion there was in the Committee on Appropriations, whether it was advisable to strip the bill of money with which to build any transmission lines, or whether it would be wiser to provide a substantial sum of money, as the House provided, and let the negotiations proceed thereafter. There was money available with which to build transmission lines into Texas at the time the Texas Power & Light contract was entered into, and the transmission lines were not built. That can happen in this instance.

To return to the statement taken from the last annual report of the Secretary of the Interior, of which only an extract appears on the chart, I should like to read what the Secretary did say. He stated:

> We must push ahead as rapidly as possible with the development of all practicable hydroelectric power. We need to develop within the next 20 years at least 40,000,000 kilowatts.
>
> The Federal Government probably will need to build at least 80,000,000 of those kilowatts at a cost of $12,000,000,000 to $15,000,000,000. This program should include the St. Lawrence power and seaway which is needed not only for power, but also for transportation. This second need may soon become paramount in order to bring the newly important iron ore from Labrador and South America to American steel plants.

In other words, Mr. Krug was talking about hydro power; not about all power. Obviously that is true, because I have here a statement by Dr. Raver, the Bonneville Administrator, who stated that—

> In 1947, the generating capacity of all utility systems in the United States was 52.3 million kilowatts, of which 15 million were in hydroelectric capacity, and 1.3 million in internal combustion engines and 36 million steam.

Dr. Raver's statement continues as follows:

> The total undeveloped and economic hydro potential was much greater and was distributed among the 48 States of the Nation and according to the best figures we have been able to get, was 77.1 million kilowatts, of which 28.5 million kilowatts was in the Pacific Northwest, primarily Oregon, Washington, and Idaho, 25.5 million kilowatts are in other States west of the Mississippi River, and 23.1 million in States east of the Mississippi River.

I placed in the CONGRESSIONAL RECORD last Friday a statement from the Federal Power Commission showing the total amount of power of installed capacity in the United States as of 1948, which was 58,000,000 kilowatts, being made up of approximately 15,000,000 of hydro and 40,000,000 of fuel. The estimate of the Federal Power Commission is that by December 1951 there will be 18,000,000 of hydro and 55,000,000 of fuel. In other words, three times as much power is produced by fuel as by hydro. If within the next 20 years we produce the 40,000,000 kilowatts to which Secretary Krug referred, and I hope it will be much sooner, then it is quite certain that by the same time we will produce 100,000,000 to 120,000,000 kilowatts of steam power. The steam power is the power the private utilities generate. The hydro power must come from the great multiple-purpose dams the private companies cannot build or cannot undertake to build.

Mr. President, where I cannot follow the Senator from Oklahoma is when he says that when in this bill we propose to construct some transmission lines and some hydroelectric plants it necessarily follows that we are leading toward socialism, toward statism, toward collectivism, and all that. I cannot follow him at all in that statement, because there is no connection between the two. The Federal Government must continue to develop hydro power at multiple-purpose dams. It has the right under the law, and properly so, to transmit that power in order to serve its customers. But if it develops all the available power, it will not amount to more than one-quarter the power needed in the United States, and, at this moment, when private industry has $22,000,000,000 and the Federal Government has about $2,000,000,000 invested in the generation of power, no one can convince me that this Congress or any other Congress could be persuaded to take over all the private power industry in the United States. I think anyone who held such a belief would be utterly mistaken.

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

Mr. HAYDEN. I yield.

Mr. CORDON. I wonder, however, if the Senator has covered this aspect of the relationship between the power to be generated at the dams, and power to be generated by fuel, namely, that as to hydroelectric power generated at dams where the flow of water is not regular, we have as a result so-called dump power, which is not salable for any continuous use, except as it may be integrated, or, as the term is used, "firmed" by the use of fuel power? Has the Senator taken that into consideration?

Mr. HAYDEN. I have taken that into consideration. That is why I say the Texas Light & Power Co. contract is a good contract; because the Government has unfirmed hydro power, whereas the private utilities have the steam plants which can firm it, and if the two can work hand in hand, can live and let live, it is, as I pointed out in my remarks of Friday, last, to the advantage of the private companies and to the advantage of the Government to do so. But I cannot, as I said, follow the Senator from Oklahoma when he stated that simply because there is in the bill a proposal to construct some transmission lines and hydroelectric plants, that would mean socialism or statism or collectivism or take us down the road to the ruin of private enterprise. I cannot follow that, because there are not enough hydroelectric possibilities in the United States to do it. When the work proposed to be done is completed it will not represent more than one-third or one-quarter of the power generated in the entire country.

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

Mr. HAYDEN. I yield.

Mr. CAPEHART. With the present appropriation and the lines now involved, is it not a fact that there are sufficient transmission lines to serve the people in the region which the appropriation covers, and that the private companies which own the transmission lines are willing to enter into a contract with the Government which will be favorable both to the Government and to the private companies?

Mr. HAYDEN. No; the testimony is to the effect that all the lines needed do not now exist.

Mr. CAPEHART. Did the representatives of the private companies testify that they would build them?

Mr. HAYDEN. Oh, yes. That is the point. The question then is: Somebody must build these transmission lines. If the private power companies, as they have heretofore refused to do, would not transmit the power over their lines, and would not build lines to do it unless they could buy the power at the bus bar, then it is necessary for the Federal Government to construct the transmission lines in order to serve the people. But if an arrangement can be made whereby the private companies, if they have the lines, will use them, or if they do not have them, will build them themselves, that will be a better arrangement for the Government.

Mr. CAPEHART. Does not the Senator believe that where private industries are willing to build the lines or have the lines available, and a contract to that effect which is both fair and equitable to the Government and to the companies, can be entered into, that is the best thing to do?

Mr. HAYDEN. I do not think there can be any question about that. One hand washes the other. If the hydro power which the Government produces can be firmed by steam plants owned by private industry, and the power can be carried over the lines of private industry and delivered to manufacturers, to cooperatives, to those who are preferred customers of the Government, that is a good arrangement. I am not complaining about it at all. That is all we are considering doing in connection with this bill. If, because the power companies would not cooperate, the Government were compelled to build transmission lines, that would not mean that we would be embarking on a program of state socialism, and that the country would be ruined by such a policy.

Mr. CAPEHART. In this particular instance, though, it is not necessary for the Government to build the transmission lines in order properly to serve both the Government and the public.

Mr. HAYDEN. It has been, up to about 90 days ago, necessary for the Government to build these lines. But the House of Representatives having appropriated the money to build them, now the power companies have changed their minds, and they come forward and say they are willing to build the lines.

Mr. CAPEHART. But at the moment it is not necessary for the Government to do it.

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

Mr. HAYDEN. I yield.

Mr. HILL. The Senator from Indiana, I am confident, would not wish to make that statement. He does not know that it is not necessary. Only when the Government and the private power companies sit around the table together can we know whether it is necessary for the Government to build the power lines.

Mr. HAYDEN. That is correct.

Mr. HILL. Is it not true that when the Texas Power & Light Co. contract was entered into the representatives of the Government had the money which the Congress had given them to build the necessary transmission lines?

Mr. HAYDEN. That is correct.

Mr. HILL. In other words they were forearmed. The same man, Mr. Wright, who had given him by Congress, the money to build the transmission lines and who entered into the negotiations, and worked out the Texas Power & Light Co. contract, is ready today to sit down with representatives of other companies and see if he can work out contracts to meet particular situations. Everyone knows that conditions are not exactly the same in respect to every contract. It might be said that a contract can be entered into in the spirit and the purpose of the Texas Co. contract, but the identical language of the Texas Co. contract might not fit some other particular area.

Mr. HAYDEN. As I understand, in the Texas area no municipalities are involved. All that has ever been dealt with was service of electricity to rural electric cooperatives. In the case of a municipality which has taken over local power operations in any of the other areas, there would have to be a somewhat different contract, but the principle is the same.

Mr. HILL. As the Senator said, up until this time the power companies have bitterly fought the Government projects, and denounced the Texas Light & Power Co. contract as criminal. It is only when they sit around the table that we shall know exactly what they will do. Does not the Senator think that when they sit around the table the representatives of the Government ought to sit there forearmed and ready?

Mr. HAYDEN. That is why I feel that the committee should not have cut the appropriation.

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

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I agree completely with the Senator from Alabama that up until 90 days ago the power companies would not even talk to Douglas Wright or the Southwestern Power Authority; but they now come before the committee and say, "We are willing to talk." Possibly it was because they were afraid of Congress. All the Senate committee has done has been to say, "If you can satisfy the Southwestern Power Authority or the Government that you will dig into your pockets and build power lines, go ahead and do it; but if you do not, within the next 5 months we can still act. So keep the faith and make a contract which will be satisfactory to the Government and satisfactory to yourselves."

Notwithstanding that I am for public power, that does not mean that I do not want the private utilities to get a fair deal. I do. There is no necessity of going to the taxpayer and asking him to spend great sums of money unless there is a reason. If it is necessary, in order to deliver the power, to ask Congress for money, I am willing to do it; but if we can force the private power companies to build a particular line, I feel justified in saving the taxpayer that expenditure.

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

Mr. HAYDEN. I yield.

Mr. CAPEHART. In this instance have we not forced them to do it?

Mr. HAYDEN. That is practically what the representatives of the private utilities said. They said, "We never believed that Congress would actually appropriate the money to build these lines, but the House of Representatives did it, and that being the case we have changed our minds, and now we will make a contract similar to the Texas Light & Power Co. contract."

Mr. CAPEHART. We frightened them into doing what we wanted them to do. Why not be satisfied with that and permit them to go ahead?

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

Mr. HAYDEN. I yield.

Mr. HILL. If the Senate concurs with the House and makes this appropriation available, does not the Senator believe that we shall be in a much better position to force the power companies to enter into contracts which will be to the

benefit of the Government and the private power companies as well as the consumers?

Mr. HAYDEN. It worked that way before.

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

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I do not take off my hat to any other Senator so far as public power is concerned, but it works both ways. We have forced private power companies to say, "Now we will behave ourselves. We will make a contract." But, by the same token, if we give the money to a Federal Government agency, it may say, "We want to spend it." That has happened before. Give them some money, and they want to spend it. In my own State certain agencies have been boasting that they had to spend the money before the 1st of July. They do not want to let it go back into the Federal Treasury. I should like to exercise a little caution. Let us have some control over both the private utilities and the Government agencies; and if the Government agencies need the money before the 1st of January, let us give it to them.

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. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act;

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

The message returned to the Senate, in compliance with Senate Resolution 153, the bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the administrative office of the United States courts at a rate not exceeding 7 cents per mile.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3825) to amend the Federal Crop Insurance Act.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2296), to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ABBITT, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 7½, 32, 52, 56, and 76 to the bill, and concurred therein; and that the House receded from its disagreement to the amendments of the Senate numbered 11, 13, 46, 54, 63, 74, 77, and 85, severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HILL. Mr. President, the Supreme Court of the United States has spoken of the "great silences of the Constitution." I want to talk today about the great silences of the Interior appropriation bill. What has been left out of this bill is far more revealing than what has been put into the bill.

By careful deletion of certain appropriations the bill would endanger if not change the power policy of the United States Government. Congress has declared over and over again for more than 40 years that public agencies, municipalities, and cooperatives shall be given preference in the sale of public power and that its benefits shall be dispersed on a businesslike basis as widely as possible among the people. Congress has said: This is the people's power and the people shall benefit.

The bill seeks to change this national power policy by denying funds for the construction of public transmission lines from Government dams and even by denying funds for adequate personnel to market Government power. The bill would ignore the public agencies, municipalities, and cooperatives which Congress has declared shall receive preference. It would give private companies first claim to public power. The Government would aid monopoly, not prevent monopoly. And the will of Congress, clearly expressed for nearly half a century, would be reversed.

The public-power policy which this bill seeks to change has its roots in the homestead policy of our country, developed during pioneer days. There were efforts in those early days to have the public lands sold to the highest bidder—to speculators with the most ready cash. Those efforts meant monopoly of the land and the vast resources beneath the land. And those efforts were repudiated.

Our power policy today follows the sound homestead tradition—that the public resources shall be used for the general welfare, to foster business enterprise, to aid the farmer and the workingman, to benefit all the people.

As I have said, this policy is not new, and its application to public power is not new. It was not new when we enacted the Flood Control Act of 1944, for which this bill would provide appropriations. At that time I pointed out that "the power policy of the Federal Government was not developed capriciously. It was hammered out by the Congress in bill after bill relating to the Federal construction of water control and conservation projects and the regulation of interstate streams."

The policy was first stated in an amendment to the Reclamation Act of 1906. It was reiterated in vigorous language in the Raker Act of 1913. In recent years it has been reenacted in the reclamation laws, the Tennessee Valley Authority Act, the Bonneville Act, the Fort Peck Act, and the Flood Control Act of 1944.

Five years ago—in the Flood Control Act—we placed upon the Secretary of the Interior the responsibility for disposing under the power policy of the power produced at water control projects of the United States Army Corps of Engineers. This matter came to the floor of the Senate from the appropriate legislative committee, and it was resolved resoundingly in favor of traditional American policy.

There is a proper procedure for changing our legislative policy, and I commend that procedure to those who feel that our policies are wrong. That procedure, as we know, is to go to the proper legislative committee and ask for changes in the basic law, if need be after hearings and a thorough examination of the entire question. But the American people will not tolerate the dodging of the proper legislative process and a nullification of power policy by the use of stratagems hidden in the details of a complicated appropriation measure.

This appropriation bill does not repeal in forthright language the policy of preference to farmers' cooperatives and public bodies in the sale of public power. The bill does not relieve the Secretary of the Interior of his responsibility for managing Government power properties in accordance with "sound business principles." The bill does not free the managers of the projects of their responsibility to protect the public interest and to carry out our power policy. The laws imposing these responsibilities are left on the statute books. But the bill would deny the funds and the facilities to carry them out. This appropriation bill would say to the Department of the

Interior: "Hang your clothes on a hickory limb, but don't go near the water."

It is my firm belief that to deny the Government's representatives the funds and personnel they need in order to deal with the power companies would be to send them forth naked and unarmed to meet wolves in winter.

The power companies assert here at this last moment that they are prepared to negotiate reasonable contracts. They have professed at this last moment their desire to reach amicable agreements for the equitable distribution and sale of Government power. But the whole history of the struggle for public power has been one of incessant and bitter hostility from the private power companies, of refusal to cooperate, and of determination to destroy public power. The success of their attack on public power through this very appropriation bill warrants caution and vigilance in our dealings with the private power companies.

Little Red Riding Hood can still see the wolf behind grandma's poke bonnet, and Little Red Riding Hood may well exclaim, "Grandma, what big teeth you have!"

Let us take a minor item of $70,000—certainly minute enough in this day of billion dollar appropriations—to show how devious and subterranean are the workings of this bill.

The President requested $85,000 and the House allowed $70,000 for a small organization with very small personnel, to be set up in the southeastern region of the United States to permit the Secretary of the Interior to market the power from dams now under construction and to be constructed by the Corps of Engineers. This item was stricken from the bill.

The denial of this $70,000 would nullify throughout the Southeast the considered policy of Congress that the benefits of public power shall be spread as widely as possible, that to this end preference shall be given to public agencies and cooperatives in the sale of power, that the Federal Government's investment in power facilities shall be handled in a businesslike manner, and that public power shall not be monopolized by special groups.

The denial of the funds would affect the entire Southeast—Virginia, North Carolina, and South Carolina, Georgia, Florida, Alabama, Tennessee, and Kentucky, and adjacent States.

Ultimately, more than 1,600,000 kilowatts of installed capacity producing power benefits valued at nearly $27,000,000 a year would be involved. Eight projects costing $385,000,000 are now under construction, and preliminary engineering has been authorized on other projects costing an additional $300,000,000. Infinite details of negotiation and management are required in order to produce and market this Government power under sound, businesslike principles. The Department of the Interior has already made contracts with the Tennessee Valley Authority and the Georgia Power Co. Other contracts must be negotiated as the projects are completed.

Such contracts require not only negotiation, but management. One cannot sign a contract for power and then forget it. Every contract contemplates a continuous service responsibility. The Government must be fully prepared to carry out its obligations from day to day, week to week, month to month, and year to year. There is firm power to be sold to customers whose entire power requirements are supplied by the Government. There is power capacity which will be used only a few hours a day during peak loads. There is secondary power available for extended periods, but subject to interruption during periods of low stream flow. There is dump power available on a when, as, and if basis, during periods of relatively high stream flow. These components of the Federal hydro power supply must be properly coordinated with the generating facilities of the power systems of the region in order that they may do their full job of adding effectively to regional power supply.

Prompt and proper decisions in the operation of the projects require continuous relationships with management and operating personnel of the power systems of the region, both public and private. If public business is to be carried on in a businesslike manner, an adequate organization for that purpose must be on hand in the region. We cannot depend upon a Washington agency, with other duties, to carry out these regional responsibilities on a catch-as-catch-can basis.

The municipalities and cooperatives, the factories and farms, the thousands of people who have come to rely on Government sources for their power supply have the right to expect responsible management on behalf of the Government. The private power companies who rely upon certain Government sources of power, have a right to expect the same responsible management by the Government.

Congress should receive carefully formulated recommendations for the development of the program in the future. Congress should receive regular reports showing the financial and operating results of the power marketing job. Sound management of the public business requires a responsible agency, devoting full attention to the problem.

From this $70,000 expenditure, the Government will be assured a maximum return on its investment in these multimillion-dollar projects. The people will know that the power generated by Government dams and flowing into homes, farms, and factories is a dynamic force in the economic development of the region and the country.

I have discussed this $70,000 item in detail because it illustrates so clearly how an apparently minor appropriation has so critical and vital a function in carrying out the power policy of the United States. I have discussed the item because it affects my own region and I am familiar with it.

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

Mr. HILL. I yield to my friend the Senator from Montana.

Mr. MURRAY. I should like to ask the Senator if it is not a fact that without the careful survey and report the Senator has been discussing, the result would be that the projects would be rendered more costly and it would not be so easy to repay the cost.

Mr. HILL. Certainly. That is absolutely correct. In other words, without this agency, small as it is, and although its cost will be little, there would be unbusinesslike and wasteful management of property which belongs to the people of the United States.

Mr. MURRAY. And without that supervision, the Government could very readily be charged with negligence and carelessness in supervising the project. Is not that correct?

Mr. HILL. Yes. Not only could the Government be so charged, but whoever charged it would be justified in making the charge.

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

Mr. HILL. I yield to my friend the Senator from Washington.

Mr. MAGNUSON. Of course the Senator from Alabama has said that this item affects his district. However, this policy affects all the power-producing districts in the United States. Is it not true that, in effect, we are saying, "We will provide management in some districts where we have spent Government money to build huge dams for the distribution of Government power, but in other districts we will not provide such management."

Mr. HILL. The Senator is absolutely correct.

As the Senator from Montana brought out, and as has been implied by the Senator from Washington, if this power is to be distributed in accordance with laws now on the statute books, and if it is to be distributed in a proper, sound, businesslike, efficient and effective way, there must be provided the personnel with which to do the job.

Mr. MURRAY. The theory is that it is to be produced at the very lowest expense, so it can be distributed at very low cost to the public, is it not?

Mr. HILL. The Senator is entirely right. But, Mr. President, the item of $70,000 is only one of a number of serious omissions in the bill. Taken together, the omissions constitute a major attack on public power policy—through the appropriation route rather than the proper route, which is the legislative route.

As I said in the beginning, those who do not believe in our power policy as laid down in act after act and as confirmed in the Flood Control Act of 1944, should go to the proper legislative committee and undertake to have the legislation changed or modified so as to change or modify the policy according to their views.

Let us examine other omissions and deletions from the bill. There seems to have been a careful elimination of appropriations which the private power companies have disapproved. This has not escaped the attention of others. I should like to quote from an article by Peter Edson, Washington newspaperman, which appeared in the Anniston, Ala., Star of July 27. Mr. Edson, winner of the Raymond Clapper award for outstanding Washington reporting, wrote:

It is when the testimony of private power company officials before the Senate Appropriations Committee is carefully studied that

the 100-percent effectiveness of their opposition to public power shows up.

James B. Black, president of Pacific Gas & Electric, opposed projects to cost over $9,000,000. The Senate committee followed his advice on everything except $2,600,000 to extend a Shasta Dam transmission line on the east side of the Central Valley.

Kinsey M. Robinson, president of Washington Water Power Co., opposed the Bonneville Power Administration Kerr-to-Anaconda, Mont., transmission line. The Senate committee cut it out.

D. C. McKee, president of the Empire District Electric Co. of Missouri, testified in particular "* * * in opposition to a $10,000,000 expenditure out of the $30,000,000 proposed to build the lines designated in the (Southwestern Power) Administrator's report as the Missouri group." So the Senate committee eliminated all Missouri group items.

Hamilton Moses, president of Arkansas Power & Light, gave the committee a table showing what the power companies in his area thought should be approved. The committee followed his recommendations except for two minor construction items of $300,000.

Idaho Power Co. opposed Anderson Ranch switchyards and transmission line projects for $631,000. Out they went.

Public Service Co. of Colorado opposed three transmission lines running into Valmont, Colo., to cost $769,000. Out they went.

Montana Power Co. opposed the Havre-Shelby, Mont., substation and transmission line to cost $1,300,000. Out they went.

Economy could not have been the objective of the deletions. The Department of Interior had asked for a total of $625,000,000. The House approved $536,000,000, including the cost of all the transmission lines and power facilities referred to by Mr. Edson. The Senate committee has raised this amount to $590,000,000. Curiously, it is the appropriations for power development which were eliminated while the Senate committee was increasing the House appropriations.

The bill is a legislative anachronism. It seeks to turn back the clock to the good old days of private-power monopoly. But we cannot and will not turn back the clock. The people today understand and fully support the public-power policy. They know the many benefits of public power and they will not relinquish those benefits.

The people know that the public-power policy is sound business and good government. But the bill does not appropriate funds for the businesslike operation of the Government's power system. The bill would appropriate the people's power for the benefit of the private utilities.

It is sound business for the Government to sell its power to more than one distributor. If the Government does not build transmission lines, or if the agents representing the Government are not prepared if need be to build the lines, the Government is forced to sell its power to the one large private utility in the vicinity that can afford to build a line to the Government's dam. That utility will then have a monopoly. And it can dictate the price it will pay the Government and the price it will charge the people.

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

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. HILL. I yield to the distinguished Senator from Oregon.

Mr. CORDON. The Senator from Oregon is very much interested in following the Senator's statement, but is somewhat confused as to how he has reached his conclusion that the type of contract which is the only one now in existence, and which is generally termed the "Texas Contract," could result in turning back the clock or in failing to give any preference which the law requires, or in anywise doing anything other than getting public power to the ultimate consumer, with the preferences intact, which the law requires. The Senator from Oregon would be helped greatly in his thinking if there were an explanation of the Senator's view in that regard.

Mr. HILL. The Senator has put his finger on the heart of the matter when he says the Texas Power & Light contract is the only one in existence in all the country. Of the many, many Government projects we have been building through the years, of the many private companies having systems all over the country, it is the sole and only contract up to this time which any private company in the United States has been willing to sign. It is the only single instance. On the other hand, we know that up until about 90 days ago private power companies were denouncing the contract. They said it was "criminal" to enter into the contract, and that the contract was iniquitous. We know their whole record of opposition to entering into any kind of contract such as that of the Texas Power & Light Co. We know their whole record of opposition to our public-power program. So I say to the Senator from Oregon, "Come and join hands. Let us go along with the House; let us provide the money to build these transmission lines." Then the agents of the Government can sit around a table armed with the funds, just as Mr. Wright, who negotiated the contract with the Texas Power & Light Co., was armed. He had the money in his hand, and the Texas Power & Light Co. knew that if they did not arrive at a fair and reasonable contract, Mr. Wright would build the lines. Let us arm our representatives, and, then, so far as I am concerned, I have no objection to our representatives sitting around the table and seeing if they can get fair and reasonable terms which will carry out the power policy laid down in the Flood Control Act of 1944. I hope my distinguished friend from Oregon will join me in this. I think by so doing we shall not only safeguard the power policy laid down in the Flood Control Act of 1944, but we shall have the best chance to get a contract which will bring the most benefits to the people.

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

Mr. HILL. I yield further to my friend.

Mr. CORDON. Does the Senator from Alabama agree that the Texas contract is a provident contract and in the public interest?

Mr. HILL. So far as I know—I have not given detailed study to it—that contract is in the public interest for the particular area and particular situation which it serves. I will say to the Senator that I have no objection to entering into a contract which carries out the letter and the spirit of our power policy and which is in the public interest. But though I agree with my friend, I ask him not to be so rosy hued in his optimism as to think that the agents who represent the people of the United States can go unarmed to negotiate these contracts.

Mr. CORDON. Will the Senator further yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. CORDON. Is the Senator aware of the record, which is, that in the Southwestern Power Administration situation the Administrator, Mr. Wright, asked the Appropriations Committee to recommend and the Congress to grant a very considerable amount of money—as I recall it was $25,000,000; it may have been more—and presented a picture of a complete grid of transmission lines in the Southwest area, and the Senate committee did not recommend the appropriation? As a matter of fact, Mr. Wright was not armed with that vast amount of money, due to the fact that it had not been appropriated to him at the time he negotiated the contract.

Mr. HILL. Mr. Wright was armed with the money he needed when he negotiated with the Texas Light & Power Co. The appropriation had been made. What Mr. Wright needs now is the appropriation which the House of Representatives put into this bill, some $9,000,000, and that is what I am asking the Senator to join me in getting for Mr. Wright.

Mr. CORDON. The Senator will recall that the Senate committee, in its report calling attention to the Texas contract, directed that attempts be made to secure that type of contract from the companies, and directed that a report on the situation be made by the first of the year. The Senate Committee on Appropriations, in taking that view—and the Senator from Oregon also took that view—felt that, inasmuch as a contract which seemed to be sound, in the public interest, and in the interest of economy, so far as we, who were not experts, could determine, had been worked out in that area, and the companies, finding they were face to face with Old Man Necessity—there can be no question about that—had indicated that they were prepared to go along with similar contracts, an opportunity should be given to those companies to prove by their actions what they had said by their words, and likewise an opportunity should be afforded the Government's representatives to act accordingly. The committee felt further that the Congress should have an opportunity at the end of a reasonable period to look into the matter and see if the parties had gotten together, and, if they had not gotten together, to see who was in error. Would the Senator feel that that is a sound approach, under the circumstances?

Mr. HILL. I am afraid the Senator has not heard what I have stated this afternoon, or else I did not make myself

clear. I certainly would not think that was a sound approach. These projects are coming into being and it is the duty of the Secretary of the Interior, under the law, to make disposition of the power. What the Senator proposes, even if the appropriation were finally made, might cause all kinds of delays. The Senator is familiar with what delays mean. We are now considering this appropriation bill, more than 6 weeks after July 1, when that date was supposed to be the deadline. The Senator knows that the Senate of the United States cannot even initiate an appropriation bill; it cannot act until a bill comes over from the House of Representatives. As a practical proposition, knowing the history of appropriations, as I do, this would open wide the door for all kinds of delays for months and months. In the meantime, there is tremendous pressure on the Secretary of the Interior to negotiate some kind of a contract, because water is going to waste over the dam, and there would be loud and raucous protest that the Department of the Interior was permitting the Government power to go to waste.

Let the representatives of the Government enter into negotiations. If the private power companies do not negotiate in good faith what they promise, the Government's representatives will be armed and able to act to protect the public interest and to carry out the Government's power policy for the benefit of the people.

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

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Alabama yield to the Senator from Montana?

Mr. HILL. I yield.

Mr. MURRAY. The chief object to be gained through the public-power policy is the low-cost power. The Senator knows what low-cost power has done for Oregon and the Pacific Northwest. In dealing with private utilities, as the able Senator has very well said, the Government must be so armed as to make a good bargain with them. Most of the private utilities are so overcapitalized that it is impossible for them to sell power at rates sufficiently low to develop business in the area. Take, for instance, the Montana Power Co. In an examination and investigation by the Federal Power Commission a year ago, it was found that the company had watered stock to the extent of more than $50,000,000, and it is a small corporation. The companies are all overcapitalized. The Senator knows what the situation was when we were considering the holding-company bill. If we had not had the Holding Company Act in the depression following the 1929 crash, this country would be in a much more dangerous condition than it is in today.

Mr. HILL. The Senator is correct when he says many of the private companies are loaded down with watered stock on which they must make some kind of a return. They have to continue to carry the stock and to provide dividends on it. The investigation by the Federal Power Commission showed exactly what the situation was and what we face when we have to deal with private power companies.

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

Mr. HILL. I yield.

Mr. MAGNUSON. Is it not also correct that at this time, in two instances, the Interior Department is attempting to enter into a contract in Idaho and into contracts in other sections of the Pacific Northwest? In the middle of negotiations the Appropriations Committee knocks out the only weapon the Interior Department could have to deal with the parties. Under those circumstances, what kind of a contract can the people expect?

Mr. HILL. To send our agents out without giving them the funds with which to deal with the companies is like sending out sheep to meet wolves in winter.

Mr. MAGNUSON. Does the Senator agree with me that they denounced the Texas contract as criminal?

Mr. HILL. Not only did they denounce it, they kept on denouncing it year after year. They said it was criminal and declared it to be iniquitous.

Mr. MAGNUSON. I wonder what their attitude will be with regard to attempting to carry it out even after they sign it.

Mr. HILL. If we are to protect the interests of the people, if we are to safeguard the principles of the power policy, we must forearm the representatives of the people with these appropriations when they go in and sit around the table with the representatives of the private power companies.

As a business proposition, it is absurd to put the Government's negotiators behind the eight-ball of a policy that requires them to sell Government power through one private power company. No sane businessman, if he wanted to stay in business, would voluntarily limit himself to a single outlet for the distribution of his product. And no farmer who wanted to get a decent price for his crops would pile them at the side of the road and wait for a chance buyer to come along.

It is good government to develop our rivers for multiple purposes—for navigation and commerce, for flood control and irrigation, and for electric-power production. The multiple-purpose job must be done by the people acting through their Government. It cannot be done by private companies.

It is good government to sell the people's power as cheaply as possible. Cheap power means that more power will be used by more people, and there will be more returns to the Federal Treasury.

TVA—which only the other day added its millionth customer—has taught this lesson. The people of the Tennessee Valley buy and use 10 times as much power as they used before TVA with its reasonable rates. They pay more taxes and buy more goods produced in other States. Last year they bought $50,000,000 worth of electrical appliances alone produced in plants outside the Tennessee Valley. The same story is reflected in the tremendous consumption of low-cost power from the Bonneville and Grand Coulee Dams.

The benefits of cheap power and the benefits of multiple-purpose river development flow from one State and one region into all the States, and contribute to the growth and prosperity and strength of the entire Nation.

Abundant low-cost power means that America can decentralize her industries and manufacturing centers, so necessary in this day of the atomic bomb. Low-cost power means a balance between city and country, between agriculture and industrial production. The day of industrial concentration, with slums and disease and crime, is nearing its end. Cheap electric power is bringing a new day of industry spread through the land.

Power transmission lines are the new highways of this progress. They are the modern roads over which our country continues to advance, the roads over which the underdeveloped regions move to fuller use of their manpower and their resources.

We must provide the funds required to make certain that the power policy of the Nation shall be carried out. American progress will not pay tribute on the private toll roads of monopoly.

REORGANIZATION PLAN NO. 1

Mr. TAFT. Mr. President, I wish to make a brief statement in support of the resolution disapproving Reorganization Plan No. 1, in order that the statement may be in the RECORD, and may set forth the opposition of those of us who think the plan should be disapproved.

I think the statement is particularly necessary because the President of the United States, in addition to his message submitting plans 1 to 7, inclusive, has seen fit to intervene in the legislative process by writing a special letter to the Vice President, which appears in Friday's RECORD. The President disapproves of and objects to the action of the Committee on Expenditures in the Executive Departments recommending rejection of plan No. 1 and plan No. 2. He makes the statement that the important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission, and that their rejection would be a real set-back to the effort to reorganize the executive branch of the Government.

Mr. President, I do not like to leave that statement unchallenged. I wish to state briefly to the Senate the reasons why in my opinion plan No. 1 flies directly in the face of the recommendations of the Hoover Commission, and why its adoption would make impossible for years to come the carrying out of the Commission's recommendations.

We are approving many parts of the Hoover Commission plan. We have passed a bill for the reorganization of the armed services substantially in accordance with that plan. We have passed a bill creating a general service agency. Within 1 or 2 days, and without objection, I think, plans 3, 4, 5, and 6 will be approved. While plan No. 2 is contrary to congressional policy, both of the Seventy-ninth and Eightieth Congresses, it does not controvene the Hoover report. I do not know what action will be taken on it.

Plan No. 1 creates a new Department of Welfare containing all the major functions of the Federal Security Administration. It does not reorganize. It simply makes a department out of the Federal Security Administration, and a Cabinet officer out of the Administrator. Furthermore, it provides that all of the functions of the officers and constituent units of the Department, including those functions conferred expressly by Congress on the Office of Education, on the Surgeon General of Public Health, and on the Social Security Administrator, are transferred to and consolidated in the new Secretary of Welfare. Under this plan he is given every power to direct in every detail all the functions which we have conferred on these various departments.

Section 2 (b) of the plan reads:

All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all of the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

The Secretary is given complete power to set up his Department any way he pleases, to mix welfare, health, and education as he sees fit and to subordinate health and education to welfare to an even greater extent than he can now do as Federal Security Administrator.

I do not know what the position of the Advisory Council may be, but the plan takes all the powers we have conferred on different officers in these fields, and transfers them to one man, who therefore becomes the dictator in the whole field of education, in the whole field of health, and the whole field of welfare.

In view of his public statements and actions, there can be no doubt that he would completely subordinate health and education to welfare. Doctor Parran resigned as Surgeon General and Mr. Studebaker as head of the Office of Education, largely because no independence was left to them in their proper functions. This gives even greater power to the new Secretary, as compared with that which the Federal Security Administration now has.

The Hoover plan recommends a Department of Welfare and Education, but it recommends a separate medical administration and excludes health from the new Department.

It is said, Mr. President, that health can be taken out of the Department later on; that later on a separate medical administration can be created. That is not true, because Mr. Ewing, and therefore, presumably, the President are opposed to it. Mr. Ewing has frankly stated in the letter which he wrote that he is opposed to the creation of a separate medical department. His testimony shows very clearly that he disapproves that part of the Hoover recommendation. He said in his letter:

I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration and I feel that any plan to consolidate hospital functions at this time would be premature.

Mr. Ewing reiterated that statement in his testimony before the committee. So we know that if we ever create this department Mr. Ewing, the head of it, will be absolutely opposed to setting up any independent medical administration.

Obviously, therefore, no plan is ever going to be submitted setting up any separate medical administration. Obviously, Congress cannot successfully pass a bill setting up such an administration because it can be vetoed, and will be vetoed, if we have once voted affirmatively respecting plan No. 1, and Mr. Ewing has become a Secretary in the Cabinet of the President.

Mr. President, it is said that a medical administration can be set up only by statute and that therefore it was not included in this plan. That in my opinion is absolutely untrue. If the Federal Security Administration can be made a department, without any special reference in the Reorganization Act, then certainly the Public Health Service can be made a separate medical administration to which other functions can then be transferred. I think many Senators did not realize that a new department could be created under the Reorganization Act, but it is admitted that this extreme power was given by that act. But if that power was given, certainly the power was also given to take the Public Health Service out of the Department and set up a separate medical administration.

I might add at this point that, in analyzing the requirements of the Hoover plan, the Budget Commission has listed the things for which legislation was necessary and reorganization plans are necessary. All the important features of the United Medical Administration are covered by reorganization plans. The only substantive legislation required is that defining the beneficiaries entitled to medical care by the Government, which, after all, is something we know could only be done by Congress in any event.

Mr. President, the reorganization plan combines three functions: Health, welfare, and education, which are completely distinct in purpose, in theory, and in practice. At the State and local levels, where the main work is done, they are always separated. Education is usually separated, even from local government in our States, in order that it may be entirely independent. Many States elect a separate director of education. Welfare and health are separate in nearly every State and local government I know of. The Hoover Commission says they should be separate.

Two years ago the Senator from Arkansas [Mr. FULBRIGHT] and I introduced a bill to create a new Department of Health, Welfare, and Education, but only because we did not feel there could be three new separate departments. We carefully provided that each one of these functions be placed in an autonomous section, under a separate Under Secretary, reporting directly to the Cabinet officer, who was not given a whole raft of secretaries and under secretaries. By statute we assigned all matters relating to health to an Under Secretary of Health, all those relating to welfare to an Under Secretary of Welfare, and all those relating to education to an Under Secretary of Education. We put those departments under those Under Secretaries so they could not be shifted around. We gave, as I said, practically autonomous rights to those three departments. The Secretary became a representative of those three groups in the Cabinet of the President of the United States, where I think there ought to be someone to speak for health, welfare, and education.

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

Mr. TAFT. I yield.

Mr. FULBRIGHT. Was not that bill in a sense very much like the reorganization bill relating to the armed services, in recognition of the importance of these various services, and in an effort to try to maintain the integrity of the various services?

Mr. TAFT. Yes. I think it is important that the integrity of health, welfare, and education be maintained; I think it is far more important to keep them separate than to keep separate the Army, the Navy and the Air Corps. The latter have exactly the same purpose. The functions of health, welfare, and education to my mind are completely independent and are only grouped because they are functions in which the Federal Government has only a secondary interest. The primary interest is in the States and local governments. They must do the main work of administration in those fields. Since the Federal Government has a secondary interest only, it seemed to us that it might be fair to put them all under one Cabinet officer. We could not have three separate Cabinet officers.

Mr. FULBRIGHT. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. If the Congress and those in the administration have seen the necessity for keeping separate the Air Force and the Navy, for example, in order to prevent some admiral, we will say, from dominating the Air Force and thereby the Air Force losing its efficiency, I think even more so that principle is applicable in the field we are now discussing.

Mr. TAFT. The Senator is entirely correct. If authority over all three of these agencies were vested in a Secretary he would, I believe, become the most powerful figure in the Government so far as domestic affairs are concerned.

The Federal Security Administration has increased its expenditures from $743,000,000 in 1946 to $1,500,000,000 in 1950.

The Hoover Commission's task force on public welfare recognizes clearly that the proposed department should be separated and the power centered in the three bureau chiefs. That task force on public welfare, much as they are interested in welfare, came to this conclusion:

In a multifunctional department the bureau chiefs are the real directing heads of actual operations—

In a multifunctioning department, one where there are three entirely separate functions—

especially if the bureaus are engaged in professional or scientific fields. They should be and often are selected primarily on the

basis of their professional attainments and standing. * * *

Our recommendation would be that no steps be taken which would reduce the status and prestige of the chiefs of the professional bureaus in the Federal Security Agency. The positions should attract the best, and opportunity for professional leadership and influence is perhaps the most attractive feature of these positions.

The new Secretary could not be an expert in health, in welfare and in education at the same time. Nor could he properly study and develop the knowledge necessary to cover all three of those fields. He is most likely, of course, to be a man interested in welfare, to whom health and education are entirely subordinated. The new plan does not carry out the purpose of the Reorganization Act. Far from reducing expenditures, it will lead to increased spending. Not one cent of saving will result. If the Federal Security Administration were raised to a department it would be bound to add many officers and increase the cost and expense. Far from increasing the efficiency of the operations of the Government, it would subject all of these departments to political control. It does not group agencies "according to major purposes," in the terms of the Reorganization Act. It does not consolidate agencies for similar functions or abolish a single agency or function. It does not eliminate overlapping or duplication of effort. It contains one rather curious provision making the Federal Security Administrator the Acting Secretary of Welfare for a period of 60 days, receiving the compensation of the Secretary of Welfare. Apparently the Federal Security Administrator cannot wait for confirmation by the Senate. Clearly no man should become Acting Secretary of Welfare until his name has been submitted to the Senate and given consideration. The Reorganization Act does not contemplate that any Cabinet officer act as such without confirmation by the Senate.

The rejection of this plan will not be any set-back to the adoption of the Hoover plan. It will be a warning to the departments that they cannot have their cake and eat it too. I submit for the RECORD a summary of the replies of the various departments to the Committee on Expenditures in the Executive Departments, and ask that it be incorporated in the RECORD at this point as a part of my remarks.

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

COMMENTS OF DEPARTMENTS AND AGENCY HEADS ON THE HOOVER REPORT

All departments and agencies of the executive branch have studied the recommendations of the Hoover Commission. The comments of almost 30 departments and agencies have been submitted to Senator MCCLELLAN, chairman of the Senate Expenditures Committee. These comments have been printed or summarized in the CONGRESSIONAL RECORD. The reaction of most of the department and agency heads was very unfavorable. This attitude constitutes a very serious threat to effective reorganization.

In its final report to Congress, the Hoover Commission warned:

"It is natural to expect vigorous opposition to reforms from agencies and groups, each of which approves heartily of reorganizations that do not affect its own immediate interests. The Congress must be prepared to accept this fact and give careful attention to the validity of arguments of those who would seek to escape reorganization, as many have so successfully done in the past." (Concluding Report, p. 47.)

The most vigorous opposition to the Hoover report is represented in the comments of the following departments and agencies:

FEDERAL AGENCY	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED
Department of Agriculture.	Two additional Assistant Secretaries and an Administrative Assistant Secretary; increased authority for Secretary to control Department.	Proposals estimated to save $44,000,000 a year, including discontinuance of certain lending activities of Farmers' Home Administration; consolidation of that Administration with Farm Credit Administration; creation of a single departmental regulatory service; prohibition against committees of farmers serving any any capacity other than advisory.
Civil Aeronautics Board.	Increased salaries for Board members and staff assistants.	Separation of regulatory functions and business functions by transfer of latter to Department of Commerce; development of over-all route programs for air transportation by Department of Commerce; payment of air-mail subsidies by open appropriation from tax funds rather than by way of hidden subsidies imposed on the Post Office and mail users.
Civil Service Commission.	Development of standards for department and agency personnel offices if sufficient funds are provided for this additional function; increased salaries for agency heads; sabbatical leave for certain Government employes; Chairman of CSC to be Director of Personnel in the Executive Office of the President.	Mandatory requirement that each department or agency head have director of personnel on his management staff; further decentralization of examining and recruiting personnel.
Federal Deposit Insurance Corporation.	No approval of any Commission recommendation indicated.	Transfer to FDIC to the Treasury Department.
Federal Power Commission.	Salary increases for Commissioners, Board and staff members.	Transfer of power planning functions to Department of Interior; investigation of natural gas resources be given to Interior; increased power for Chairman; supervision by Budget Bureau of publications and statistical activities.
Federal Security Agency.	Transformation of the FSA into a Department of Welfare; higher salaries for top-level officials; increased authority of agency heads over their organizations; transfer of Bureau of Indian Affairs from Department of Interior to FSA.	Transfer of Public Health Service and Federal hospital functions to a United Medical Administration; transfer of functions under the food and drug laws to Department of Agriculture and an independent medical agency; transfer of Bureau of Employees Compensation and Employees Compensation Appeals Board to Labor Department; retention of Railroad Retirement Board as an independent agency; continued administration of educational exchange program by State Department.
Federal Trade Commission.	Increased salaries; greater control over Commission personnel transactions.	Transfer of regulatory functions relating to food products to Department of Agriculture; transfer of drug regulatory functions to a United Medical Administration.

FEDERAL AGENCY	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED	EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED
Housing and Home Finance Agency.	Increased salaries; transfer of Veterans' Administration home loan guaranty activities to HHFA; greater decentralization of personnel transactions now performed by Civil Service Commission; transfer of Federal National Mortgage Association to HHFA.	Congressional approval of expenditures for capital additions; congressional restrictions on direct loans; placement of housing construction functions in Department of Interior; establishment of a National Monetary and Credit Council; transfer of Office of Housing Expediter to HHFA.
United States Maritime Commission.	Higher salaries for Commissioners and other top-level officials; additional power to delegate authority.	Separation of regulatory and business functions by transferring the latter (ship construction, operation, charter, and sale) to Department of Commerce; development of water route programs by Commerce rather than United States Maritime Commission; determination of minimum wages for seamen removed to Labor Department; establishment of a clear line of authority from the President down to subordinate units of the executive branch.
National Advisory Committee for Aeronautics.	The Commission's personnel management recommendations, including pay raise, and the Hoover report on supply activities and budgeting and accounting.	Transfer of NACA to the Department of Commerce; authority in General Services Agency over specialized procurement.
Reconstruction Finance Corporation.	General approval of the Hoover report on budgeting and accounting, and the report on personnel management recommending higher salaries and greater control over personnel transactions.	Every specific recommendation of the Hoover Commission which applies to RFC; general recommendations concerning charters for Government corporations.
Selective Service System.	No approval of any part of Hoover report indicated.	Transfer of the Selective Service System to the Department of Labor.
Veterans' Administration.	No approval of any part of Hoover report indicated.	Virtually every specific recommendation applying to VA, including: Creation of a veterans' life insurance corporation; transfer of home loan guaranty program to HHFA; transfer of medical functions to an independent medical agency; transfer of hospital construction functions to Interior; and centralization of public buildings management functions in the General Services Agency.

The Hoover Commission predicted that many departments and agencies would bitterly oppose effective reorganization. The power of an entrenched bureaucracy has been strong enough to nullify the reorganization efforts of every President from Taft to Roosevelt. The comments of most of the major departments and agencies show that they will support only the expensive recommendations such as those dealing with increased salaries, additional personnel, and additional powers. They will oppose the money-saving recommendations of the Commission, represented principally in the consolidation of functions scattered throughout the executive branch, and in the discontinuance of certain activities. If the departments and agencies are permitted to take only the plums in the Hoover report, the cost of Government will be increased substantially without any increase in efficiency.

The Hoover Commission warned of the dangers of partial or half-hearted implementation of its recommendations. It is only fair to demand that department and agency heads who seek the benefits of the Hoover report must also accept recommendations which may not advance the interests of their own empire. More than half of the Commission's recommendations require no specific legislation. Accordingly the initial responsibility for resisting the pressures of departments and agencies lies with the President. In the Reorganization Act of 1949, Congress vested in the President extremely broad reorganization authority without any crippling exemptions or exceptions. Unfortunately, the hostile attitude of some departments and agencies toward the Hoover report has already been reflected in the action of the President.

For example, in Reorganization Plan No. 6 of 1949, the President adopted several minor recommendations of the Commission relating to the United States Maritime Commission. The most important recommendation from the standpoint of economy and efficiency was the separation of regulatory functions and business functions. The Hoover Commission recommended that the business of building, operating, chartering, and selling ships be transferred to the Department of Commerce. The transfer of business functions to the Department of Commerce could have been made by the President in accordance with his authority under the Reorganization Act of 1949. Apparently, the objection of the Maritime Commission prevailed.

Reorganization Plan No. 1 of 1949 faithfully carries out Federal Security Administrator Ewing's opinion of these Hoover Commission recommendations which deal primarily with the functions of his agency. The plan converts the Federal Security Agency into a Department of Welfare. It confers on the Secretary of Welfare additional authority over welfare, health, and education activities. The Hoover Commission recommended that certain nonwelfare activities be transferred to other departments or agencies. Mr. Ewing recommended that these nonwelfare activities be retained in a Department of Welfare. They were not disturbed by Reorganization Plan No. 1. Although the President provided in Reorganization Plan No. 2 for the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor, this recommendation of the Hoover Commission was not opposed by Mr. Ewing.

Some Federal agencies, which by reason of their size or the peculiar character of their work are little affected by the Commission's recommendations, approved the Hoover report. Generally favorable comments were also made by heads of departments which would lose no functions if the Hoover Commission recommendations were adopted.

Mr. TAFT. Mr. President, this summary is very interesting. All the departments in their reports accept the things which they like and reject the things which they do not like. For example, the Department of Agriculture approves these recommendations of the Hoover Commission: Two additional assistant secretaries and an administrative assistant secretary; increased authority for Secretary to control Department. It rejects proposals estimated to save $44,000,000 a year, including discontinuance of certain lending activities of the Farmers Home Administration; consolidation of that Administration with the Farm Credit Administration; creation of a single departmental regulatory service; and prohibition against committees of farmers serving in any capacity other than advisory. It rejects everything that makes any economy. It accepts things that it likes.

The Civil Aeronautics Board approves increased salaries for Board members and staff assistants, but rejects every other proposal of the Hoover Commission.

There will be inserted in the RECORD reports of the various bureaus, in every case saying, "This we like, and that we do not like." So if we accept uncritically the plans which are presented, we shall find that we have picked out those things which are pleasing to the departments, and left out all the things that they do not like. Once they get the things they like, there will be no effort and no interest in carrying out the effective parts of the Hoover Commission recommendations.

We cannot give the departments the things they want and then ever hope to

impose on them those matters which they regard as unpleasant. Even in the State Department bill it will be remembered that they added the assistant secretaries recommended by the Hoover report, but they did not abolish the office of General Counsel and one other office which the Hoover Commission recommended should be abolished.

The General Service Agency takes in the Federal Works Agency, but does not face the problem of setting up a Department of Public Works, which is such a knotty problem.

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

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio disagree in any degree at all with the Hoover Commission's recommendations? Does he take everything the Hoover Commission has recommended, and swallow everything that is handed down?

Mr. TAFT. I do not think I would; no. The important point I wanted to make today is that this plan is in violation of the Hoover plan. That is the point I am anxious to make at this time. I shall discuss tomorrow at greater length all the details, and will be glad to answer questions. I am glad to answer questions now.

Mr. LUCAS. I am glad to know that the Senator from Ohio does not agree with everything the Hoover Commission has recommended, yet he is criticizing the administration for disagreeing with the Hoover Commission. At the same time, he tells the Senate and the country that he does not agree with everything the Hoover Commission recommends.

Mr. TAFT. I am delighted to have the Senator point out that the Senate should examine the plans submitted, and should not accept them merely because they happen to be in full accord with the Hoover plan. That is exactly the critical examination which I think we should make of this plan. I am fully in accord with the Senator from Illinois.

Mr. LUCAS. I am in accord with the Senator from Ohio, but the Senator has been using the Hoover Commission's recommendations in his argument to tear down Reorganization Plan No. 1 and other similar plans which have been submitted by the President.

Mr. TAFT. The only reason I have done so is that the President of the United States sent a letter which was inserted in the RECORD, which stated that if we disapprove this plan, just as it is, we shall be discrediting the Hoover plan, and the President could not go forward with it. That simply is not true. My whole purpose in speaking this afternoon is to dispute that statement. I am delighted to have the Senator feel also that the President's position is not correct in that respect.

Mr. LUCAS. I wish to make one or two statements. Now that the able Senator from Ohio has taken the leadership away from the Democratic Party upon this very important issue, and has seen fit to deliver a speech on this important question, I am sure that he has spoken for those who are against Reorganization Plan No. 1. As a result of the speech which he has made this afternoon, it seems to me that we ought to get a limitation of debate when we come back here tomorrow.

Mr. TAFT. I should be inclined to recommend a limitation of debate.

Mr. LUCAS. I am sure the Senator would, after making his principal speech this afternoon, before the reorganization plan is even before the Senate. I am very glad that he has done so, if it will save some time. The Senator from Ohio cannot add very much to what he has said this afternoon, even though he goes into great detail.

Mr. TAFT. I thank the Senator.

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

Mr. TAFT. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, two items which I send to the desk, which will contribute to our thinking on Reorganization Plan No. 1.

The first is a letter by Dr. Mattingly, of Washington, which illustrates some of the irrelevancies which have entered the discussion of this matter. The second is a column by Doris Fleeson which closes on a provocative note. Some of my colleagues may be thinking of voting against the plan at the behest of a misinformed medical society which thinks that by reorganizing the executive branch of the Government on a more efficient basis, we are abdicating our right to legislate on matters of health. Of course, this claim is absolutely unfounded and irrelevant. However, should it be offered tomorrow, I shall watch with interest to see if those espousing that argument show the intellectual consistency to which Miss Fleeson refers. I shall watch to see with what equal promptitude and fervor they move to do away with the medical care now made available to Members of the Senate on terms which must be much more objectionable to medical societies than is Reorganization Plan No. 1.

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

WELFARE DEPARTMENT

Ernest E. Irons, M. D., president, American Medical Association, and the editors of the Washington Post take opposing views re the President's Reorganization Plan No. 1 (July 29).

Our AMA wants a Federal department of health headed by a physician of Cabinet rank. The Washington Post advocates coordinating all the Nation's problems of health, education, and social security under a new department of welfare. It would not require the administrator to be a doctor. But it would require him to be an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

Dr. Irons fears the President's reorganization plan will make America over in the bankrupt pattern of the welfare state. He implies that the drift to the welfare state can be avoided. If he so believes Dr. Irons is blind to the tumultuous and irresistible forces of history about him. The welfare state is unavoidable. It is either that or the slave state.

The welfare state is the lesser evil. For this Nation, its mind, heart, and conscience will be determined by the future department of welfare. Our job is to make that conform to democratic ideals and traditions.

The essential characteristic of any welfare state is administrative government. By its very nature it is a denial of representative government. We must revert to a rule of men through the appointive power of our Chief Executive. Theoretically these appointees are exemplary servants of policy. In practice they are a cynical means of paying political debts. Given administrative power they soon conspire to become makers and masters of policy. This is how a political dictatorship would come to power in this country.

If politicians like Mr. Ewing are to be key administrators in the inevitable welfare state let organized medicine be vigilant and resolute in denying his policy-making powers. We do not question Mr. Ewing's skill as an administrator nor that the President is deeply in his debt. We do deny he is an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

THOMAS E. MATTINGLY, M. D.

WASHINGTON.

[From the Washington Evening Star of August 11, 1949]

POWERFUL MEDICINE—COALITION FIGHT ON EWING IMPERILS PLAN TO COMBINE WELFARE ACTIVITIES

(By Doris Fleeson)

Because Oscar Ewing, Federal Security Administrator, loyally supports President Truman's Fair Deal, including the health program, Reorganization Plan No. 1 is in peril.

Plan No. 1 combines all welfare activities in a Department of Welfare. It brings to fruition years of nonpartisan effort which culminated in the Reorganization Commission headed by Herbert Hoover. Mr. Hoover has testified that it is a step in the right direction and substantially in accord with his recommendations.

It is known that Mr. Truman would name Mr. Ewing Welfare Secretary. Obviously, Mr. Ewing could not administer any health program Congress did not first enact and Congress has not yet seen fit to enact one.

Actually the fight on Mr. Ewing represents another bold attempt by a Republican-southern conservative Democrat coalition to dictate personnel or policy to the White House which is has failed to capture in free elections for 20 years.

TAFT ONE OF AUTHORS

Senator TAFT is one of the authors of the resolution to disapprove plan No. 1, the others being Democrats—HUNT, of Wyoming, a dentist; and FULBRIGHT, of Arkansas. Senator TAFT has made tentative attempts to make defeat of plan No. 1 a matter of Republican policy but has been rebuffed, many Republicans feeling it would constitute a repudiation of Mr. Hoover.

Democrats will not even ask the President to withdraw Mr. Ewing's name; they agree with him that Mr. Ewing has earned the post. But they fear the powerful medicine mixed by the American Medical Association against the Truman bill and its defender, Mr. Ewing.

The AMA propaganda is well financed, widespread, and above all, respectable. Southern Democrats can cite it without mentioning that Mr. Ewing, in appointing a colored woman as his special assistant and colored doctors to Federal hospital staffs, is actually practicing the civil-rights plank in the Democratic platform.

Notably Senator HOEY, of North Carolina, is one of four Expenditures committeemen who voted against the disapproval resolution. The others: Republican MARGARET CHASE SMITH and Democrats HUMPHREY and TAYLOR.

Voting to report the plan unfavorably were Democrats EASTLAND, ROBERTSON, and MCCLELLAN, all southerners, and Republicans MCCARTHY, IVES, MUNDT, and SCHOEPPEL. Their argument is said to be that Mr. Ewing

is bound to be Secretary of Welfare and that putting so stout a champion of the Truman program there would give it great momentum.

NOTABLY SUCCESSFUL

Truman appointments are too often vulnerable from the competence standpoint. Mr. Ewing, however, cannot be attacked as a lame duck, a profession liberal, or a Government careerist who never met a pay roll. He is a notably successful New York lawyer, formerly counsel for the Aluminum Co. of America. As former Democratic vice chairman, he did many important and delicate tasks for his party.

Senators, of course, are not against socialized medicine for Senators. They, and Representatives too, enjoy the unremitting attentions of a doctor chosen by them and paid by the taxpayers, Dr. George Calver, whose office is in the Capitol. When they need hospitalization, the taxpayers generously provide completely free treatment by some of the country's finest doctors in the superb Army and Navy hospitals here.

To paraphrase Samuel Butler, Members of Congress would be almost as much horrified at hearing socialized medicine preached as they would be to see it discontinued in their case.

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

Mr. TAFT. I yield.

Mr. ELLENDER. Can the Senator tell us what position the Hoover Commission, or any member of it, took as to Reorganization Plan No. 1? Has it taken sides?

Mr. TAFT. I do not believe that the Hoover Commission took any official position. I understand it did not. In effect, it seems to me that the plan which is submitted carries out the recommendations of the minority of the three members of the Hoover Commission. In effect they did not want to set up a separate medical administration. As I see it, this plan simply carries out the recommendations of the minority of the Hoover Commission.

Mr. ELLENDER. The Senator stated a while ago that if we were to give the Federal Administrator Cabinet status, it would increase his power. Can the Senator tell us in what respect?

Mr. TAFT. Under the terms of this plan, which I read:

All of the functions of the Department of Welfare—

If they had stopped there, and continued with the language, "Including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare," it would have been different. They said:

All of the functions of the Department of Welfare and of all officers and constituent units thereof.

That means powers conferred by statute on the Surgeon General of the Public Health Service—powers, for example, to approve plans for the construction of hospitals. Such powers would all be transferred to the Secretary of Welfare. He would pass on those questions individually, unless he chose to delegate the task to someone else.

Mr. ELLENDER. But all those powers are derived from Congress, are they not?

Mr. TAFT. Yes; they are derived from Congress. But Congress thought that the position of Surgeon General in the Public Health Service should be filled by a doctor, and that the powers conferred on him should be exercised by a doctor. We placed educational powers in the head of the Office of Education, who presumably is an educator. Congress did that deliberately.

It is a general principle of the Hoover plan to concentrate power in the top man, and ordinarily I do not object to that principle; but when we have a department made up of three entirely separate functions, then it seems to me obvious that those functions ought to be kept separate by Congress, and ought to be administered by men chosen for the particular purpose.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 10, in House bill 3838.

Mr. KERR obtained the floor.

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

Mr. KERR. I yield.

Mr. LUCAS. I should like to suggest the absence of a quorum, if the Senator from Oklahoma will permit that to be done. This is the first time the able Senator from Oklahoma has taken the floor since he has been a Member of the United States Senate. It is very unusual, in these days, for a distinguished gentleman like my friend the Senator from Oklahoma to wait this long, and I should like to have all Members of the Senate hear him discuss this very important question.

INDEPENDENT OFFICES APPROPRIATIONS FOR 1950—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, before a quorum call is had, unless one should be necessary with respect to the request I am about to make, let me say that the House has just adopted the conference report in the independent offices appropriation bill. I know everyone is anxious to get these appropriation bills passed. I should like to submit the conference report on the part of the Senate conferees, and have it considered, if the Senator from Oklahoma will yield for that purpose.

Mr. KERR. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I submit the conference report on the independent offices appropriation bill and ask for its immediate consideration.

Mr. TAFT. Mr. President, I wonder whether the Senator from Wyoming would be willing to put that request over until tomorrow. My attention has been called to the fact that the conferees have inserted a long proviso dealing with the whole question of veterans' education in private schools. I question that provision. Offhand it would seem to me to be legislation. I do not know whether the committee of conference has power to do so, but at least I disagree with some of the conclusions and some of the legislation, because it is clearly legislation.

Mr. O'MAHONEY. Does the Senator from Ohio refer to the amendment dealing with aviation training?

Mr. TAFT. If it related to aviation training only, that might be another matter. There was in the bill something about aviation training. But this item applies to all schools for veterans.

For some time we have been having before the Committee on Education and Labor hearings on the whole question of the regulation of privately owned schools, which in some ways constitute an abuse and in other ways constitute a service for the veterans. I should not like to have this conference report go through at this time; at least, I wonder whether the Senator would be willing to have it wait until tomorrow.

Mr. O'MAHONEY. I was just going to say to the Senator from Ohio that if I have in mind the item to which he has been referring, it relates to an amendment offered by the Senator from Oklahoma [Mr. THOMAS] in regard to aviation training and aviation schools. That was a Senate committee amendment. It was adopted by the Senate. The House conferees disagreed, and insisted upon inserting this other material, which is, as I understand it, the complete text of the regulation under which the Veterans' Administration is now operating by authority of law. The Senate conferees agreed, for otherwise the Senate amendment would have been lost.

Let me suggest to the Senator from Ohio that perhaps the best way to proceed would be to allow this particular amendment to go over, but to adopt the remainder of the conference report. Then the Senator could deal with this particular item tomorrow morning, and his objection to this item would not then block consideration of this important privileged report.

Mr. TAFT. Mr. President, can that be done?

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Would it not be possible for us to consider all of the conference report save amendment No. 74, and allow that one amendment to go over until tomorrow?

The PRESIDING OFFICER. Since the amendment is not embraced in the conference report, that can be done.

Mr. TAFT. Mr. President, let me say that this item is of great importance, I think, because in the subcommittee of the Committee on Labor and Education we have had representatives of the Veterans' Administration before us. A provision which is not in the law has been inserted. It provides that none of this money shall be used to pay the allowances, and so forth, "for any veteran, after the date of the enactment of this

act, to reenter training or change a course, except where such reentry or change of course is based upon the recommendation of the Administration, following advisement and guidance."

They admit it would cost $8,000,000 for them to put on the additional personnel to give that advice and approval or guidance. Certainly that is a substantial change from anything in existing law.

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

Mr. TAFT. I yield.

Mr. AIKEN. I should like to add that if this proposed legislation is not approved, then any serviceman who has started a course, but who has dropped it, perhaps to take a job, and now wishes to take up that course again, can do so, unless he was expelled for cause.

Mr. O'MAHONEY. Mr. President, I recognize the importance of the matter. My suggestion is that we approve—if that is possible, and I think it is—all the rest of the conference report, but allow this matter to go over until tomorrow.

Mr. TAFT. That will be perfectly satisfactory.

Mr. AIKEN. I wish to point out that the veterans in the schools are not dependent upon the adoption of this particular provision, which I think clearly is legislation.

Mr. O'MAHONEY. Yes; it is legislation, but it has been approved by the House.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Except for the amendment which will go over, what is left in the conference report for the Senate to act upon?

The PRESIDING OFFICER. There are several amendments.

Mr. O'MAHONEY. About 100 amendments were added by the Senate. Some, comparatively few, the Senate conferees had to surrender. The House has agreed to some, to others with an amendment, and I propose to proceed with all except this one.

Mr. WHERRY. All except this one?

Mr. O'MAHONEY. Yes. The present proposal is to have the Senate agree to all of the conference report with the exception of amendment No. 74.

Mr. WHERRY. So all the amendments we would now approve are Senate amendments, and the House has agreed to concur in them?

Mr. O'MAHONEY. There were some changes. The Senate conferees receded upon some, and the House has receded upon others.

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

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Does this amendment include aviation training?

Mr. O'MAHONEY. Yes; this is the one.

Mr. FERGUSON. It has been greatly changed.

Mr. O'MAHONEY. Unquestionably it has.

Mr. WHERRY. I understand that, and I understand that the amendment will go over for further consideration.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. I wish to know if there are points of issue in the other amendments, which might involve considerable discussion such as is contemplated in connection with amendment numbered 74.

Mr. O'MAHONEY. I think not, but I am merely requesting unanimous consent that we may proceed to the consideration of all the other amendments in the conference report, except number 74, and that it may go over.

Mr. WHERRY. Will the Senator from Wyoming explain the amendments?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. Very well; I have no objection to the consideration of the conference report, except for the one amendment.

The PRESIDING OFFICER. The conference report will be read.

The report was read by the legislative clerk.

(For the full text of the conference report, see House proceedings, pp. 11508–11511.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

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

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. WHERRY. Mr. President, I ask the distinguished Senator from Wyoming to give us an explanation—I would not say in detail; but I should like to know if the report includes any amendments containing legislation, on which the conferees on the part of the Senate and the conferees on the part of the House concurred, other than the amendment we have just discussed.

Mr. O'MAHONEY. Mr. President, I think that is the only one which involves any addition of that kind.

The bill was based upon a budget estimate of $8,051,000,000. The total of the bill as passed by the House of Representatives was $7,103,000,000. As the bill passed the Senate, the total was $7,663,000,000-odd. In the conference the amount was reduced to $7,617,739,361.

The principal difference between the Senate version and the House version lay in additional estimates which came to the Senate, but which were not considered by the House of Representatives, the net difference being an increase of approximately $267,000,000, as I remember. The principal increase was in the amount for the national service life insurance—an increase of more than $400,000,000.

Mr. WHERRY. I happen to be on the subcommittee handling that matter, and I appreciate the amendment.

Let me ask the distinguished Senator about the appropriations for the Atomic Energy Commission.

Mr. O'MAHONEY. The Senate provisions were accepted.

Mr. WHERRY. The provisions for fellowships, and so forth, in regard to atomic energy?

Mr. O'MAHONEY. Absolutely; they were accepted just as the Senate wrote them.

Mr. WHERRY. Does the distinguished Senator care to go on with his discussion? I think it is very informative. Those are all the questions I should like to ask.

Mr. O'MAHONEY. I am sure the report conforms to the will of the Senate. I have never known a conference to be more cooperative. The conferees on the part of the Senate felt that the conferees on the part of the House were most agreeable, although they vigorously defended the House version. I wish to compliment Representative ALBERT THOMAS, of Texas, chairman of the conferees on the part of the House, and the other able Members of the House of Representatives who served with him—Mr. GORE, Mr. PHILLIPS of California, Mr. ANDREWS, Mr. CANNON, and Mr. CASE of South Dakota. We had a very pleasant conference, although, as in this instance of amendment 74, the Senate conferees were forced to yield. We felt that the House presented a persuasive case. I think the report generally harmonizes with the will of the Senate.

For example, on the Maritime Commission controversy, the House has receded, and the provisions with respect to the vessels, the *Mariposa* and the *Monterey*, have been disagreed to. The position taken by the Senate was sustained.

There is in the report a direction, however, that the Maritime Commission make an immediate investigation and make a recommendation to the Congress by the 1st of September for action by the appropriate legislative committees.

Mr. WHERRY. Mr. President, I thank the Senator for the explanation. Then my understanding is that what the Senate is taking action on now is everything——

Mr. O'MAHONEY. It is being asked to act on everything except amendment No. 74.

Mr. WHERRY. It is everything except that? How did the Senator refer to the provision on page 63, line 14? Did he use the word "occupation"?

Mr. FERGUSON. "Veterans' training."

Mr. WHERRY. After the word "occupation" insert "which has to do with veterans' training." Is that it? It is a little more than that, I think. How is the Senator going to designate it?

Mr. O'MAHONEY. Amendment 74.

Mr. WHERRY. Amendment 74? It is not the copy I have.

Mr. O'MAHONEY. It is known as amendment 74, and I say to the Senator that the Senate committee recommended an amendment with respect to aviation training; the Senate accepted the amendment; it went to conference, and the House conferees declined to agree to the amendment unless the Senate conferees would agree to additional language. That was done, and the House, now having adopted the modified amendment 74, it is before us, and I think in a perfectly parliamentary way. But of course, I feel there should be a full understanding of the meaning of the conferees' modification of the Senate amendment.

Mr. WHERRY. Does the Senator mind if I propound a parliamentary inquiry on that point?

The PRESIDING OFFICER. This amendment was not in the conference

report. It is an amendment that is still in disagreement.

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

The PRESIDING OFFICER. The question is on agreeing to the conference report. Agreement to the conference report does not carry with it action on amendment No. 74, which is still in disagreement.

Mr. WHERRY. There is no objection.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4177, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
August 14, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 7½, 32, 52, 56, and 76 to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not to exceed $250,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions involving national security when requested by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "or for the compensation or expenses of any member of a board of examiners (1) who has not made affidavit that he has not appeared in any agency proceeding within the preceding two years, and will not thereafter while a board member appear in any agency proceeding, as a party, or in behalf of a party to the proceeding, before an agency in which an applicant is employed who has been rated or will be rated by such member; or (2) who, after making such affidavit, has rated an applicant who at the time of the rating is employed by an agency before which the board member has appeared as a party, or in behalf of a party, within the preceding two years: *Provided,* That the definitions of 'agency', 'agency proceeding' and 'party' in section 2 of the Administrative Procedure Act shall apply to these terms as used herein."

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In line 13 of said amendment, strike out the sum "$21,667,500" and insert "$17,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In line 10 of said amendment, following the semicolon, strike out the remainder of the line and all of line 11 down to the period and insert in lieu thereof the following: "$100,000: *Provided,* That this appropriation shall be consolidated with the appropriation 'Salaries and expenses, National Archives', and accounted for as one fund."

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In line 4 of said amendment, after the comma, strike out the word "or" and insert "nor"; and in line 7, after the word "budget", strike out the comma.

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "shall not, in the absence of substantial evidence to the contrary, be considered a vocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further,* That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

"(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act;

"(2) For any course of education or training for which the Administrator determines that the educational or training institution involved has no customary cost of tuition until the Administrator and the educational or training institution have agreed upon a fair and reasonable rate of payment for tuition, fees, or other charges for such course. The term "customary cost of tuition" as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended, and,

"(b) One of the following conditions prevails:

"1. The institution has been established subsequent to June 22, 1944.

"2. The institution although established prior to June 22, 1944, has not been in continuous operation since that date.

"3. The institution although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"4. The course was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944;

"(3) For any veteran after the date of enactment of this act to reenter training, or change a course, except where such reentry or change of course is based upon the recommendation of the Administrator following advisement and guidance: *Provided further,* That nothing in the foregoing proviso shall be construed to affect any litigation pending at the date of approval of this act."

That the House recede from its disagreement to the amendment of the Senate No. 77, and agree to the same with an amendment, as follows: In line 1 of said amendment, strike out "Sec. 102. (a)" and insert "Sec. 102–A."

That the House recede from its disagreement to the amendment of the Senate No. 85, and agree to the same with an amendment, as follows: Before the comma at the end of the matter inserted by said amendment, insert the following: "not to exceed $300,000."

Mr. WHERRY. Mr. President, the agreement is that this goes over for further consideration. Is that correct?

The PRESIDING OFFICER. Amendment No. 11 is not one of those in disagreement. Is there any objection?

Mr. HOLLAND. Mr. President——

Mr. WHERRY. I have no objection.

Mr. O'MAHONEY. I now move that the Senate concur in the amendments of the House to the amendments of the Senate, with the exception of amendment No. 74.

Mr. HOLLAND. Mr. President——

Mr. LUCAS. Mr. President, who has the floor? Does the Senator from Oklahoma have the floor?

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. LUCAS. I thought the Senator from Oklahoma yielded about an hour ago.

Mr. KERR. I yielded to the Senator from Wyoming, for the presentation of the conference report.

Mr. LUCAS. The Senator from Oklahoma yielded, then, so the matter could be brought before the Senate at this time.

Mr. HOLLAND. Mr. President, I ask for recognition with respect to that.

I should like to address an inquiry to the distinguished chairman of the conference with reference to the Maritime Commission training program.

Mr. O'MAHONEY. The House conferees accepted the Senate amendment, so everything for which the distinguished and able Senator from Florida contended is in the bill.

Mr. HOLLAND. I appreciate very much the efficiency and courtesy of the distinguished chairman.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. WHERRY. Mr. President, before the Senator proceeds, will he yield for a parliamentary inquiry?

Mr. KERR. I yield for that purpose.

Mr. WHERRY. All I wanted to ask was this: If there is legislation in the amendment of the House to the amendment of the Senate, unless it shall be defeated, will it be subject to a point of order as being legislation on an appropriation bill?

The PRESIDING OFFICER. An amendment adopted by the House of Representatives, it is the Chair's understanding, would not be subject to a point of order.

Mr. WHERRY. But if the Senate concurred in the amendment of the

House, and it were legislation, would it be subject to a point of order?

The PRESIDING OFFICER. Since it would be legislation inserted by the House, it is the Chair's understanding it would not be subject to a point of order, under the rules of the Senate.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHERRY. Yes. I thought the Senate and the House had agreed upon a compromise, and that therefore there was new matter in the amendment.

Mr. O'MAHONEY. There is new matter, but it was stricken, and, as the Chair has announced, since it is an amendment agreed to by the House, the point of order would not lie. But I may say, as the Senator in charge of the bill, that I am perfectly willing to have the matter discussed at an appropriate time, and if the Senate, for any reason, feels it should disagree to the amendment, all we will have to do will be disagree.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. KERR. Mr. President, first I should like to pay tribute to my colleague from Oklahoma, with whom I find myself in disagreement with reference to the pending legislation. I wish to pay tribute to him as one of Oklahoma's greatest public servants. I wish to pay tribute to him as a great Democrat and a great friend, and to express my regret that while we are together on so many things affecting our State we find ourselves in disagreement with reference to this matter.

Some of the things that have been discussed here today in my opinion should be mentioned briefly. We have heard much about the Nation's budget and about the national debt. Those are matters in which we are all deeply interested, and about which we have grave concern.

Mr. LUCAS. Mr. President, I suggest the Senate is slightly out of order.

The PRESIDING OFFICER. The Senate will be in order. The Senator may proceed.

Mr. WHERRY. Mr. President, since the majority leader has found it necessary to interrupt the distinguished Senator from Oklahoma, I should like to inquire, how long does the majority leader feel the Senate should continue in session this afternoon?

Mr. LUCAS. Perhaps the Senator should address his question to the distinguished Senator from Oklahoma. I do not know how long.

Mr. WHERRY. I do not want to interfere with the duties of the majority leader, but I think an indication of how long the session is to continue this afternoon is in order.

Mr. LUCAS. I submit the Senator should ask the distinguished Senator from Oklahoma, but if the Senator desires to have me ask, I shall be glad to do so. How long does the Senator from Oklahoma expect to speak? I make the inquiry so that I may be able to inform Senators when they can go home.

Mr. KERR. The Senator from Oklahoma will speak approximately 30 or 35 minutes.

Mr. LUCAS. That is, unless interrupted?

Mr. KERR. I may say that any relationship, however, between that and the length of time we shall be in session is purely coincidental.

Mr. LUCAS. I thank the Senator.

Mr. WHERRY. Mr. President, if the Senator will yield for a question. Does the Senator mean tonight, or does he refer to the whole session?

Mr. KERR. That depends upon the questions asked and the controversial matters injected into the discussion from now on.

Mr. WHERRY. I was going to suggest that, inasmuch as this is, as the distinguished majority leader said, the maiden speech of the Senator from Oklahoma, probably a quorum call would be in order, or perhaps, unless the Senator has released his speech, he might prefer to have the matter go over until tomorrow, when we could have a full attendance.

Mr. KERR. I appreciate the consideration of the Senator from Nebraska, but I would not ask for a quorum for the feeble effort I expect to make.

As I was about to say, in considering the fiscal policies of the Government it is well to know that dollars and cents are not the only standard of national wealth. It has been said that a nation loaded with money, but whose resources are dissipated, is a poor nation; but that a nation whose resources are conserved and developed, a nation whose people are trained in heart and hand and mind, is a wealthy nation, though her financial resources alone may be limited. I do not consider that the United States of America is short in any of these regards. I say that programs having to do with the development of the economic resources of the Nation, the conservation and building of the soil, the conservation and use of water, the development of an industrial structure, the development of the people of the Nation to a point where they know how to get the most out of those resources—these things make for a wealthy nation, indeed.

The matter of taxation of utilities has been mentioned. That is a very pertinent subject. It is a subject in which the people are personally interested, because they know that in their rate base is an amount sufficient to pay those taxes, and that in addition to that, their rates are increased as the taxes may be increased. In the final analysis, the people pay the utilities all they pay in taxes, plus 6½ percent.

Much has been said about what this program means to the farmers of Oklahoma. Much of what I say will be with reference to what it means to the farmers of Oklahoma. In that regard, I call attention to the fact that of all the groups in Oklahoma, none is more able to determine for itself what this program means and what it is worth than are the farmers of Oklahoma. They, in the use of their great reserves of good common sense and hard, practical ability, have been here and have addressed themselves to the Senate committee with reference to the program.

Mr. President, with reference to the Southwestern Power Administration, the committee suggests amendments, as has been set forth this afternoon. As I understand, and as I have learned from reading the bill and the report of the committee, there is no matter in the bill before the Senate that involves hundreds of millions of dollars. There is in the bill now pending before the Senate no program that involves more than $9,000,000, with reference to both appropriations and authorizations, but it deals with a part of a program which has, as its over-all objective, the expenditure of approximately $50,000,000. I believe that we not only are entitled to, but should, think of it in that light.

There are four things about which this debate has arisen. One is the transmission line to southeastern Missouri. Another is a transmission line to western Oklahoma; the third is operation and maintenance expenses, and the fourth is the continuing fund.

The committee amendment which deletes the paragraph establishing a continuing fund of $300,000, along with the others, should be rejected by the Senate.

The committee recommended the deletion of the continuing fund on the ground that no law exists authorizing the appropriation.

This continuing fund was intended for the purchase of electric power and the leasing of transmission facilities. The Southwestern Power Administration has had a $100,000 continuing fund for several years. Solely to take care of expanding operations, the House had increased this amount of $300,000.

The committee report directs the Southwestern Power Administration to enter into contracts with private utility companies under which SPA would be required, in effect, to purchase power and lease lines. Mr. President, this is exactly what the committee had said SPA had no authority to do. I will discuss these proposed contracts a little later.

At my request, the Solicitor of the Department of the Interior reviewed the committee's statement and rendered an opinion that the Administration does have the authority to purchase power and lease lines under the Flood Control Act of December 1944. I submit a copy of his opinion, and ask unanimous consent that it be inserted in the RECORD at this point.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., July 15, 1949.

To: The Secretary.
From: The Solicitor.
Subject: Scope of the lawful powers of the Southwestern Power Administration.

This responds to the oral request for my comments upon the statement appearing in the report (S. Rept. No. 661, 81st Cong., p. 5) of the Senate Appropriation Committee on the Interior Department appropriation bill for the fiscal year 1950 (H. R. 3838, 81st Cong.) to the effect that "no law exists authorizing appropriations" to the Southwestern Power Administration for "the purchase

of electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies."

The statement referred to above was made in explanation of the action of the committee in recommending the deletion from the bill of a provision to increase the amount of the continuing fund established for the Southwestern Power Administration by the First Supplemental National Defense Appropriation Act, 1944 (57 Stat. 611, 621), from the present figure of $100,000 to $300,000, and to expand the purposes for which the money in the fund may be expended so as to include the purchase of electric power and the rental of transmission lines.

The provisions of law which delimit the functions of the Southwestern Power Administration are found in section 5 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 890; 16 U. S. C., 1946 ed., sec. 825a). That section provides for the transmission and disposal by the Secretary of the Interior of electric power and energy generated at reservoir projects under the control of the Department of the Army [1] and not required in the operation of such projects.

The Southwestern Power Administration is the agency utilized by the Secretary of the Interior for the performance of his functions under section 5 of the Flood Control Act of December 22, 1944, within the area comprised of the States of Arkansas and Louisiana, of those parts of the States of Kansas and Missouri lying south of the Missouri River Basin and east of the ninety-eighth meridian, and of those parts of the States of Texas and Oklahoma lying east of the ninety-ninth meridian and north of the San Antonio River Basin. (Departmental Order No. 2135, dated Nov. 21, 1945; 10 F. R. 14527. See Solicitor's Opinion M-34873, dated Feb. 28, 1947.) Hence, the correctness of the committee's statement previously mentioned turns upon the proper construction of section 5 of the Flood Control Act of December 22, 1944.

Insofar as the rental of transmission lines and appurtenant facilities is concerned, the plain language of section 5 seems clearly to authorize the Secretary of the Interior (and the Southwestern Power Administration in the exercise of the Secretary's delegated authority) to enter into such agreements. The section provides that the Secretary may construct or acquire, by purchase or other agreement, transmission lines and related facilities if it is necessary to do so in order to accomplish the objectives stated by the Congress in the enactment of section 5 (emphasis supplied).

It will be noted that the Secretary (or the agency exercising his authority under section 5) is not required to construct the necessary transmission lines and related facilities, but that he may acquire them already constructed, if that is possible and seems advisable. It will also be noted that, in acquiring transmission lines and related facilities, the Secretary is not restricted to acquisition by purchase, but that he may acquire them by any other form of agreement—such as, for example, a rental agreement. Hence, the rental of transmission lines and related facilities by the Southwestern Power Administration, as an agency performing the functions of the Secretary of the Interior under section 5 of the Flood Control Act of December 22, 1944, within a prescribed region, seems to be plainly provided for in section 5.

[1] The section, as enacted, referred to the "War Department," but the name of that agency was subsequently changed to Department of the Army by section 205 of the National Security Act of 1947 (61 Stat. 495, 501; 5 U. S. C., 1946 ed., Supp. I, sec. 181-1).

The second point mentioned by the committee—i. e., the purchase of electric power and energy—appears to involve the construction of that part of section 5 of the Flood Control Act of December 22, 1944, which makes it mandatory that the Secretary of the Interior (and any agency operating under his authority for this purpose) shall, in the distribution of electric power and energy from Army reservoir projects, transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles.

The need for the purchase of electric power and energy by the Southwestern Power Administration if it is to accomplish the statutory objective quoted in the preceding paragraph is illustrated by the interchange agreement which the administration has made with the Texas Power & Light Co. In this connection, it may appropriately be noted that the Senate Appropriations Committee referred approvingly to this agreement and indicated that the administration should make similar agreements with other utility companies (S. Rept. No. 661, 81st Cong., p. 4). Under such an agreement, the Southwestern Power Administration puts a quantity of electric power into the system of a utility company, and is entitled to call upon the company to deliver electric power, up to a specified amount, to the administration's customers. During any accounting period, the quantity of electric power received from the company for the Administration's customers may exceed the amount of power delivered to the company by the Administration. In such a situation, funds with which to pay the company for the deficit are needed. This, in effect, is a purchase of electric power from the company. Hence, the approval by the committee of the agreement between the Administration and the Texas Power & Light Co. necessarily involves an approval of the purchase of electric power by the Administration from the company.

It was clearly demonstrated at the hearings on the pending bill before the subcommittee of the Senate Committee on Appropriations that the full capacity of the hydroelectric projects from which the Southwestern Power Administration markets power can be utilized only by integrating their operations with other systems from which power can be obtained—i. e., purchased—for firming purposes. In other words, the purchase of some electric power by the Southwestern Power Administration is necessary if the objective of section 5 of the Flood Control Act of 1944—"the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles"—is to be effectively attained by the Administration in the distribution of the electric power generated at Army reservoir projects in its region.

I believe that if, in order to obtain the most widespread use of the power generated at the Army hydroelectric projects in its region, it is necessary for the Southwestern Power Administration to purchase electric power from other sources for the purpose of firming up the hydroelectric power, then such purchase is authorized as a necessary means of carrying out a statutory duty which is placed upon the Secretary of the Interior by section 5 of the Flood Control Act of 1944.

MASTIN G. WHITE,
Solicitor.

Mr. KERR. Mr. President, this continuing fund would be necessary for the administration to carry out even the limited plan of operation recommended by the committee itself.

In another item in the same committee print, with reference to the Missouri River Basin, the committee recommended an appropriation of $81,000,000. It then directed that a part of this money be used for the purchase of power.

A study of the break-down of the $1,116,115 to be appropriated under the terms of the committee amendment discloses these startling facts: The $525,000 operation and maintenance fund provided by the House would be reduced to $330,000. This reduction would come at a time when 500 miles of transmission lines are about to be turned over to the Southwestern Power Administration for its operation. These lines would increase the responsibility and requirements of SPA, not decrease them.

The item of $660,000 provided by the House for general plant and equipment would be reduced by the Senate Committee to $100,000. This would make it impossible for Southwestern Power Administration to provide itself with necessary trucks, dispatching boards, tractors, and energized line equipment. Mr. President, these items will be absolutely necessary for the minimum operation of the facilities for which SPA is responsible. I submit a general summary of these items, and ask unanimous consent that it be placed in the RECORD at this point.

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

GENERAL SUMMARY OF ITEMS INCLUDED IN GENERAL PLANT AND EQUIPMENT CATEGORY (OPERATING HEADQUARTERS AND SEVEN DEPOTS)

Sixteen cars fully equipped for use on transmission, maintenance, and operation.
Line materials and supplies, such as poles, insulation, cross arms, wire, cables and fittings.
One automotive and machine shop fully equipped for maintenance of transmission equipment.
System lay-out and dispatching boards.
Twelve complete station radio units (200-foot masts).
Recording and telemetering equipment.
Forty-four two-way automotive radio sets and 10 walkie-talkie sets.
Eight carrier communication sets.
Testing instruments, testing boards, relay and meter equipment.
One trailer truck.
Seven line trucks.
Seven pole trailers.
Seven hotstick trailers.
Seven pick-up trucks—4-wheel drive.
Seven light pick-up trucks.
Three stake body trucks.
Three tractor crawler type.
Fourteen portable lighting m. g. sets.
One tractor trailer.
One low-body oil filler trailer.
Three air compressors.
Three portable pumps.
3 jack hammers with drills and tempers.
Transits, levels, calculators, adding machines and miscellaneous engineering equipment.
Miscellaneous tools, furniture, and office supplies.
Storage bins, substation parts, shelving, cabinets, and benches.
Breaker contacts, bushings, gaskets, and fuses.
Stock and index record equipment.

Mr. KERR. Mr. President, on the map before the Senate can be seen a picturization of the program planned by the

Southwestern Power Administration, which was submitted to and approved by the House, but which was rejected by the Senate committee.

Senators can see the 500-mile, $7,000,000 line connecting the Texoma Dam on Red River with the Norfork Dam on the North Fork of the White River in Arkansas.

There is shown the proposed line from Norfork Dam in Arkansas to Essex in southeastern Missouri. It is badly needed to carry power to REA cooperatives in southeastern Missouri and northeastern Arkansas. Many REA lines already built in this area do not now have power available from any source adequately to serve existing customers, or others who want to be served.

The Southwestern Power Administration has already signed contracts with these cooperatives to provide power, if enabled to do so by the Congress. These contracts will make possible the reimbursement to the Government of the full cost of this transmission line, plus interest.

At the same time, the proposed cost of power to these cooperatives would be less than half the amount they now pay for the inadequate quantity they now obtain from the utilities.

The other transmission line, which needs to be built, and for which the House provided funds, runs from Lulu in eastern Oklahoma to Anadarko in western Oklahoma. This line will carry a large block of power to western Oklahoma. The present supply is grossly inadequate. Those purchasing cooperatives have also signed a tentative contract to pay for this power on a basis that will return to the Federal Government, with interest, its investment in these transmission lines.

Mr. President, the appropriations for these two transmission lines were both stricken by the Senate committee. Thus, by a single stroke, the REA program of two vast areas of the Southwest would be denied power to meet the emergency needs of today and tomorrow. The appropriations for Southwestern Power Administration for transmission facilities to serve rural electric cooperatives is necessary.

The committee further eliminated all money requested by the Southwestern Power Administration for a survey of the economic needs of other REA areas. Lines to serve these areas are indicated by the open red lines shown on this map. Not one penny was allowed by the committee to determine the needs in these areas.

Mr. President, there is far more involved in this controversy than mere reduction or increase of the amount of an appropriation. The basic power policy of this Government is involved. The people are keenly aware of the issues we face here today. Let us be no less aware than they.

Senators who have made these proposed reductions would not permit the Federal Government to build transmission lines to carry power created by Government hydroelectric projects to farmers' rural electric cooperatives. Neither would they permit them to serve others designated by Federal legislation as being preferred customers.

If Senators will read the hearings held before the Senate committee, they will find this amazing and astonishing fact: The action of the committee conforms absolutely to the recommendations made by representatives of the electric utility companies, operating in the area of the Southwestern Power Administration.

Mr. Langston Ashford, representing Arkansas-Missouri Power Co., at page 1422, Senate subcommittee hearings on the Interior Department appropriation bill for 1950, said:

> The particular appropriation which we oppose is one for $3,169,000 to build 154 kilowatt line from Norfork Dam to Essex, Mo.

At page 1424 of the same volume, Mr. Byron, vice president of the Missouri Utilities Co., stated:

> My purpose is to oppose this line from Norfork to Essex just covered by Mr. Ashford, which comes into our territory in southeastern Missouri.

The committee followed these recommendations by striking that item from the bill.

Pages 1578 and 1579 of the same volume show two lists of projects submitted by Mr. Hamilton Moses, president of Arkansas Power & Light Co. One list describes "Projects of Southwestern Power Administration which should not be built with public funds." The other begins: "Projects not objected to by companies in the Southwest."

With but few minor variations, the Senate committee followed all the suggestions contained in these two tables. Almost without exception, the items which Mr. Moses says "should not be built" are stricken. The ones "not objected to by the Southwest companies" are permitted to remain in the bill.

On page 1408 of the same volume Mr. Walter B. Gesell, vice president of the Oklahoma Gas & Electric Co., said:

> Operation and maintenance, marketing and administrative expenses do not need the $525,000 requested—$350,000 is probably more than adequate in the fiscal year 1950.

The amount allowed by the Senate committee is $330,000.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a table showing, first, detailed items provided for by the House of Representatives; second, the amounts recommended by the private utility companies for the fiscal year 150, and third, the items as approved by the Senate Appropriations Committee.

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

Allowances by the House of Representatives, the Senate Appropriations Committee, and amounts recommended by the private utility companies, fiscal year 1950

Subprojects	House		Recommended by the private utility companies in Southwest; see Senate hearings, p. 1579		Senate committee	
	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization
1. Old program, administrative, engineering, and overhead	$150,000		$150,000		$150,000	
2. Operation and maintenance	525,000		330,000		330,000	
3. General plant and equipment	600,000		100,000		100,000	
4. Future plans	50,000		50,000		50,000	
5. Miscellaneous construction	227,460		227,460		227,460	
6. Van Buren line, 154-kilovolt	8,200	$24,600	8,200	$24,600	8,200	$24,600
7. Van Buren switching station 154-kilovolt	75,000	225,000	75,000	225,000	75,000	225,000
8. Brown-Russett interconnection (line and substation), 132-kilovolt	236,750	710,250	236,750	710,250	236,750	710,250
9. Extension to substation at Weleetka	40,250	120,750	40,250	120,750	40,250	120,750
11. Wilson, substation, 66-kilovolt	19,275	57,825			19,275	57,825
12. Comanche, substation, 66-kilovolt	22,380	67,140			22,380	67,140
13. Walters, substation, 66-kilovolt	27,280	87,840			27,280	87,840
14. Bull Shoals Dam to a point to connect to 154-kilovolt trunk line from Norfork line	49,200	147,600	49,200	147,600	49,200	147,600
15. Switching station, Southeast Norfork Dam (Bull Shoals), 154-kilovolt	75,500	226,500	75,500	226,500	75,500	226,500
19. Fort Gibson to connect to 154-kilovolt	147,600	442,800	147,600	442,800	147,600	442,800
20. Tenkiller Ferry to 154-kilovolt trunk north of Webbers Falls, Okla., 154-kilovolt	49,200	147,600	49,200	147,600	49,200	147,600
23. Webbers Falls, switching station, 154-kilovolt	8,020		8,020		8,020	
10. Essex, substation, 154-kilovolt	67,975	203,925				
16. Lulu to Lindsay, 132-kilovolt	292,627	685,774				
17. Norfork to Essex, Mo., via Doniphan, Mo., 154-kilovolt	649,654	1,845,846				
18. Doniphan, substation, 154-kilovolt	100,600	301,800				
21. Lindsay to Anadarko, 132-kilovolt	242,400	390,000				
22. Lulu switching station, 132-kilovolt	38,250	114,750				
26. Anadarko, substation, 132-kilovolt	7,918					
27. Comanche to Lindsay, 66-kilovolt line	10,340					
28. Marshfield to Springfield, 154-kilovolt line	8,050					
29. Marshfield to Rolla, 154-kilovolt	27,370					
30. Marshfield substation, 154-kilovolt	9,408					

Allowances by the House of Representatives, the Senate Appropriations Committee, and amounts recommended by the private utility companies, fiscal year 1950—Continued

Subprojects	House		Recommended by the private utility companies in southwest, see Senate hearings, p. 1579		Senate committee	
	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization
31. Rolla substation, 154-kilovolt	$9,408					
32. Lebanon, substation, 154-kilovolt	9,408					
33. Mansfield, substation, 154-kilovolt	9,408					
34. Springfield, substation, 154-kilovolt	14,000					
35. Ardmore to Marietta, 66-kilovolt line	3,760					
36. Russett to Madill, 66-kilovolt line	1,880					
37. Ringling, substation, 66-kilovolt	852					
38. Marietta, substation, 66-kilovolt	1,266					
39. Madill, substation, 66-kilovolt	714					
40. Springfield to Greenfield, 110-kilovolt line	8,140					
41. Russett to Tishomingo, 66-kilovolt	4,136					
42. Tishomingo to Connerville, 66-kilovolt	3,102					
43. Connerville to Lulu via Ada, 66-kilovolt	7,238					
44. Lulu, substation, 132-kilovolt and 66-kilovolt	4,661					
45. Connerville to Sulphur, 66-kilovolt	4,136					
46. Ada, substation, 66-kilovolt	1,128					
47. Connerville, substation, 66-kilovolt	714					
48. Sulphur, substation, 66-kilovolt	714					
49. Greenfield to Lamar, 110-kilovolt line	5,940					
50. Greenfield to Cassville, 110-kilovolt line	13,200					
51. Greenfield, substation, 110-kilovolt	3,138					
52. El Dorado Springs, substation, 110-kilovolt	1,882					
53. Tishomingo, substation, 66-kilovolt	714					
54. Greenfield to Butler, 110-kilovolt line	17,600					
55. Lamar, substation, 110-kilovolt	1,882					
56. Mount Vernon, substation, 110-kilovolt	2,720					
57. Cassville, substation, 110-kilovolt	6,694					
58. Butler, substation, 110-kilovolt	2,720					
Total	4,000,000	$5,000,000	$1,547,180	$2,045,100	$1,616,115	$2,257,905

Mr. KERR. Mr. President, if Senators will examine this table they will find that when the utilities asked that certain items contained in the House bill be stricken, those items were stricken; when the utilities asked that certain items be reduced, they were reduced; when the utilities said they had no objections to certain items being retained, they were retained.

At page 4 of the committee report, we find that the Southwestern Power Administration is directed to enter into contracts with the private utility companies operating in the area for the exclusive transmission of power. The formula for the proposed contracts is to be found in an existing contract between SPA and the Texas Power & Light Co. for the transmission of certain power within the State of Texas.

It has been said by the distinguished Senator from Arizona that there has been a reversal in the policy of the southwestern utility companies with reference to that contract. I would say that that is not an overstatement. Frankly, I have some doubt as to whether there has been a reversal in their objectives or a reversal in tactics. It was not I who said that it was a deathbed repentance, but I would not disagree with such a conclusion if it were suggested.

It reminds me somewhat of the story of Sandy when he was fishing and had with him his Scotch preacher. A storm came up and it looked pretty serious. Sandy said, "Preacher, I'll row if you'll pray, and we'll see if we can make out." So they started for the shore, each one doing his assigned job with all the energy he had. As it got darker Sandy said, "Preacher, pray a little harder. She's lookin' rougher." After a while Sandy thought he felt the front end of the boat touch the sand of the shore, and he immediately said, "Preacher, slow up on them commitments. It looks like we're going to make it." [Laughter.]

On page 1362 of the Interior Department appropriation hearings of this Congress on H. R. 3838, we find the following proposal from Mr. Wilkes, president of the Southwest Gas & Electric Co.:

> We now offer to take the Texas Power & Light Co. contract and under that contract we will buy all the power and energy at dam site, will pay at the rate set by the Federal Power Commission, which will amortize the purchase plus interest over 50 years and will pay all operating costs for the power part of the multipurpose dam.

On page 1428 we find the following question by the Senator from Arizona [Mr. HAYDEN]:

> That being the case, what we would like to know is: Is the Arkansas Power & Light Co. willing to handle that power to those public bodies in the same manner as the Texas Co?

And the following answer by Mr. Moses, president of the Arkansas Power & Light Co.:

> Yes, sir. And I have here, which I have submitted, a written copy of the company's answer to Mr. Wright, and this is a copy of the signed contract.

And now, Mr. President, let me pause to show you a mystery. During the Eightieth Congress this same Mr. Wilkes and this same Mr. Moses went before the same committee with reference to the Interior Appropriation bill for the Southwestern Power Administration.

At that time this same Mr. Wilkes said:

> Personally, I would feel that I am almost criminally to blame should I make such a contract with Southwestern Power Administration for the Southwestern Gas & Electric Co.
>
> These, we feel, were the compelling reasons why the T. P. & L. Co. signed the unfair and iniquitous contract. We are not interested in such a contract at any such cost to our self-respect, our common decency, our customers, our cooperatives, and our stockholders. We do not see any possibility of the 10 companies or any one of the 10 individual companies, being able to justify to its board of directors, to its customers, or to any regulatory body having jurisdiction over it, any such contract. (Pp. 1436 and 1438, Appropriations Subcommittee hearings on H. R. 6705, 80th Cong., 2d sess.)

During the course of one of the hearings, the Senator from Wyoming [Mr. O'MAHONEY] asked the following question of Mr. Moses:

> The Southwestern Power Administration told us this morning, if I understood the testimony correctly, that it had a contract with the Texas Co. which was satisfactory. Would that contract be satisfactory to you?

To which question Mr. Moses made the following answer:

> No sir. * * * What would we do in Arkansas absorbing this enormous amount of hydro power on the basis of the Texas contract? It would overwhelm us. (P. 424, Appropriations Subcommittee hearings on H. R. 3123, 80th Cong., 1st sess.)

Now, Mr. President, I should like for someone wiser than I to explain how the same men, for themselves and others, could scorn with such intense animosity the same contract a year or two ago which they seek to embrace with such ardor today.

What has happened, Mr. President, to the unfair and iniquitous contract of 1948 which would transform it into the lily of the valley in 1949.

What has purged it of its criminal aspects, Mr. President?

What has changed it from a status that would have overwhelmed the utilities in 1947 to one that is so necessary for their prosperity and security now?

How is it, Mr. President, that a contract which shocked their self-respect and common decency in 1948 is held in such high esteem in 1949?

Mr. LUCAS. Mr. President, before the Senator takes up the next point, will he yield?

Mr. KERR. I yield to the Senator from Illinois.

Mr. LUCAS. Does the evidence taken in the hearings disclose why these power magnates changed their minds during the year?

Mr. KERR. My study of the hearings discloses the fact, but not the reason. I shall be glad to yield the floor to the chairman of the subcommittee for the purpose of answering the question.

Mr. HAYDEN. The statement was made by Mr. Moses, of the Arkansas Light & Power Co., that he never had believed, until this time, that Congress would appropriate the money for building the transmission lines. But now that the House committee had recommended the appropriation of money so the Government could build transmission lines unless the Government made some kind of arrangement with the private companies, the private companies were willing to make the necessary arrangement.

Mr. KERR. Mr. President, the evidence in the record shows that the contract the company submitted in response to the request had some 17 major differences from the one that had been signed with the Texas Light & Power Co. My case is not against the contract, Mr. President. My case is with reference to the manner of achieving the development of the power program in the Southwest.

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

Mr. KERR. I yield for a question.

Mr. FULBRIGHT. I do not quite understand the Senator. Is the Senator in favor of the execution of a contract based upon the principles of the Texas Co. contract?

Mr. KERR. I shall cover that fully in my remarks.

Mr. FULBRIGHT. I thought the Senator just said he was.

Mr. KERR. I said I did not oppose such a basis for a contract. In fact, I favor such a basis. I simply do not believe in sending a representative of the Government into a camp whose whole history has been that of opposition, putting the representative in a strait-jacket and saying to him, "You have got to make a contract on the basis acceptable to these people." I will cover that point rather fully in my statement.

Was the Senator from Arizona getting ready to answer the Senator from Illinois?

Mr. HAYDEN I shall do so a little later.

Mr. KERR. Mr. President, I have studied the Texas Power & Light contract. It serves a worthy purpose in transmitting limited quantities of public power from a limited source to limited service areas. But, sir, I look with the gravest concern upon a proposal to commit the entire present and future production of public power in the great Southwest to the terms of such a contract. A contract with reference to a certain part of the power created by the Government in certain projects on a basis that promotes the Government service for the benefit of the people is one thing. A legislative mandate that every kilowatt of power ever to be produced in that area shall be under a similar contract is another thing.

I greatly favor being in a position to negotiate with private utilities for the sale of surplus power, if any. I greatly favor being in a position to bargain with them for transmission of power where it is in the public interest. But, Mr. President, I am unalterably opposed to giving private utilities an exclusive contract for the entire output of public power.

I am opposed to such an agreement because it creates an unnecessary and unwarranted monopoly, because it would make it more difficult, if not impossible, for "preferred customers" to secure public power as now provided by law. I am against such an agreement. It would cause the Government to be dependent upon private utilities in making the public power program work. And, Mr. President, these utilities are not famous for their desire to make that program work.

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

Mr. KERR. I yield.

Mr. HAYDEN. I wish to read one extract from the testimony of Mr. Moses, as it appears on page 1428 of the hearings:

> Therefore, since they wouldn't make a contract along the lines we thought proper, and since apparently we were not going to get any other contract except the Texas contract—and if we didn't get that we would get competing transmission lines in our area—then we know it means our death. We cannot compete with our sovereign, and we know it.

Mr. KERR. Mr. President, is it in order now for me to ask a question of the senior Senator from Arizona?

The PRESIDING OFFICER. That can be done by unanimous consent.

Mr. KERR. I ask unanimous consent to ask a question of the Senator from Arizona.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. KERR. I should like to ask the Senator from Arizona if that has the earmarks of an amorous romance or of a shotgun wedding.

Mr. HAYDEN. I am afraid there was a shotgun at least in the closet.

Mr. KERR. Mr. President, if such contracts were made general the utilities would have a profitable monopoly granted and protected by the Federal Government, and that should never be tolerated.

No wonder, Mr. President, there are so many Senators who do not agree with the basic power policy favored by the majority of this committee.

No wonder the House of Representatives does not agree. A majority of that body has clearly shown that it believes the Government should go beyond the bus bar in transmitting electric energy, created by Government projects, to those customers classified as "preferred" by existing Federal legislation.

I believe, Mr. President, that the majority of the Senate will concur in the policy favored by the House of Representatives.

In the past quarter of a century, Congress has inaugurated many wise, far-reaching, constructive laws and programs for the conservation and development of natural resources and promoting the general welfare of the people. High on the list of accomplishments are the programs for the conservation and rebuilding of soil, the conservation and use of water.

One of the most valuable results of the conservation of water is hydroelectric power. One of the greatest chapters of human progress in the history of our Nation has been the development of rural electric cooperatives and through them making electric power available to the farms of the Nation.

Mr. President, rural electrification is the emancipation proclamation for the farm families of America. It has done more to lighten the burden of American farm women than Lincoln did for the generation of slaves whom he freed.

There are more than 1,000,000 farm families in the great area of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma proposed to be served by the Southwestern Power Administration.

Before the coming of REA less than 2 percent of those farms had electric power. Today in Oklahoma almost 73,000 of the 165,000 farms, or 44 percent, have electric service. Throughout the entire Southwest approximately 50 percent of the farms are presently being served, but Mr. President, there are 500,000 farm homes even now being denied the opportunity for electric lights, washing machines, refrigerators, and a multitude of other labor-saving devices.

When the rural electric cooperatives started business 10 to 12 years ago, it was assumed that 60 kilowatt-hours per farm per month would supply their needs. As of today the average consumption per farm is more than twice that amount.

I should like to have Senators bear that figure in mind. This program was developed by a concept of the Government that some 60 kilowatt-hours per month would serve the farm. It was the figure that was in the minds of the private utilities. It was the controlling fact that kept them out of the field of serving electricity to the farms of the Nation. There has never yet been a time when either the utilities or the Government itself have accurately and sufficiently estimated the future needs of electricity in this country. The fact that they felt that 60 kilowatt-hours per month would serve the average family is an outstanding example of the fact that all estimates have been minimized instead of being adequate.

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

Mr. KERR. I yield.

Mr. HAYDEN. I should like to read another extract from the record. Mr. Moses in testifying before the committee had this to say, as appears on page 1429 of the hearings:

At present, gentlemen, there are about 390 points of delivery at which co-ops are getting power down there now. We are saying to them, "If you want to work out this Texas arrangement that Mr. Wright testified has been going good down there, and that he offered our company 18 months ago, and we would not accept—because we never did think our Government was going to go so far as to put the sovereign in competition with us down there in our area. We just didn't believe you gentlemen up here would ever do it. But apparently the House did it, and we were afraid you folks would."

Mr. KERR. That is not a change of objective, but a change of tactics.

Many farms now use well over 400 kilowatt-hours per month, and a few which are equipped on the basis that the average farmer dreams about, and every one of them plans for, use in excess of 1,000 kilowatt-hours per month each.

The intelligent leaders of these Southwestern rural cooperatives are now preparing for an average of 1,000 kilowatt-hours per farm per month. Mr. President, this will mean that the farm families alone in that area will require approximately 1,000,000,000 kilowatt-hours of electric energy each 30 days.

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

Mr. KERR. I yield.

Mr. LUCAS. In the event the utilities take over a contract with the Government to furnish the power, would they be able to provide what the Senator is talking about in areas such as Missouri, which the Senator pointed out a moment ago, and Arkansas, where it is planned to extend power if the proper appropriations are made?

Mr. KERR. I shall try to cover that question a little later. I believe that at any time the private utilities could have prepared for and met the expanding needs of our area and of this Nation for increasing amounts of electric energy. The Senator asks, Could they do it? The answer is "Yes."

Much has been said here today about the fact that this area has a comparatively cheap rate for electricity. When REA started the rate was four times the amount which was discussed here today. The private utilities could have brought about such a situation on their own. They did not, and they would not; and I think their vision today with reference to the future is just as limited proportionately as it was back yonder 10 or 12 years ago.

In that connection, I have received a letter from Mr. Ansel I. Moore, executive secretary of the M. & A. Electric Power Cooperative, of Poplar Bluff, Mo. The letter is dated July 28, 1949. I should like to read a few lines from it:

In the appropriation, as approved by the House of Representatives, there are funds to build 155 miles of 154,000-volt transmission lines from Norfork Dam to Essex, Mo. We have a contract with the Southwestern Power Administration for 12,500 kilowatts from Norfork and 20,000 kilowatts from Bull Shoals. This line does not duplicate any facilities now existing. The electric distribution cooperative load centers of the M & A area, proposed to be served by SPA's transmission line, will be completely annihilated if funds are not made available and service granted.

Our system studies indicate a tremendous quantity of power necessary.

* * * * *

They (the utilities) do not have the power available, nor do they have the transmission facilities now, or construction contemplated, to meet our needs. For example, note the enclosed photostatic copy of voltage charts for the week of July 2 through July 9, 1949, from our Doniphan power source, as supplied by the Arkansas-Missouri Power Co. In the first place, a 33,000-volt transmission line is as much outdated as a model-T Ford as compared to the 1949 model Ford. As you see, they cannot even give us 33,000 now, much less in the future.

The chart to which he refers and encloses shows that their average receipts on the 33,000-volt line are about 30,500.

So I try to answer the question on the basis of what I believe to be the facts. The private utilities could furnish the power if they had the vision and the purpose. I have never discovered any considerable evidence of either.

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

Mr. KERR. I yield.

Mr. LUCAS. It has always been the position of the Senator from Illinois that so long as the public utilities of this Nation could furnish the power which was necessary not only for municipalities, but farmers as well, neither the REA nor any other Government agency had any right to interfere. But the moment they cannot do that—and it has been demonstrated times without number that they have not been able to do it—then it is time for the REA people to step in, through the Government, and build these lines for the benefit of farmers and others.

In the beginning of the Senator's able address he pointed out two areas, as I recall, one in Arkansas and one in Missouri, where transmission lines presumably will be built some time. They are not now in being. Am I correct?

Mr. KERR. There is one area in Missouri which has no facility serving the area, and one in Oklahoma which has no adequate facility to serve the area.

Mr. LUCAS. My next question is this: Take the Missouri situation, as explained by the Senator. Is there any evidence in the RECORD to show that the public utilities expect to extend their lines into Missouri for the purpose of taking care of that great rural section which needs electricity at the present time?

Mr. KERR. They have told us that their purpose is to build these transmission lines. They have written letters to that effect. One was presented today by the distinguished Senator from Missouri [Mr. DONNELL] and another was referred to by the distinguished Senator from Oklahoma [Mr. THOMAS], in which they said that their purpose was to build transmission lines. They do not say when, or why they have not heretofore been built. Later in my address I shall make some suggestions with reference to what I think is the most desirable way in which to insure the delivery of power to those areas.

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

Mr. KERR. I yield.

Mr. MURRAY. In addition to the matter of being able to render the service, the rates which are charged are an important item.

Mr. KERR. The present rates to the farmers in this area are about 10 or 12 mills per kilowatt. The rate which will be charged if SPA takes its line in will be less than 6 mills.

Mr. MURRAY. That is a very important item.

Mr. KERR. It is a very important item to the consumers.

In this area, REA's have invested approximately $200,000,000. They have borrowed this in the building of their distribution systems. Throughout the area they have a most remarkable repayment record with the Government. In fact, they not only have paid their interest and their maturing installments, but today are well ahead of their repayment schedule.

There may be differences of opinion among Senators as to how the needs for electricity for those farm families should be met, but there is no difference among Senators on the point that the need can and will be met.

Regardless of our differences of opinion as to how that need shall be met, it is a clearly demonstrated fact that there is no difference of opinion on this score within the ranks of those farm families.

Mr. President, it is the avowed purpose of every Senator to serve the people whom he represents. When hearings on these matters were in progress those people came here from the great Southwest by the hundreds. They sent men here who represented hundreds of thousands of them. Without exception they support the position which I now advocate. They, likewise, are against the amendments proposed by the committee.

But, Mr. President, the pages of the committee hearings are literally filled with the testimony of paid representatives and employees of private utilities who oppose this view. But they alone, and none others, came here to oppose the building of these transmission lines by the Government.

Mr. President, as I see the issue, it is crystal-clear and boldly portrayed: Shall we pass this legislation on the basis requested and urged by the people, or shall we submit to control by the private utilities of the public-power policy of this Government?

Shall we comply with the wishes of the people, or shall we conform to the desires of the electric utilities?

Shall we accede to the petitions of the many, or yield to the demands of the few?

Shall we dedicate great projects built with public funds, which are largely self-liquidating, to the service of American citizens? Or shall we, in opposition to the people's desires, place these projects at the disposal of private interests for their financial profit?

If we vote against the amendments, we do not take from any utility any property it now has, nor do we prevent or hinder such utility from acquiring or using any property or right it may seek

to acquire. Those utilities have had the opportunity and the right throughout their entire existence to build the proposed lines, or any others they cared to build. They have that privilege today. The field for their expansion is unlimited and nothing the Government has done or contemplates doing will deny or usurp that opportunity.

They have long claimed that they can produce power cheaper than the Government can. Why have they not done it? Why do they not do it now? Like a dog in a manger, they say "We will not develop the power ourselves to supply this vast unfilled demand, nor do we want the Government to produce that power unless we, and we alone, are accorded the exclusive privilege to distribute it."

The record the Senator from Arizona read, giving the evidence by their representatives, was to the effect, "No; we have not built the lines, we never did intend to build the lines; but if the service is going to be provided somehow by the Government, then, rather than tolerate that, we will build the lines."

Mr. President, it is not my purpose to hamper, impede, restrict, or impair in any way the private electric utilities of my State. I would support any appropriate effort whereby their operations might be expanded and enlarged. I would support any appropriate encouragement for the development of greater reserves and supplies of electric power by them. I would be happy to see that power made available to the domestic and industrial needs of Oklahoma. I do not want to take over the utilities or any part of them—and I want to be equally sure that they do not take over the power policy of this Government or any part of it. Mr. President, they have never implemented the vision of the great need for electric power in Oklahoma, either by the 165,000 farm families of our State, or by an agricultural and industrial economy which has for half a century been retarded in its progress by an inadequate supply of electric power.

Mr. President, if every possible kilowatt of hydroelectric power generated by available projects now built or authorized, or that could be built in Oklahoma, were already being produced, if the full potential flow of vital energy from such projects were even now finding its way into the actual and potential avenues of consumption within our State, all of it would not supply one-fourth of the electric energy required to support and operate our expanding agricultural and industrial economy in Oklahoma.

There is a greater potential demand for electric power within our State than will be supplied by all the development now planned or to be planned, both by the Federal Government and the private electric utilities, in the years ahead.

Mr. President, in that connection I submit for the RECORD a power market survey of the Southwest, compiled by the Federal Power Commission. It shows that when all the projects now in being are in full use and when all the projects planned by the private utilities and the Federal Government are in full use, even so in 1960 there will be a shortage of 25 percent in the amount of power necessary for that great area.

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

Power market survey of the Southwest compiled by the Federal Power Commission (1948 actual, 1955–60 estimated)

AREA I.—MOST OF ARKANSAS, LOUISIANA, OKLAHOMA, KANSAS, WESTERN HALF OF MISSISSIPPI, NORTHERN TEXAS (EXCEPT THE PANHANDLE), AND WESTERN AND SOUTHWESTERN PARTS OF MISSOURI

	1948	1955	1960
Power requirements:			
Capacity (thousands of kilowatt-hours):			
Peak demand	2,970	4,700	5,900
Required reserves (15 percent)	450	700	900
Total	3,420	5,400	6,800
Power supply [1]	3,100	5,600	5,600
Power shortage (area I)	320	+200	1,200
Percent	−10	+3.8	−17.6

[1] Includes 505,200 kilowatt-hours of power in Federal projects.

AREA II.—AREA INCLUDES A PART OF THE SOUTHWEST REGION DESIGNATED IN AREA I AND ALSO OKLAHOMA, EXCEPT PANHANDLE, AND SMALL PARTS OF ARKANSAS, LOUISIANA, AND TEXAS

	1948	1955	1960
Power requirements:			
Capacity (thousands of kilowatt-hours):			
Peak demand	622	920	1,180
Required reserves (15 percent)	90	140	175
Total	712	1,060	1,355
Power supply [1]	650	1,014	1,014
Power shortage (area II)	62	46	341
Percent	8.7	4	25

[1] Includes 170,200 kilowatt-hours of power in Federal projects.

Mr. KERR. Mr. President, I do not speak against any citizen or any commercial or industrial enterprise in my State. I speak, rather, for the 165,000 farm families of Oklahoma. I speak for the rank and file of the more than two and a quarter million people in my State. They realize that their future welfare is in part dependent upon the full development of our hydroelectric possibilities.

Mr. President, we must either appropriate this money and put the Southwestern Power Administration in a position to build its own transmission lines and transport the public power, or we must deny the money, and thereby leave those farm families and others in a preferred status without power or in the position of having to get it the best way they can through private utilities.

Some Senators say, "Let us give the utilities a chance and see if they will do the fair thing." I say: "Let us give the Southwestern Power Administration and the rural electric cooperatives a chance to continue to do the fair thing."

The Texas Power & Light contract was negotiated only after Congress had appropriated money to build transmission lines into its service area. The man who negotiated that contract is still the administrator of the Southwestern Power Administration. Armed with that appropriation, he was able to work out an equitable contract. The same administrator has been trying ever since to make similar contracts with other utilities. They have steadfastly refused to negotiate. They have spurned him and what they have labeled as a "criminal and iniquitous" contract. In spite of this, he has told the committees of both the House and the Senate that it is his purpose to negotiate further equitable contracts wherever possible. It is apparent, however, that until money is appropriated with which to build these transmission lines, he will not be in an equally independent bargaining position to obtain equitable contracts with these other utilities.

As he goes out to negotiate, shall we make him as strong as we can? Or shall we weaken him as much as we can? Would Senators take from him the advantage of freedom of choice, and impose upon him the penalty of accepting the contract as the utilities want it or be unable to transmit power at all?

Southwestern Power Administration and its Administrator are creatures of this Congress. The record of southwestern utilities does not warrant having the Congress put a legislative straitjacket on its Administrator as it sends him out to negotiate with them.

The utilities' record is certainly not one to inspire confidence in their purpose to serve our farm famiiles on a basis that is either acceptable or equitable.

I ask the Senators, Have not these utilities had this chance all through the years? Have the lines been provided when and where needed? Are they now planned or authorized? The rural electric cooperatives for many years have begged these private utilities for this service and for this opportunity, but without avail.

I believe we are fully justified in accepting the position supported and urged by both the rural electric cooperatives and the Southwestern Power Administration. I believe we have a duty to render this service, which, on the basis of the record, is supported and urged by such an overwhelming percentage of the people of the Southwest.

Mr. President, the farm families in Oklahoma are eternally grateful to their Congress for the degree to which rural electrification has been thus far developed. They are impatient, however, for the completion of that program. They have made their will known to their Congress. They were encouraged—yes, they were elated—by the action of the House with reference to Southwestern Power Administration. They saw the dawning of the day when their fondest dreams would be realized.

But they have been shocked by the action of the Senate Appropriations Committee. They cannot believe—they do not believe—that this branch of their Congress will deny them the opportunity for the speedy completion of their program. They cannot believe that their opportunity, promised by the House of Representatives, will be snatched from their grasp by the Senate.

No, Mr. President; they have hope that the Senate by its action will cause that opportunity to ripen into a reality, and I have a profound conviction that their hope is well founded.

I urge the defeat of these amendments.

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

Mr. KERR. I yield to the Senator from Illinois.

Mr. LUCAS. In addition to what has been said on this subject by the people of Oklahoma, the people of other sections of the Southwest, and the people of all other sections of the country where the power question is an issue, the Senator well knows that the President of the United States in making his campaign last year in his State and in other States took a very formidable position in respect to what the Government should do regarding power. It was one of the big issues in the campaign, in the Senator's section of the country and in other sections of the country. Does the Senator from Oklahoma agree with me?

Mr. KERR. It was; it was a terrific issue throughout this area. Rural electric cooperatives' representatives boarded the President's train and showed him the detailed budget of the Southwestern Power Administration. He caused the matter to be investigated by the Bureau of the Budget, and then authorized me to say to them that it would be his purpose to include that program in his recommendations to the Congress.

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

Mr. KERR. I yield.

Mr. WATKINS. I am not acquainted with the situation in the Southwest. In the States the Senator from Oklahoma has been discussing, are there regulatory bodies, State utility commissions, to regulate the rates?

Mr. KERR. Yes, and they do.

Mr. WATKINS. Do they have any difficulty in getting fair regulations?

Mr. KERR. I think they have a very fair and efficient operation.

Mr. WATKINS. Does the Senator care to comment on the possibility, if the private utilities are permitted to put in these lines, that they would enter into fair competition with the Rural Electrification Administration?

Mr. KERR. The senior Senator from Oklahoma advised the Senate a little earlier today that they were willing to offer and have submitted to the regulatory body in Oklahoma, a 5-mile rate. I know his information in that regard is correct. But I would remind the Senate that that rate is binding no longer than the utility accepts it and the regulatory body imposes it. By the law, that regulatory body is required to permit the utility to charge enough for its service to amortize its investment over a limited period and to have it pay a reasonable return to them, in addition.

Mr. WATKINS. Has anything been done to fix that so-called limited period of time?

Mr. KERR. Offers have been made, but I call attention to the fact that they are not binding. Just a little while before the November election, if I correctly understand the RECORD—and if I make a mistake about it, I ask the senior Senator from Arizona [Mr. HAYDEN] to correct me—the same Mr. Moses who made the statement, in November, that it looked as if there was no other way for them, so they were willing to build these lines, went before the regulatory body in Arkansas and asked for an increase in the rate they were charging to the rural electric cooperatives in that State. My information is—this is not first-hand information, but it comes from what I consider to be a fairly reliable source—that after the November election, the petition was withdrawn.

Mr. WATKINS. What has been the rate fixed as a fair return on the capital investment of the private utilities? What rate has been fixed in the past by the utility commissions in these States?

Mr. KERR. Does the Senator mean what rate they have been permitted to charge for electricity?

Mr. WATKINS. No; I mean the rate of return on their investment.

Mr. KERR. I believe it is a rate which will provide for the amortization of the unrecovered balance of investment of principal, plus 6½ percent or 7 percent annually on the unrecovered portion.

Mr. WATKINS. That is for the State of Oklahoma, is it not?

Mr. KERR. It is approximately that.

Mr. WATKINS. And for Missouri, the other State involved?

Mr. KERR. My answer to that will have to be one of opinion. I think that is about what it is.

Mr. WATKINS. Texas, I understand, is also involved in the matter. Is that true?

Mr. KERR. Generally so.

Mr. WATKINS. Can the Senator tell me what the rate is there?

Mr. KERR. It is in the neighborhood of 7 percent.

Mr. WATKINS. I thank the Senator.

ALLEGED COMMUNIST ACTIVITIES OF CHARLES CHAPLIN

Mr. CAIN. Mr. President, on previous occasions the junior Senator from Washington has called the attention of the Senate to the many services which Charles Chaplin, an alien, has performed for the Communist movement in this country.

I have questioned the reasons why a man who has enjoyed the wealth and hospitality of our country for many years has not bothered to seek citizenship. I have raised the issue of why no action has been taken to deport him to his native country in view of his long record of affiliation with Communist organizations and the commission of acts which are perilously close to treason.

I should like, therefore, to take this opportunity to call the attention of the Senate to the latest offense of Chaplin.

From September 5 to 10 of this year the so-called American Continental Congress for Peace will meet in Mexico City. It is another one of the synthetic peace movements prefabricated in Moscow for the purpose of undermining the United States. The Department of State has officially branded the peace movement as being "Moscow-directed" to provide "an apologia for the Moscow point of view." This Congress for Peace, Mr. President, is the inter-American version of the Cultural and Scientific Conference for World Peace held last March, which was similarly identified as a Moscow-directed front. Among the sponsors listed for the coming Mexican Communist-directed Congress appears the name of Charles Chaplin. Chaplin has been associated with prior Communist peace conferences; he was a sponsor of the New York meeting in March. He was also designated as a delegate to the Communist peace conference in Paris by Frederic Joliot-Curie, the noted French Communist.

I wonder, Mr. President, how far an alien may go in his activities against the interests of the United States before deportation action is taken against him.

NOMINATIONS OF HON. TOM C. CLARK AND HON. J. HOWARD McGRATH—NOTICE OF CONSIDERATION

Mr. LUCAS. Mr. President, I am not going to call the Executive Calendar tonight, but I should like to advise the Senate that the Honorable Tom C. Clark, now Attorney General, has been appointed as one of the Associate Justices of the Supreme Court of the United States, and his nomination is on the Calendar. Also, as Senators know, one of our colleagues, the junior Senator from Rhode Island [Mr. McGRATH], has been nominated to be Attorney General of the United States. In the next day or two these nominations will be considered in executive session.

Mr. WHERRY. Did the distinguished majority leader say when the nominations would be considered?

Mr. LUCAS. No; but it will be within the next day or two. That is the best information I can give the Senator now. We may be able to consider them tomorrow, if we can get a unanimous consent agreement.

LEGISLATIVE PROGRAM

Mr. WHERRY. I was going to ask the distinguished majority leader whether he felt that a unanimous consent request would be in order, provided we concluded debate on plan No. 1, and then carried out the suggestion of the Senator from New York, proceeded to consider No. 2, and voted on both reorganization plans.

Mr. LUCAS. I do not think I could agree to that, I may say to my friend from Nebraska. I think I have given sufficient reasons heretofore in colloquy with various Senators.

Mr. WHERRY. Is it the intention of the distinguished majority leader, unless unanimous consent is obtained between now and the time for a vote, to have the Senate proceed with Reorganization Plan No. 1 with the understanding that at the conclusion of the debate on the floor which has to be within 10 hours, the Senate shall then vote on the plan?

Mr. LUCAS. The Senator is correct.

RECESS

Mr. WHERRY. To what hour does the majority leader propose to recess?

Mr. LUCAS. Mr. President, I am going to move a recess until 11 o'clock tomorrow; then, if we have to take an hour out for dinner tomorrow night, in order to relieve the official reporters, it will be possible to do that. The session will be a long one for them.

Mr. President, I now move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 16, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 15 (legislative day of June 2) 1949:

DEPARTMENT OF DEFENSE

Gen. Omar Nelson Bradley, United States Army, for appointment as Chairman of the Joint Chiefs of Staff in the Department of Defense.

DEPARTMENT OF THE ARMY

Tracy S. Voorhees, of New York, to be Under Secretary of the Army.

Archibald S. Alexander, of New Jersey, to be Assistant Secretary of the Army.

IN THE ARMY

Gen. Joseph Lawton Collins, United States Army, for appointment as Chief of Staff, United States Army.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

To be brigadier generals

Carter Weldon Clarke, O11682.
Halley Grey Maddox, O12852.
James Clyde Fry, O15023.
William Shepard Biddle, O15180.
Gerson Kirkland Heiss, O15092.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 36, Eighteth Congress, and Public Law 625, Eightieth Congress:

To be majors

James M. Brown, MC, O356209.
Jules O. Meyer, MC, O357129.
Anthony W. Miles, MC, O379513.
Sidney Miller, MC.

To be captains

Warren C. Breidenbach, Jr., MC.
Robert C. Butz, MC, O1755622.
Ralph E. Campbell, MC, O1775576.
Hull F. Dickenson, DC, O400639.
Benjamin J. DiJoseph, DC, O1725596.
Albert J. Dimatteo, DC, O1715068.
Howard J. Henry, MC, O1744823.
Harry W. McCurdy, MC, O1725453.
Melton P. Meek, MC, O1735512.
George E. Oldag, MC, O447690.
Charles R. W. Reed, MC, O1785962.
Robert A. Reynolds, MC.

To be first lieutenants

William A. B. Addison, JAGC, O399154.
Sol Balis, MC, O960847.
John W. Barch, MC, O954266.
Tucker A. Barth, MC, O1766611.
Thomas G. Baskin, MC.
Victor D. Baughman, JAGC, O455846.
Alexander H. Beaton, MC.
Marcus R. Beck, MC, O960848.
Robert W. Bell, MC, O962712.
Wilfred B. Bell, DC, O959943.
Robert Bernstein, MC, O1717735.
Anthony L. Brittis, MC, O961448.
Thomas J. Brown, DC, O959929.
Edward L. Buescher, MC, O961688.
Clement E. Carney, JAGC, O1555955.
Harold G. Carstensen, MC, O963950.
Gerald A. Champlin, MC, O958518.
Vernon L. Cofer, Jr., MC, O962725.
Clarence F. Crossley, Jr., MC, O958515.
Roswell G. Daniels, MC, O963576.
Eugene J. Diefenbach, Jr., MC, O960856.
Philip R. Dodge, MC.
John H. Draheim, MC, O960857.
Philip E. Duffy, MC, O965576.
George L. Emmel, MC.
Leroy L. Engles, MC, O965456.
Albert J. Flacco, MC, O964976.
Thomas J. Foley, MC.
Bruce T. Forsyth, MC.
Frank E. Foss, MC, O958513.
Roger J. Foster, MC.
Ralph V. Gieselman, MC.
Thomas T. Glasscock, MC.
Richard Gottlieb, MC, O960861.
John M. Harter, MC.
Charles C. Heath, DC, O964057.
Wood S. Herren, MC.
John A. Hightower, MC.
John H. Hoon, MC, O1996934.
Winston C. Jesseman, MC, O963952.
Richard P. Jobe, MC.
Donald J. Joséph, MC, O1756086.
John M. Kroyer, MC.
Paul E. Lacy, MC, O961442.
Robert M. Lathrop, JAGC, O962513.
Robert R. Leonard, MC, O956165.
Charles W. Levy, JAGC, O569095.
Arthur F. Lincoln, MC, O960866.
Fred Madenberg, MC, O960469.
Nicholas M. Margetis, JAGC, O972255.
Robert H. Marlette, DC, O959930.
Bruce R. Marshall, MC.
Benjamin A. McReynolds, MC.
Herbert Meeting, Jr., JAGC, O370356.
William B. Merryman, MC, O961266.
Richard L. Miner, MC, O958452.
Thomas Morrison, MC, O964458.
George R. Nicholson, MC.
Henry J. Olk, Jr., JAGC, O1845325.
Edwin L. Overholt, MC, O948541.
John A. Palese, MC, O961942.
Paul W. Palmer, MC, O959630.
Charles C. Parker, MC, O954960.
John L. Pitts, MC, O954961.
Robert F. Ransom, MC.
Maurice S. Rawlings, MC.
Robert F. Reid, MC, O964460.
Robert G. Richards, MC, O963265.
Hyman P. Roosth, MC, O963577.
Arthur W. Samuelson, MC, O964980.
William J. Sayer, MC, O958940.
William H. Schlattner, Jr., MC, O958505.
Willis E. Scott, DC, O959934.
Leonard H. Seitzman, MC, O1718449.
Robert L. Sherman, MC, O963955.
Fred H. Slager, MC, O954278.
Edwin S. Stenberg, Jr., MC, O1767534.
William L. Stone III, MC.
John J. Toohey, MC, O961939.
James O. Wall, MC, O960474.
Richard A. Ward, MC, O965832.
Lawrence L. Washburn, Jr., MC.
Richard E. Weeks, MC, 964461.
James A. Whiting, MC.
Dudley E. Wilkinson, MC, O961045.
Louis E. Young, MC.
William B. Young, MC, O960874.
Anton C. Zeman, Jr., DC, O959942.

To be second lieutenants

Jack A. Fullmer, MSC.
Mable L. Jack, ANC, N97947.
Marcile Lansford, ANC, N792111.
Bernice M. Strube, WAC.
Betty C. Washbourne, ANC, N792127.
Betty J. Workman, ANC, N797284.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Jack F. Andrews.
John B. Berry, Jr.
Alan W. Blankenship.
Newton C. Brackett.
Henry B. Edwards, Jr., O955559.
Conrad L. Hall.
Martin D. Hecht, O957771.
Robert L. Jeansonne, O948382.
Carroll N. LeTellier, O969234.
Jim F. Rast.
William C. Stribling, Jr.
Edward E. Tourtellotte, O957965.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES, WITHOUT SPECIFICATION OF BRANCH, ARM OR SERVICE

First Lt. Eugene Miles Perry, Jr., O56272.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law.

To be colonels

Amos Tappan Akerman, O16060.
Alfred Harold Anderson, O28805.
Lewis William Anderson, O50904.
Conrad Stanton Babcock, O16104.
Donald Janser Bailey, O16174.
Frank Troutman Balke, O38592.
Ernest Andrew Barlow, O16116.
James Durward Barnett, O16234.
Raymond Miller Barton, O16185.
Julian Henry Baumann, O16326.
Wilmer George Bennett, O16141.
William Henry Bigelow, O16110.
John Franklin Bird, O16179.
Claude Aubrey Black, O16235.
Lucien Eugene Bolduc, O16137.
Alvin Truett Bowers, O16107.
Claude Franklin Burbach, O16184.
William Lloyd Burbank, O16186.
Luther Gordon Causey, O16336.
Charles Cavelli, Jr., O16165.
Lindsay Patterson Caywood, O50898.
John Loomis Chamberlain, Jr., O16117.
Earl Richardson Chase, O28811.
George Avery Chester, O16345.
Robert Pepper Clay, O16212.
Haskell Hadley Cleaves, O16253.
Joseph Pringle Cleland, O16239.
Hubert Merrill Cole, O16144.
Raymond Cecil Conder, O16131.
Harry Wells Crandall, O13238.
Marcel Gustave Crombez, O16198.
Charles Randolph Currier, O50901.
Joseph Blair Daugherty, O16252.
John William Davis, O16223.
Miles Merrill Dawson, O16079.
James Joseph Deery, O16123.
Pierre Bacot Denson, O16278.
Alfred Boyce Devereaux, O16138.
Samuel Adrian Dickson, O16219.
Wellington Dallas Dillinger, O50902.
Alexander Andrew Dobak, O16203.
Donald Dunford, O16267.
Floyd Ellsworth Dunn, O16261.
Carl Rueben Dutton, O16048.
Ira Kenneth Evans, O16215.
August William Farwick, O16276.
Russell Thomas Finn, O16237.
Benjamin Cobb Fowlkes, Jr., O16087.
Frank Gilbert Fraser, O16090.
John William Gaddis, O16200.
Gerald Edward Galloway, O16043.
John Frederick Gamber, O16115.
Michael John Geraghty, O16263.
Henry George Gerdes, O39513.
George Arthur Grayeb, O16152.
Francis Martin Greene, O28803.
Joseph Claron Grubb, O41393.
Haydon Young Grubbs, O16154.
Harry Herman Haas, O41385.
William O'Connor Heacock, O16093.
Earl William Heathcote, O28800.
Carl Warren Holcomb, O16082.
Ernest Victor Holmes, O16100.
Armand Hopkins, O16083.
Albert Aaron Horner, O16254.
Robert Lee Howze, Jr., O16055.
Raymond Elisha Hoyne, O28804.
John Randolph Jeter, O16342.
Edwin Lynds Johnson, O16158.
Ragnar Edwin Johnson, O28813.
Clifford Allen Kaiser, O28801.
Thomas Joseph Kane, O41386.
Edwin Bascum Kearns, Jr., O16224.
Leo F. Kelly, O50895.
Leland Berrel Kuhre, O16056.

Samuel Mason Lansing, O16277.
Harry Clifton Larter, Jr., O16206.
Nelson Leclair, Jr., O28797.
Ralph Augustus Lincoln, O16097.
Gilbert Edward Linkswiler, O16098.
Leon Jacob Livingston, O39512.
William Eldred Long, O16221.
George Patrick Lynch, O16226.
Alan Francis Stuart Mackenzie, O28806.
Henry Beane Margeson, O16181.
Arthur Lawrence Marshall, O38593.
Milo Howard Matteson, O16127.
George William McClure, O28794.
George Henry McManus, Jr., O16170.
John Meade, O16338.
Harrod George Miller, O16044.
Ray Carl Milton, O41390.
James Wilbur Mosteller, Jr., O16168.
Aubrey Strode Newman, O16099.
Meredith Cornwell Noble, O16169.
Randolph Gordon Norman, O39515.
William Henry Nutter, O16095.
William Wheeler O'Connor, O16348.
Godwin Ordway, Jr., O16208.
Raymond Burkholder Oxrieder, O16042.
George Bateman Peploe, O16246.
Arthur Superior Peterson, O16268.
Frank Andrew Pettit, O16092.
William Everton Pheris, O16202.
Wilson Potter, Jr., O28798.
Branner Pace Purdue, O16149.
Curtis D. Renfro, O16248.
Lewis Ackley Riggins, O16111.
Nicholas Joseph Robinson, O16175.
Walter John Rosengren, O41392.
Harry Earl Rucker, O41381.
Ralph Randolph Sears, O16269.
Theodore Anderson Seely, O16344.
Paul Maurice Seleen, O16139.
Ronald Montgomery Shaw, O16103.
Donald Hubbell Smith, O16334.
Wayne Carleton Smith, O16207.
Leslie Wright Stanley, O38594.
Clyde Eugene Steele, O16159.
×Henry Ewell Strickland, O16140.
Ernest Avner Suttles, O16275.
Samuel Johnson Taggart, O41388.
Percy Walter Thompson, O16315.
Carl Frederick Tischbein, O16119.
Kenneth William Treacy, O16052.
David Henry Tulley, O16075.
Warren Nourse Underwood, O16078.
Charles Howard Valentine, O16325.
Rinaldo Van Brunt, O16225.
Clarence McCurdy Virtue, O16322.
Whitfield Wannamaker Watson, O28802.
William Andrew Weddell, O16340.
Gustavus Wilcox West, O16146.
Henry Randolph Westphalinger, O16130.
Thomas Byrd Whitted, Jr., O16167.
George Kenyon Withers, O16049.
William Holmes Wood, O16135.

AIR FORCE OF THE UNITED STATES

TEMPORARY APPOINTMENT IN THE AIR FORCE OF THE UNITED STATES

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 515, Officer Personnel Act of 1947:

To be major generals

George Robert Kennebeck, 47A.
Harry George Armstrong, 209A.
Charles Irving Carpenter, 668A.

To be brigadier generals

Michael Gerard Healy, 188A.
Otis Blaine Schreuder, 198A.
Robert Frederick Tate, 363A.
Roger James Browne, 449A.
Richard Joseph O'Keefe, 566A.
Dan Clark Ogle, 602A.
Albert Henry Schwichtenberg, 665A.
William Henry Powell, Jr., 684A.

UNITED STATES AIR FORCE

APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named persons for appointment in the United States Air Force in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 308, Public Law 625, Eightieth Congress (Women's Armed Services Integration Act of 1948):

To be majors

Dorothy Bernstein	Elizabeth Johnston
Bertha Breskin	Beatrice Landry
Frances S. Cornick	Elizabeth L. Muenchinger
Rosalie R. Feldman	
Dixie E. Harmon	Virginia Mynard
Agnes M. Hoffman	Dorothy E. Salipante
Margaret D. Horn	Ilae M. Tucker

To be captains

Mildred R. Bachman	Maimie P. Oliver
Kathleen M. Berry	Mary C. Ryan
Gladys F. Erwin.	Frances E. Scafide
June Everett	Dora E. Skelton
Dorothy M. Foxworth	Doris M. Smith
Marilynn Fritz	Myrl D. Stiles
Messye E. Goins	Beatrice Tarnoff
Margaret Graham	Charlotte E. Temple
Maudie E. Johnson	Edith M. Toffaletti
Genevieve J. Larges	Kathryne M. Walls
Gladys M. Nelson	

To be first lieutenants

Margaret M. Banfill	Doris E. Jordan
Kathleen J. Curtin	Bertha R. Kaeppel
Betty T. Etten	Norma M. Loeser
Elnora L. Garlow	Ruth A. Lucas
Fannie A. Griffin	Mary C. Lynn
Barbara M. Hadley	Ione C. Severson
Jeanne M. Holm	Peggy J. Wier
Helen M. Horvath	Betty L. Woods
Lois C. Jones	Helen C. Wyatt

The following-named persons for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Carey T. Harrison	Norman C. Kramer
Thomas A. Horst, Jr.	Harold S. Viall.

PROMOTIONS IN THE UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law.

To be captains

Alexander, James Franklin, 12043A.
Anderson, Edmund Beard, 12114A.
Archer, John Henry, Jr., 12013A.
Artwohl, Arpod Julius, 12153A.
×Askwig, Glenn Wesley, 12085A.
×Barney, Robert Orr, 12057A.
Barnum, Charles Colburn, Jr., 12042A.
Beatty, Ibrie Morris, Jr., 12017A.
Black, David Paul, 12052A.
Booth, Raymond Walter Wallis, 12104A.
Borchers, Clyde Raymond, 12124A.
Brenner, Felix George, 12000A.
×Brion, Charles Walter, 12094A.
Bull, Stephen Dwight, Jr., 12066A.
Bunnell, Jerry A., 11990A.
Burnett, John James, Jr., 12071A.
Butler, John Earl, 12182A.
Cabas, Victor Nicholas, 12162A.
Cadwell, Truman Fletcher, 12174A.
Callander, Thomas Joseph, 12063A.
Cameron, Wallace Horace, 12044A.
Carter, Daniel Ralph, 11983A.
Carter, David Lawrence, 12035A.
Cathcart, Leonard Nelson, 12118A.
Chandler, Jack Tabor, 12024A.
Chapman, Albert Vernon, Jr., 12089A.
Clark, Andrew Robertson, 12062A.
Combe, John 3d, 12170A.
Cook, Carl Laverne, Jr., 12019A.
Cooper, William Enos, 12082A.
Crowe, Loyal William, 12021A.
Cruciana, Louis Gerald, 12175A.
Cummins, Daniel George, 12136A.
Cunningham, George Chancellor, 12135A.
Davidoff, Foster, 12150A.
Davidson, Robert Spencer, 12131A.
Dean, Kenneth Cameron, 12014A.
Dennis, John Charles, 12141A.
Dill, Alvin Warnick, 11974A.
×Donohoe, Charles Adolph, 12126A.
Doran, Brendan Joseph, 12083A.
Dornbrock, Richard Carol, 11960A.
Duffy, Robert Aloysius, 11984A.
×Duncan, Kenneth Radcliff, 12098A.
Duval, Joseph Edward, 11989A.
Edwards, Arthur Ralph, 12091A.
Eldredge, Clayton Revis, 11985A.
Elias, Samuel Michael, 12096A.
Elsberry, Joseph DuBois, 12027A.
Erdmann, Orville Leslie, 12028A.
Evanco, Michael, 12065A.
Everett, Franklin Allan, 12180A.
Eyler, Carl Grant, 12122A.
Fachetti, Attilio Thomas, 12100A.
Farmer, Herman Mouzon, 12055A.
Farr, Robert, 12109A.
Farrell, Everett Nicholas, 12003A.
×Fayman, Edward Aaron, 12064A.
×Fernandes, Joe Louis, 12111A.
Fisher, Robert Lee, 12138A.
×Fitzhenry, Oscar Charles, 12031A.
Fitzpatrick, James Thomas, Jr., 12018A.
×Flicek, Jerry Francis, 12113A.
Floyd, John Fletcher, 12074A.
×Ford, Geoffrey, Ralph, 12183A.
Ford, Oscar Creighton, 12086A.
×Foye, Herbert Francis, 12120A.
Frederick Russel Roch, 12148A.
Frederickson, Marshall Vernon, 12069A.
Gardner, Herbert George, 12053A.
×Gates, Edmond Noble, 12080A.
Gates, William Moore, 12115A.
Goddard, Ernest Dale, 12103A.
Gonske, Walter Frederick, 11973A.
Griffin, John Albert, 12049A.
Gunter, Lester Edwin, 12040A.
Haney, Charles William, 12002A.
×Hannah, Harrison Hayden, Jr., 12171A.
Hanson, Edwin Clifford, 12099A.
Hardy, Claude Mayfield, 12127A.
Hardy, Preston Bethea, 11969A.
Harmon, Clifford Winnie, 12056A.
Harris, Carll Truett, 12012A.
Hathaway, Bruce Ray, 11959A.
Heath, Hemphill Vern, 12163A.
Hemmer, Albert Burkett, 11988A.
Henderson, Horace Lynn, 12165A.
Herring, Jack, 12060A.
Hester, Benjamin Franklin, 12011A.
Hewitt, George Emory, 12081A.
Hicks, Charles Kimball, 12130A.
Highley, Lyndell Thomassen, 11977A.
Hiney, John Wakefield, 12105A.
Hogan, Walton Lewis, 12143A.
×Hood, Robert Francis, 12015A.
Hopkins, Charles, Jr., 11962A.
Howard, Herbert Bryan, Jr., 12009A.
Howell, Joseph Virgil, 12088A.
Hughes, Lewis Carroll, 12025A.
James, John Gilbert, 12008A.
×Johnson, Thomas Bennett, 12119A.
Johnston, Wallace Wilson, 12106A.
Jones, Robert Lewis, 11961A.
Keiper, John Alwine, Jr., 12051A.
King, Kave B., Jr., 12006A.
Kinney, William Harris, 11999A.
Knutson, Gerald Percival, 12154A.
Kozul, Thomas Francis, 12001A.
×Kubicek, Garold Bretislav, 12108A.
Lake, James, 12145A.
Lambert, Joseph Richard, 12039A.
Lancaster, Rayburn Dinion, 12022A.
Lasko, Charles William, 12169A.
Laughlin, Harlan Lee, 11993A.
Livesay, Willie Edgar, 11958A.
McElroy, James Thomas, 11994A.
McKay, George Pope, 12029A.
McLain, Mack Arthur, 12030A.
×Marshall, Benjamin Charles, 12129A.
Masden, Gilbert Atherton, 11991A.
Mason, Wallace Ancil, 12045A.
Massey, Holman Cooper, 11998A.
×Mensing, Paul Emil, 12117A.
Miles, James Henry, Jr., 12050A.
×Mills, Jack Walter, 12137A.
Mills, Joe Rose, 12101A.

Moody, Edgar Waldron, 11971A.
Morgan, Emory Claude, 12112A.
Moyers, Brian Kent, 12173A.
Munnerlyn, Billy Joe, 12090A.
Myers, Thomas Lee, 11995A.
Nawrocki, Joseph Carl, 12041A.
Nesbitt, James William, 12032A.
Nicks, Howard Louis, 12134A.
Nielsen, Austin, 11964A.
Nolan, Alson Valentine, Jr., 12095A.
Nordenstrom, Wallace Orville, 12059A.
O'Connor, Henry Michael, 11972A.
Oehme, Vance, 12076A.
Orr, Jack Pershing, 11978A.
Ott, George Joseph, 12133A.
Owen, Arthur Wellesley, Jr., 12166A.
Packwood, Jack R., 12123A.
Partridge, Robert John, 12107A.
Patton, Gene Murray, 12034A.
Pearson, Karl Reese, 12097A.
Pebles, Glen Amos, 12159A.
Penn, William Wallace, Jr., 12023A.
Peterson, Sumner William, 11992A.
Phears, William David, 11970A.
Pippin, Theodore Cliffton, Jr., 12157A.
Plascak, Nick, 11966A.
Potter, Dwight Homer, 12151A.
Prien, Kenneth Wegner, 11981A.
Prochaska, Joseph Robert, 12172A.
Puttkamer, Kenneth, 12075A.
Quayle, Gerald David, Jr., 12078A.
Raeke, Louis Alfred, Jr., 12033A.
Reddrick, Noel Burford, 12046A.
Rehak, Frank, Jr., 11986A.
Reiter, Jack, 11982A.
Rice, Gale Fauss, 12061A.
Robertson, Everett Earl, Jr., 11987A.
Rosenfield, Joseph Warren, Jr., 12058A.
Ruff, George Florin, 12054A.
Sanders, Wendell Wilson, 12121A.
Sellers, Virgil Everette, 12179A.
Sharpe, George Moore, 11968A.
Shearer, Richard Eugene, 12161A.
Shelton, Donald Adolphus, 12070A.
Shine, Wilbur Gray, 12158A.
Shipley, Francis Morris, 12016A.
Shoemate, Foy Lee, 12012A.
Smith, Eben Judson, 11963A.
Smotherman, Benjamin Franklin, 12007A.
Stephens, John, 12149A.
Stevens, Arthur Leigh, Jr., 12005A.
Storck, Gordon Fowler, 12125A.
Stulting, Elton Ray, 12144A.
Sullivan, Leo William, 12184A.
Sweeney, Edward Joseph, 12072A.
Swope, Ira Allen, 12048A.
Tate, John Chiefton, 12156A.
Taylor, Irving Crawford, 12068A.
Thompson, Robert C., 12073A.
Treumann, Manville Giles, 12181A.
Tucker, James Riley, 11979A.
Turner, Arthur Lorenzo, Jr., 12093A.
Uhring, Frank George, 12004A.
Ulrich, Alvin Emil, 12038A.
Vickrey, Charles Ramsay, 11967A.
Vogler, James Brevard, Jr., 12079A.
Voorhees, Roy Dale, 12167A.
Walker, James Rayburn, 12037A.
Wallander, Robert LeRoy, 11996A.
Ward, Charles Allen, Jr., 12026A.
Warner, Raymond Paul, 12110A.
Warwick, Stuart Byers, 11976A.
Weaver, Worden, 12010A.
Wicker, Samuel James, 12116A.
Wilcox, Robert Warren, 12176A.
Williams, Jack Edward, 11997A.
Williams, Robert George, 12020A.
Wilson, Emmett Stone, 12128A.
Wilson, Myrt Purviance, 12178A.
Wilson, Waring Woodrow, 12140A.
Witry, Frank, Jr., 11980A.
Wolf, Gayle Christy, 12164A.
Wood, John Robert, 11975A.
Wright, Gilbert Graham, 12087A.
Yorston, Alfred, Jr., 12177A.

(NOTE.—These officers will complete **7 years'** service for promotion during the month of September. Dates of rank will be determined by the Secretary of the Air Force.)

IN THE NAVY

Admiral Louis E. Denfeld, Chief of Naval Operations for a period of 2 years commencing December 15, 1949.

Capt. Calvin M. Bolster, temporary appointment to the grade of rear admiral in the line of the Navy.

Capt. Ralph J. Arnold, temporary appointment to the grade of rear admiral in the Supply Corp of the Navy.

The following-named officer for permanent appointment in the line of the Navy in the grade hereinafter stated:

ENSIGN

Marder, Martin D.

The following-named officers for permanent appointment in the Supply Corps of the Navy in grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

Bandish, Bernard J.

LIEUTENANT

Foley, John A.

The following-named officer for temporary appointment in the Supply Corps of the Navy in the grade hereinafter stated:

LIEUTENANT COMMANDER

Foley, John A.

The nominations of George C. Crawford and other officers for permanent appointment in the Navy, which were confirmed today, were received by the Senate on August 4, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations" beginning with the name of George C. Crawford which appears on page 10770 and ending with the name of Elizabeth J. Stover which appears on the same page.

IN THE MARINE CORPS

The following-named officer for permanent appointment to the grade of major general in the Marine Corps:

William J. Wallace

The following-named officer for temporary appointment to the grade of major general in the Marine Corps:

Ray A. Robinson

The following-named officer for permanent appointment to the grade of brigadier general in the Marine Corps:

John T. Selden

The following-named officer for temporary appointment to the grade of brigadier general in the Marine Corps:

Randolph M. Pate

The following-named officer for permanent appointment to the grade of first lieutenant in the Marine Corps:

Thomas R. Burns

The following-named citizens (civilian college graduates) for permanent appointment to the grade of second lieutenant in the Marine Corps:

Tilton A. Anderson
John G. Belden
James J. Boley
Thomas G. Borden
Calvin H. Broyer
James W. Burke
James Y. Butts
Ivil L. Carver
Andrew B. Cook
John L. Eareckson
William H. Edwards
Clyde L. Eyer
Matthew C. Fenton III
John C. Gordy, Jr.
George H. Grimes
Robert L. Gunter
Arthur J. Hale
Allen S. Harris
Robert P. Harris
Richard G. Heinshon
Hans W. Henzel
Mallett C. Jackson, Jr.
George C. James
Edward H. John, Jr.
Richard J. Johnson
David S. Karukin
Charles R. Kennington, Jr.
Walter C. Land
Alan M. Lindell
Bernard S. MacCabe, Jr.
Byron L. Magness
David G. Martinez
John F. Meehan
Willard D. Merrill
John H. Miller
Edgar F. Musgrove
Harry J. Nolan
Billy M. O'Quinn
Richard L. Prave
E. Richard Rhodes
Joseph E. Rosky
Robert L. Scruggs
Albert C. Smith, Jr.
Charles S. Smith
William A. Snare, Jr.
William F. Sparks
James W. Stanhouse
Kenneth R. Steele
James C. Stephens
Luther G. Troen
Henry W. Tubbs, Jr.
Thomas B. White, Jr.
James S. Wilson
John O. Wolcott

The following-named enlisted man (meritorious noncommissioned officer) for permanent appointment to the grade of second lieutenant in the Marine Corps:

John F. McCarthy, Jr.

The nominations of Bernard H. Kirk and 976 other officers for appointment in the Marine Corps, which were confirmed today, were received by the Senate on July 28, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Bernard H. Kirk, which appears on page 10370, and ending with the name of Mary J. Hale, which appears on page 10372.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 15, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O God, whose love is from everlasting unto everlasting, on the threshold of another busy week in our Nation's Capital, we approach Thy throne of grace deeply and painfully conscious of our responsibilities. In an upset and turbulent world, we pause to attune our souls to the will of the Infinite, that we may not spend our energies in vain but dedicate them to the highest good and best interest of our great commonwealth. O Thou Master Musician of the universe, dispel, we earnestly pray, all the discordant notes that would hinder our greatest usefulness, and bring forth out of our lives the grand and beautiful notes of unselfish service, unswerving patriotism, and true statesmanship. We ask this for the sake of Him of whom the ancient prophet rightfully said, "The government shall be upon His shoulder." Amen.

The Journal of the proceedings of Friday, August 12, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2944) entitled "An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act," disagreed to by the House; agrees to

the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. FREAR, and Mr. FLANDERS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1008) entitled "An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCARRAN, Mr. O'CONOR, and Mr. WILEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. MCCORMACK (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD.

GEN. JOSEPH LAWTON COLLINS

Mr. BOGGS of Louisiana. 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 Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, Louisiana is justly proud today that one of her famous native sons has been nominated to the highest post in the United States Army.

With the nomination of Gen. Joseph Lawton Collins, as Chief of Staff of the Army to succeed Gen. Omar Bradley, the Nation has selected an able leader, a brilliant military strategist, and an efficient administrator for this important post. This is the first time in the history of our Nation that this position has been bestowed upon a citizen of Louisiana.

General Collins' well-deserved promotion is being heralded throughout the country, but particularly enthusiastic over the announcement are the people of New Orleans, the General's home town.

Born and reared in New Orleans, he attended Louisiana State University before entering the United States Military Academy at West Point, where he began his notable military career. After being graduated from the Academy in 1917, he became a second lieutenant and saw service in World War I.

In World War II he served in both the Pacific and Atlantic theaters. He commanded the Twenty-fifth Division on Guadalcanal and through the South Pacific campaign. He later became commander of the Seventh Corps in the European theater and led his troops in the capture of Cherbourg. His corps was the first to reach and cross the Rhine.

After victory in Europe he returned to the United States and was preparing for further action in the Pacific when Japan surrendered.

His first postwar assignment was as Director of the War Department's Office of Public Information. He later became Deputy Chief of Staff under Generals Dwight D. Eisenhower and Omar Bradley and more recently was made Vice Chief of Staff.

New Orleans is justly proud of General Collins' promotion to this responsible post, and views with deep satisfaction this latest honor to her native son, knowing that it has come as a result of his brilliant record as a combat commander and his equally noteworthy record made in the discharge of his postwar assignments.

I trust that early confirmation will be forthcoming, as the country is indeed fortunate to have as its Army Chief of Staff a man whose distinguished record, both in war and peace, has reflected so much credit to the Nation.

As a Representative from the city of New Orleans, I am proud to join the many friends of General Collins in extending congratulations and best wishes. Louisiana is proud of her "Lightning Joe."

SPECIAL ORDERS GRANTED

Mr. DAVIS of Georgia asked and was given permission to address the House today for 20 minutes following any special orders heretofore entered.

Mr. LANE asked and was given permission to address the House today for 10 minutes following any special orders heretofore entered.

Mr. BROOKS asked and was given permission to address the House today for 10 minutes following any special orders heretofore granted.

LEAVE OF ABSENCE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Georgia [Mr. VINSON] may be given leave of absence for 1 week on account of official business.

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

There was no objection.

STATEHOOD FOR ALASKA AND HAWAII

Mr. SMITH of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, the bills authorizing statehood for Alaska and Hawaii should be acted upon before this session of the Congress adjourns. This is absolutely necessary for our own national security, and every Member of this House knows it. Selfish political interests should have no place in considering this legislation.

The military authorities are unanimously agreed, Mr. Speaker, that our military defenses in Alaska must be impregnable. It is only a short air jump from bases in Siberia to the North American peninsula in Alaska. Here there is always the constant threat of an airborne invasion. In fact, it must be a considerable temptation to Russia, knowing as she does that Alaska is vulnerable.

Mr. Speaker, the threat is not only to Alaska but our great States of the Northwest—Washington, Oregon, and Montana—are potential targets for air attacks by Russia in the event it successfully attacks Alaska. Then, too, in that area we have a responsibility to defend those provinces in western Canada between the United States and Alaska. The stakes are great, Mr. Speaker, and statehood for Alaska now will ease the tension considerably.

What I have said about Alaska, Mr. Speaker, applies as well to Hawaii. There must never be another Pearl Harbor but we invite one by denying statehood to those fine people out there who are so vital to our important interests in all of the Pacific. Hawaii is the key to that whole situation and with Russian submarines roving in that area, it seems incredible for us to neglect our defenses there. An essential part of that defense is the morale of the people who reside in Hawaii.

Mr. Speaker, there should be no temporizing in this matter; personal animosities and political angles have no place here. Our immediate concern is the establishment of adequate military outposts sufficient to meet the enemy thrusts when they come.

Mr. Speaker, again I urge the immediate consideration of these bills—time is of the essence.

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

Mr. SMITH of Wisconsin. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I agree with the gentleman wholeheartedly, and I am ever so happy that he made that statement to the House.

Mr. SMITH of Wisconsin. I thank the gentleman.

EXTENSION OF REMARKS

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

Mr. EVINS asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

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

Mr. BROOKS asked and was given permission to extend his remarks in the RECORD and include excerpts.

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

Mr. SABATH asked and was given permission to extend his remarks in the RECORD in five instances and include newspaper articles.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include two letters.

AMENDING TITLE 28, UNITED STATES CODE, SECTION 962

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the House comply with a request of the Senate, which I send to the desk.

The Clerk read as follows:

SENATE RESOLUTION 153

Resolved, That the House of Representatives be, and it is hereby, requested to return to the Senate the bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the administrative office of the United States courts at a rate not exceeding 7 cents per mile.

The SPEAKER. Without objection, the request of the Senate will be complied with.

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 10 minutes today following any special orders hertofore entered.

GEN. J. LAWTON COLLINS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I join the gentleman from Louisiana in expressing gratitude regarding the appointment as Chief of Staff of Gen. J. Lawton Collins by President Truman. I have known his great ability as a military man. He will also bring to his new work as Chief of Staff kindliness and humanity. He has always been interested in the enlisted men and women as well as the officers. He knows the problems of each. I am glad, too, that the "GI's general," Gen. Omar Bradley, will be Chairman of the Joint Chiefs of Staff Board. Although he will be without a vote, he will bring his great experience, his wise counsel, and help to this important Board. We are most fortunate, in these dangerous times, to have available men of the caliber and experience of General Collins and General Bradley.

EXTENSION OF REMARKS

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article from the Times-Herald of today entitled "Well, Here Come the British—for More Billions."

AID TO BRITAIN

Mr. RICH. 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 Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want all the Members to read the article I have just received permission to print in the RECORD, because it says the British are coming over to America for more billions. The Socialist government there is running through everything they have, and they are coming over here and want us to finance them. Ridiculous. We are in a pretty sad plight in this country when we give them everything they want, to run socialism in Great Britain and that is what we do. We have not 1 cent for socialism as far as I am concerned. The Secretary of State, being born of English parents, came over from Britain in recent years. He has too much feeling for the British. My people came over from Britain, but they came here before the Revolution, and I am wholeheartedly now for the American people. I want America to have the things that are necessary, but if you are going to give everything to those countries abroad that they want, you are going to have nothing left. The first thing you know, we will be sitting high and dry with all of our funds expended and we cannot take care of our own people. We have wasted billions all over the world and to no advantage of our own country. The President wants $1,400,000,000 to arm Europe. Did you ever hear of such a ridiculous procedure? Talk peace and build up war machines in all of these European countries. When you prepare for war you generally get it; if you want peace, talk peace, think peace, and you will have peace. If you want war, prepare for it. Why, oh, why, do we in America want to keep a Socialist government alive? None of it for me. I am against socialism, communism, and every "ism" except Americanism. Wake up, Members of the House, before it is too late. A word to the wise is sufficient.

GEN. J. LAWTON COLLINS

Mr. SMITH of Kansas. 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 Kansas?

There was no objection.

Mr. SMITH of Kansas. Mr. Speaker, I want to call my colleagues' attention to an appointment that President Truman made last Saturday.

From a personal viewpoint I do not know the capabilities of the Chief of the Air Force, nor do I know the ability of Admiral Denfeld, the head of the Navy. All I know about these two men is what I read and hear.

I full well know that personal contact is much stronger in each of us when it comes to evaluating a man.

I will let the newspapers, magazines, and radio give the impersonal biography and accomplishments of our new Chief of Staff of the Army, Gen. J. Lawton Collins. I want to speak of him in a purely personal way.

It was my good fortune to be under the command of General Collins as a commander of a tank destroyer battalion. I served under him from Normandy until we reached the Rhine. I also served with him in the army of occupation in the First World War. We were both in the same division, the Fourth Infantry Division.

In war it is the man that counts and not the machine. To have good men you must have morale. High morale is based on discipline, self-respect, and the confidence of the soldiers in their commanders and their weapons.

The qualities I have just described are the things that exemplify General Collins. Remember his nickname is "Lightning Joe" Collins. He has all the qualities of leadership. He has the drive, the moral courage to get the last ounce out of tired troops. He has that resolution and determination which enables him to stand fast when the issue hangs in balance, as in the dark days of the December bulge in Belgium. In those days he radiated confidence when the Germans were 6 miles from the Meuse.

General Collins creates an infective atmosphere all about him. He radiates an offensive spirit with all he comes in contact.

The right to command is not transmitted merely by orders, it is the fruits of labor and the price of courage.

History has its own way of determining where greatness truly lies and it takes its own time to place its stamp of approval. But, I predict that history will place and rank J. Lawton Collins as one of our great Chiefs of Staff.

To my colleagues and people of America, I want to tell you that in my own humble opinion, your Army is in highly competent hands.

FLOOD CONTROL, LOWER COLUMBIA RIVER VALLEY

Mr. MACK of Washington. 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 Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, I take this time to express the hope that the Rules Committee will grant a rule during the next few days for this year's river and harbor and flood-control bill so that it may come to a vote in the House in time to make possible its adoption by both the House and Senate prior to adjournment.

Among items in this bill are three authorizing flood-control protective works which have been recommended by the Army engineers for the lower Columbia River Valley. These are all in the area which last year suffered a disastrous flood that took a score of lives and caused property damage estimated at $102,000,000.

The total cost of all three of these proposed flood-protective projects is substantially less than the damage done by last year's one flood.

These protective works are urgently needed to protect the lives and property of the 600,000 citizens of Oregon and Washington who live in the lower Columbia River Valley. Any delay in building these projects may result in these people becoming the victims of another flood disaster.

Also, in this bill is an authorization for the construction of a flood-control and power dam at Albine Falls, Idaho, which

is an important link in developing an adequate power supply on the Columbia. Any delay in starting work on the Albine Falls Dam will prolong the severe power shortage from which residents of the Pacific Northwest are suffering.

EXTENSION OF REMARKS

Mr. POTTER asked and was given permission to extend his remarks in the RECORD in two instances; in one to include an editorial from the Columbus Evening Dispatch entitled "Tables Turned," and in the other an editorial from the Washington Star of August 14 entitled "Comment or No Comment."

Mr. KEATING asked and was given permission to extend his remarks in the RECORD and include a letter.

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

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include an editorial from the Canby Herald of Canby, Oreg.

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

OUR SYNTHETIC RUBBER INDUSTRY

Mr. CRAWFORD. 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 Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I want to commend my colleague from Michigan for his remarks on rubber the other day. We must not forget that the United States, in peace and war, depends on rubber more than on almost any other commodity. Our crops are produced with rubber-tired farm implements; they are moved to market by truck; industry must have rubber belting, hose, and move much of its raw material and finished goods by truck. The health of the Nation requires rubber goods and the mobility of our armed forces, on land, in the air and on the sea, require hundreds of thousands of tons of rubber products.

We built a tremendous synthetic rubber producing industry in World War II. I have seen many of the plants. They represent the best engineering and chemical developments of the Nation, but synthetic rubber, even with all the improvements that have been developed to date, and this includes the so-called cold-rubber, does not do the whole job, we must have natural rubber for about 25 percent of the goods we make. So, I agree with my colleague that we must get along with the stock-piling of natural rubber, particularly now that it is available at reasonable prices and especially, because 95 percent of the natural rubber in the world comes from half way around the globe and from areas that might become dominated by communistic influences.

The Rubber Act of 1948 provided that the wartime patent pooling be dissolved. The administration has been mighty slow in carrying out this mandate, but I am told that any day now the patent-pooling arrangements may be terminated. They should be. Private competitive research is the best incentive I know of.

Naturally, I believe in free, competitive industry and I want to see the synthetic rubber-producing industry which was built and operated by the Government during the last war, transferred to private hands on a fair and equitable basis as soon after new rubber legislation is enacted as possible. But we have got to be sure that this synthetic rubber-producing industry remains a going concern, not necessarily in anything like the total volume we built during the war, but large enough so that there will be continuing research and development by which we will find better rubbers, and so that if this country is ever faced again with an emergency, which requires full operation, we can get producing plants out of stand-by and into operation in a matter of a few months, not in a year.

At the moment, average grades of natural rubber are selling 3 to 4 cents below the price of our synthetic rubbers, and mind you, the Government is not making a big profit of the synthetic rubber business but it is not subsidizing it either. I do not like controls on industry, but sometimes you have to have things you do not like because other important matters require them. In this case, we probably have to have controlled use of synthetic rubber because we have got to keep the industry going. I am told that that the amount of synthetic rubber required to be used has been decreased from time to time and with natural rubber 3 or 4 cents below synthetic, I understand the voluntary use is falling sharply right now. There is no reason it should not. A consumer, particularly in a buyers' market, must use the lowest cost adequate raw material in order to serve the public and not force them to pay more than necessary for the rubber goods that they buy. I understand voluntary consumption has been falling about 4 percent per quarter for the past 9 months or more but that, because natural rubber recently has been as much as 3 to 4 cents below synthetic, I understand that preliminary figures for July compared to June indicate a sharply accelerated reduction in voluntary use of GR–S.

The foreign press has blatantly criticized our continued use of synthetic rubber, but remember, we are using as much natural rubber today as we did before the war. Another point is, world stocks of natural rubber are now less than 6 months of the going rate of consumption and are 100,000 tons lower than they were 10 months ago. Certainly it cannot truthfully be said that our planned synthetic rubber consumption is a major factor in depressing price of natural rubber when stocks have declined 13 percent in 10 months.

Mr. Speaker, I maintain that it would be disastrous, at this time, to consider suspension or removal of controls requiring that some synthetic rubber be consumed. In my opinion, if that were done, and if supplies of natural rubber were ample, our synthetic rubber production and consumption 6 months from now would be negligible for all but certain special rubbers which have definitely proven themselves better than natural rubber in certain products, such as fuel dispensing hose. I maintain that we must require that some synthetic rubber be used, but that the amount be no more than specified in the Rubber Act of 1948, unless our national security viewed internally and on the basis of world economy, both political and social, requires a higher figure.

EXTENSION OF REMARKS

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD and include an article from the Post-Intelligencer, notwithstanding the fact that it exceeds the limit fixed by the Joint Committee on Printing and is estimated by the Public Printer to cost $195.50.

SUBCOMMITTEE ON GOVERNMENT OPERATIONS OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Operations of the Committee on Expenditures in the Executive Departments may sit during debate in proceedings under suspension of the rules today.

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

There was no objection.

EXTENSION OF REMARKS

Mr. WALSH asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

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

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include an extract from the report of the other body on the civil functions appropriation bill.

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

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

APPLICATION OF FEDERAL TRADE COMMISSION ACT AND CLAYTON ACT TO CERTAIN PRICE PRACTICES

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices, with amendments of the House thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

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

Mr. BOGGS of Louisiana. Mr. Speaker, I object.

CONSENT CALENDAR

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

RESIDENT COMMISSIONER FROM THE VIRGIN ISLANDS

The Clerk called the first bill on the calendar (H. R. 2988) to provide for a Resident Commissioner from the Virgin Islands, and for other purposes.

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

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

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

There was no objection.

BENEFITS FOR ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

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

Mr. CUNNINGHAM. Mr. Speaker, this bill requires the expenditure of approximately $11,000,000, which is entirely too much to be considered on the Consent Calendar. I am also advised that it is now before the Rules Committee.

I therefore 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.

MUSEUM AT KLUKWAN, ALASKA

The Clerk called the bill (H. R. 2012) to authorize the erection and operation of a museum at Klukwan, Alaska.

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

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

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

There was no objection.

ESTABLISHMENT AND OPERATION OF A RARE AND PRECIOUS METALS EXPERIMENT STATION AT RENO, NEV.

The Clerk called the bill (H. R. 2386) to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.

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

Mr. CUNNINGHAM. Mr. Speaker, this bill is not in accord with the program of the President. I therefore ask unanimous consent that it be passed over without prejudice.

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

There was no objection.

PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

The Clerk called the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

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

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

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

There was no objection.

REPEALING INDIAN LIQUOR LAWS

The Clerk called the bill (H. R. 3282) to repeal certain acts of Congress, known as Indian liquor laws, in certain parts of Minnesota.

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

Mr. RICH, Mr. TRIMBLE and Mr. SCRIVNER objected, and the bill was stricken from the calendar.

NATIONAL CEMETERY AT FORT LOGAN, COLO.

The Clerk called the bill (H. R. 4548) to provide for the utilization as a national cemetery of surplus Army Department owned military real property at Fort Logan, Colo.

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

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

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

There was no objection.

AMENDING ROAD ACT OF MAY 26, 1928, AUTHORIZING APPROPRIATIONS FOR ROADS ON INDIAN RESERVATIONS

The Clerk called the bill (H. R. 5232) to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations.

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

Be it enacted, etc., That the act of May 26, 1928 (45 Stat. 750), an act to authorize an appropriation for roads on Indian reservations, is hereby amended to read as follows:

"That appropriations are hereby authorized, out of any money in the Treasury not otherwise appropriated, for material, equipment, supervision and engineering, and the employment of Indian labor, in the survey, improvement, construction, and maintenance of Indian reservation roads and bridges, and roads and bridges to provide access to Indian reservations and Indian lands, including lands held by the Government for the benefit of the Indians: *Provided*, That moneys appropriated under this authority shall be expended only for projects not eligible for other Government aid under the Federal Highway Act and for which no other appropriation is available.

"SEC. 2. The Commissioner of Indian Affairs is authorized to enter into a contract or contracts with any State or Territory or political subdivision thereof having legal authority so to do for the construction or maintenance of roads and bridges, and may expend under such contract or contracts moneys appropriated by the Congress for such purposes.

"SEC. 3. The Commissioner of Indian Affairs is authorized upon such terms and conditions as he may prescribe to permit the use by any State or political subdivision thereof of any road-building or maintaining equipment, including operating personnel, whenever such equipment and personnel can be made available for such use without interference with its use by the Bureau of Indian Affairs; and the Bureau of Indian Affairs is authorized to utilize any road-building or maintaining equipment, including operating personnel, made available to it by any State or political subdivision thereof, and to make such expenditures as may be necessary for the maintenance and operation of such equipment while in its custody."

Mr. MORRIS. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MORRIS: On page 2, after line 25, add a new section, as follows:

"SEC. 4. Nothing in this act shall be constructed to modify the existing authority of the Bureau of Public Roads to supervise the construction of roads and highways on Indian reservations."

The 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.

PUBLIC AIRPORTS SERVING NATIONAL PARKS, MONUMENTS, AND RECREATION AREAS

The Clerk called the bill (S. 1283) to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

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

Mr. SCRIVNER. Mr. Speaker, I have gone into this bill with both the Department of the Interior and the CAA. I find that the authority asked in the bill is far greater in scope than is necessary to accomplish the purposes they have in mind. A bill could be drawn which would give the Interior Department and the CAA what they desire.

Therefore, I find it necessary to ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

AMENDING FEDERAL AIRPORT ACT

The Clerk called the bill (H. R. 4239) to amend section 6 of the Federal Airport Act.

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

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

There was no objection.

AMENDING SECTION 13 OF FEDERAL FARM LOAN ACT

The Clerk called the bill (H. R. 5512) to amend section 13 of the Federal Farm Loan Act, as amended.

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

Be it enacted, etc., That section 13 of the Federal Farm Loan Act, as amended, is amended by inserting at the end thereof the following new paragraph:

"Twentieth. Subject to regulations and limitations to be prescribed by the Board of Governors of the Federal Reserve System, to obtain advances, for periods not exceeding 1 year, from any Federal Reserve bank operating in its district on promissory notes of

such Federal land bank, secured by the deposit or pledge of consolidated Federal farm-loan bonds of the Federal land banks or United States Government obligations, direct or fully guaranteed. Each such advance shall bear interest at the rate applicable to discounts for member banks of the Federal Reserve system under the provisions of the second paragraph of section 13 of the Federal Reserve Act, as amended, in effect at such Federal Reserve bank when such advance is obtained."

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.

TEMPORARY EMPLOYMENT OF FOREIGN AGRICULTURAL WORKERS

The Clerk called the bill (H. R. 5557) to provide for coordination of arrangements for the employment of agricultural workers, admitted for temporary agricultural employment from foreign countries in the Western Hemisphere, to assure that the migration of such workers will be limited to the minimum numbers required to meet domestic labor shortages, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, this bill is on the program of bills to be recognized under suspension today. I therefore ask unanimous consent that it may be passed over without prejudice.

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

There was no objection.

EXTENDING TIME WITHIN WHICH LEGISLATIVE EMPLOYEES MAY COME WITHIN CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (S. 1977) to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act.

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

Be it enacted, etc., That section 3 (a) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this act, any officer or employee in the legislative branch of the Government within the classes of officers or employees which were made eligible for the benefits of this act by the act of July 13, 1937, serving in such position on the effective date of this paragraph, may give notice of his desire to come within the purview of this act at any time prior to January 30, 1950."

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.

CONFIRMING ACT 251 OF THE SESSION LAWS OF HAWAII, 1949

The Clerk called the bill (H. R. 5489) to ratify and confirm Act 251 of the Session Laws of Hawaii, 1949.

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

Be it enacted, etc., That Act 251 of the Session Laws of Hawaii, 1949, amending Act 101 of the Session Laws of Hawaii 1921, as amended by Act 32 of the Session Laws of Hawaii, 1945, relating to the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North and South Hilo, Puna, Kau, and South Kohala, in the county of Hawaii, by extending the franchise to the district of North Kohala, in that county, is hereby ratified and confirmed.

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.

AMENDING VETERANS' PREFERENCE ACT WITH RESPECT TO CERTAIN MOTHERS OF VETERANS

The Clerk called the bill (S. 974) to amend the Veterans' Preference Act of 1944 with respect to certain others of veterans.

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

Be it enacted, etc., That (a) clause (5) of section 2 of the Veterans' Preference Act of 1944, as amended, is amended by striking out "(if they have not remarried)" and inserting in lieu thereof "(if they have not remarried, or if they have remarried, they are divorced or legally separated from their husband or such husband is dead at the time preference is claimed)."

(b) Clause (6) of section 2 of such act, as amended, is amending by striking out "(B) the mother was divorced or separated from the father of said ex-serviceman son or ex-servicewoman daughter, and (C) the mother has not remarried." and inserting in lieu thereof "(B) the mother was divorced or legally separated from the father of said ex-serviceman son or ex-servicewoman daughter, and (C) the mother has not remarried or, if she has remarried, she is divorced or legally separated from her husband or such husband is dead at the time preference is claimed."

With the following committee amendment:

Page 2, line 3, strike out the word "legally."

The committee amendment was agreed to.

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.

FORT SCHUYLER, N. Y.

The Clerk called the bill (H. R. 210) to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes.

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

Be it enacted, etc., That the Secretary of War is authorized to convey to the State of New York all that portion of the United States Military Reservation at Fort Schuyler, N. Y., together with all improvements thereon, lying easterly of a line commencing at a point (latitude forty degrees forty-eight minutes twenty-three seconds; longitude seventy-three degrees forty-seven minutes fifty-two seconds) fixed on the south sea wall which is approximately twenty-five and five-tenths feet westerly from an agle in said sea wall and thence running in a northeasterly direction five hundred and ninety-two and five-tenths feet, more or less, to a point on the north sea wall which is approximately one hundred and ninety-six and five-tenths feet westerly from an agle in the north sea wall, said line being the easterly edge of a concrete curb for an eighteen-foot concrete road running in a northeasterly and southwesterly direction.

SEC. 2. Such conveyance shall contain the express provision that if the State of New York shall fail to maintain so much of the military structures and appurtenances presently erected, which formerly constituted the old fort, as a historical monument reasonably available to the public, or if the State of New York shall at any time cease to use the property so conveyed as a maritime school, devoted exclusively to purposes of nautical education or, in the alternative, if the State of New York shall fail to use and maintain the property so conveyed as a public park, title thereto shall revert to the United States.

SEC. 3. Such conveyance shall contain the further provision that whenever the Congress of the United States shall declare a state of war or other national emergency to exist, upon determination by the Secretary of War or the Secretary of the Navy that the property so conveyed is useful or necessary for military or naval purposes or in the interest of national defense, the United States shall have the right to reenter upon such property and use the same or any part thereof for the duration of such state of war or other national emergency.

SEC. 4. The conveyance herein authorized shall not be executed by the Secretary of War until the State of New York shall have relinquished to the United States of America in a manner satisfactory to the Secretary of the Navy, all right, title, or interest that it may have pursuant to any lease or otherwise in that portion of Fort Schuyler Military Reservation which is not herein expressly authorized to be conveyed to said State.

With the following committee amendments:

On page 1, line 3, strike out the word "War" and insert in lieu thereof the words "the Army."

On page 2, line 24, strike out the word "War" and insert in lieu thereof the words "the Army."

One page 3, line 7, strike out the word "War" and insert in lieu thereof the words "the Army."

On page 3, immediately following section 4, add a new section as follows:

"All rights and privileges granted to the United States Coast Guard by the War Department on April 18, 1933, and renewed by the Secretary of the Army for a further 5-year period on June 29, 1948, in connection with the site of Throggs Neck Coast Guard Light Station, and the operation thereof, will be preserved to the United States Coast Guard until such time as the Secretary of the Treasury determines that the operation of Throggs Neck Coast Guard Light Station will at no time be necessary."

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.

TRANSFER OF CERTAIN REAL PROPERTY BY DEPARTMENTS OF THE ARMY, NAVY, AND AIR FORCE

The Clerk called the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes.

Mr. ASPINALL. Mr. Speaker, the amount involved in this bill exceeds several million dollars. I therefore ask unanimous consent that the bill may be passed over without prejudice.

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

There was no objection.

AUTHORIZING CONSTRUCTION AND PRESENTATION OF HOSPITAL TO THE PEOPLE OF ST. LAWRENCE, NEWFOUNDLAND

The Clerk called House Joint Resolution 230 authorizing the Secretary of the Navy to construct and the President of the United States to present to the people of St. Lawrence, Newfoundland, on behalf of the people of the United States, a hospital or dispensary for heroic services to the officers and men of the United States Navy.

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

Resolved, etc., That the Secretary of the Navy be, and he is hereby, authorized to undertake the construction at St. Lawrence, Newfoundland, of a hospital or a dispensary, including the acquisition of land necessary therefor, at a cost not to exceed $375,000. An appropriation of not to exceed $375,000 is hereby authorized to effectuate the purposes of this joint resolution.

SEC. 2. The President of the United States is authorized to present such hospital or dispensary to the people of St. Lawrence, Newfoundland, in token of appreciation of the United States of America to the people of St. Lawrence, Newfoundland, of their heroic action in saving the lives of officers and men of the United States ship *Pollux* and the United States ship *Truxton*, wrecked near St. Lawrence in the year 1942.

The resolution 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.

TRANSFER OF CERTAIN LANDS IN GRAND RAPIDS, MINN.

The Clerk called the bill (H. R. 2015) to authorize the Secretary of Agriculture to convey and exchange certain lands and improvements in Grand Rapids, Minn., for lands in the State of Minnesota, and for other purposes.

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

Be it enacted, etc., That with the approval of the National Forest Reservation Commission, as provided by sections 6 and 7 of the act of March 1, 1911, as amended (16 U. S. C. 515, 516), and insofar as applicable, in accordance with the provisions of said act, the Secretary of Agriculture is hereby authorized, in his discretion, to accept on behalf of the United States title to any lands in the State of Minnesota, within the boundaries of the Chippewa National Forest, and in exchange therefor to transfer and convey all or part of the structures and improvements situated on those certain tracts and parcels of land in Grand Rapids, county of Itasca, State of Minnesota, and more particularly described in a deed from the village of Grand Rapids, Minn., to the United States, dated November 3, 1938, and recorded in the office of the register of deeds, Itasca County, Minn., in book 142 of deeds, at page 264. Lands so accepted by the Secretary of Agriculture shall be of a value not less than the value of the improvements transferred and conveyed in exchange therefor and, upon acceptance, shall become parts of the Chippewa National Forest and be subject to laws applicable to lands acquired under the act of March 1, 1911 (36 Stat. 961), as amended.

SEC. 2. The Secretary of Agriculture is hereby authorized to convey, without consideration, by quitclaim deed, to the village of Grand Rapids, Itasca County, Minn., the land, exclusive of the structures and improvements, conveyed to the United States by the deed referred to in section 1 hereof.

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.

EXTENDING BENEFITS OF SECTION 23 OF THE BANKHEAD-JONES ACT TO PUERTO RICO

The Clerk called the bill (H. R. 4090) to extend the benefits of section 23 of the Bankhead-Jones Act to Puerto Rico.

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

Be it enacted, etc., That the provisions of section 23 of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (— Stat. —; 7 U. S. C. 343C) and known as the Bankhead-Jones Act, as added by the act of June 6, 1945 (59 Stat. L. 231), be, and the same are hereby, extended to Puerto Rico in such amounts as are hereinafter authorized without diminution of the amounts authorized for payments to the States and the Territory of Hawaii as provided in section 23 of that act.

SEC. 2. To carry into effect the above provisions for extending to Puerto Rico, to the extent herein provided, the benefits of the said Bankhead-Jones Act, the following sums are hereby authorized to be appropriated: For the first fiscal year beginning after the date of the enactment of this act, $101,090; for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization, the additional sum of $100,000; and for each succeeding fiscal year thereafter, an additional sum of $100,000 until the total appropriations authorized by this section shall amount to $401,090 annually, the authorization to continue in that amount for each succeeding fiscal year.

With the following committee amendment:

Page 1, line 8, before the abbreviation "Stat." insert the figure "49" and after the abbreviation "Stat." insert the figure "436."

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.

EAST TAWAS, MICH., LAND EXCHANGE

The Clerk called the bill (H. R. 5601) to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes.

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

Be it enacted, etc., That, subject to approval by the National Forest Reservation Commission as established by section 4 of the act of March 1, 1911 (36 Stat. 961), the Secretary of Agriculture is hereby authorized to exchange the following-described lands for lands of at least equal value situated within the exterior boundaries of national forest within the State of Michigan: Lots 2, 3, 4, 5, 6, and 7 of block 13, all of block 14, lots 1 to 10, inclusive, of block 15, lots 1 to 12, inclusive, of block 16, of Newmans Addition, East Tawas, Iosco County, Mich.: *Provided*, That any lands conveyed to the United States under the provisions of this act shall be subject to all of the laws and rules and regulations applicable to lands acquired under the aforementioned act of March 1, 1911, as amended.

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.

DRY-LAND AND IRRIGATION FIELD STATIONS

The Clerk called the bill (H. R. 5679) to authorize the transfer of certain agricultural dry-land and irrigation field stations to the States in which such stations are located, and for other purposes.

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

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from Utah [Mr. GRANGER], whether or not the committee has accepted or will offer an amendment to eliminate South Dakota from the bill in accordance with my discussions with him?

Mr. GRANGER. I may say to the gentleman from South Dakota that we did eliminate the station he appeared before the committee and gave us information about. It was in a different category and it is eliminated from the bill.

Mr. CURTIS. Mr. Speaker, reserving the right to object, can the gentleman inform us as to what States they are located in, or to put it another way, are there any in the State of Nebraska?

Mr. GRANGER. A station at Mitchell, Nebr., is covered by this bill.

Mr. CURTIS. The station in question is located in the district of my colleague the gentleman from Nebraska [Mr. MILLER], who is detained and cannot be here this morning. I do not propose to object to the consideration of the measure, but I am wondering if an objection is later placed in the Senate that will be agreeable to the gentleman's committee.

Mr. GRANGER. That would be very agreeable. I am reasonably sure there is no objection on the part of anybody to continuing this station in Nebraska.

Mr. CURTIS. I thank the gentleman very much.

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

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

Be it enacted, etc., That the Secretary of Agriculture is authorized, at such times as he deems appropriate, to convey by appropriate conveyances, without consideration, the interest of the United States in the lands, including water rights, buildings, and improvements presently comprising or appurtenant to the following dry land and irrigation field stations, to the States in which such stations are located, when, in the opinion of the Secretary of Agriculture, the transfer of any such station will result in establishing a more effective program in the cooperative agricultural experimental work of the Department of Agriculture and the respective State and the furtherance of agricultural experimental work on a national or regional basis will be better served by such transfer: Huntley, Mont., Mitchell, Nebr., Fallon, Nev., Tucumcari, N. Mex., Lawton, Okla., Hermiston, Oreg., Sheridan, Wyo.: *Provided*, That when any or all of the land, including water rights, comprising any such station in public-domain land,

only the Secretary of the Interior may by patent or other appropriate conveyance transfer such lands to the respective States: *Provided further,* That when any easement necessary to a station conveyed or patented hereunder is on public-domain lands, only the Secretary of the Interior may grant such easements to the State to which the station has been conveyed.

SEC. 2. Conveyances or patents hereunder shall be upon such conditions as in the opinion of the Secretary of Agriculture will assure the use of such station in the cooperative agricultural experimental work of the Department of Agriculture and the respective State. Any such conveyances of the land shall contain a reservation to the United States of all the minerals in the land together with the right to prospect for, mine, and remove the same under such regulations as the Secretary of the Interior may prescribe.

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.

BUFFALO RAPIDS IRRIGATION PROJECT

The Clerk called the bill (H. R. 829) to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes.

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

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized and directed, within 1 year from the date of this act, to accept, on behalf of the United States, the interest of the Buffalo Rapids Farms Association, a Montana corporation hereinafter referred to as the association, in all buildings, structures, improvements, or alterations therein, constructed, erected, placed, or made by the association on project lands in the Buffalo Rapids water conservation and utilization projects, divisions I and II, hereinafter referred to as the project, situated in the State of Montana and established pursuant to the provisions of the item Water conservation and utility projects in the Interior Department Appropriation Act, 1940 (53 Stat. 685, 719), and designated a project under the act of August 11, 1939, as amended (16 U. S. C. (and Supp.) 590y–590z–11), as provided therein, and, upon the acceptance thereof, the then unpaid balance of the obligations of the association, including unpaid accrued interest, under mortgage notes dated January 19, 1942, March 31, 1942, April 9, 1942, and October 27, 1942, originally in the total amount of $220,000, executed by the association and delivered to the United States pursuant to loan contract numbered A–10–FSA–382–PC–MT–104, dated December 4, 1941, between the association and the United States, shall be deemed to have been fully paid and satisfied, and said buildings, structures, improvements, or alterations therein shall be administered and disposed of by the Secretary of Agriculture as part of the project, in the same manner as though acquired with project lands under the provisions of section 5 (a) of the act of August 11, 1939, as amended (16 U. S. C. 590z–3 (a)).

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.

SURPLUS PROPERTY FOR INDIAN USE IN NEW MEXICO

The Clerk called the bill (H. R. 5556) to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.

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

Be it enacted etc., That the Secretary of the Army is hereby authorized and directed to transfer to the Department of the Interior, for use by the Bureau of Indian Affairs, that portion of the Fort Wingate Military Reservation, N. Mex., comprising approximately 13,150 acres, heretofore determined to be surplus to the requirements of the Department of the Army. Title to the land so transferred shall remain in the United States for the use of the Bureau of Indian Affairs.

SEC. 2. All contractual rights and all property, right, title, and interest of the United States in and with respect to structures and improvements in Veterans' Temporary Housing Project NM–VN–29166, located on land of the Navajo Tribe of Indians, and known as Wingate Navajo Village, Gallup, N. Mex., are hereby relinquished and transferred to the Navajo Tribe of Indians. After the date of enactment of this act, the provisions of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940 (54 Stat. 1125), as amended, shall not apply to said temporary housing project.

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.

FACILITATION OF THE WORK OF THE FOREST SERVICE

The Clerk called the bill (H. R. 5839) to facilitate and simplify the work of the Forest Service, and for other purposes.

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

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, may I inquire of the author of the bill, the gentleman from Utah [Mr. GRANGER], as to the probable cost involved and why there is no report from the Department of Agriculture?

Mr. GRANGER. Mr. Speaker, I may say to the gentleman from Iowa that this bill was passed last year by the House by unanimous consent. If the gentleman will notice in the report he will find the report of the Department of last year on this bill. Of course, we did not ask for another report although we did hold hearings on it. However, the report of last year is in the report.

Mr. CUNNINGHAM. The report is favorable, both from the Bureau of the Budget and from the Department of Agriculture?

Mr. GRANGER. The gentleman is correct.

Mr. CUNNINGHAM. There is no material change between this bill and the bill passed during the last Congress?

Mr. GRANGER. That is right.

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

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

Be it enacted, etc., That, notwithstanding the provisions of existing law and without regard to section 355, Revised Statutes, as amended (40 U. S. C. 255), but within the limitations of cost otherwise applicable, appropriations of the Forest Service may be expended for the erection of buildings, lookout towers, and other structures on land owned by States, counties, municipalities, or other political subdivisions, corporations, or individuals: *Provided,* That prior to such erection there is obtained the right to use the land for the estimated life of or need for the structure, including the right to remove any such structure within a reasonable time after the termination of the right to use the land.

SEC. 2. That so much of the act of June 30, 1914 (38 Stat. 415, 429, 16 U. S. C. 504), as provides: "That hereafter the Secretary of Agriculture may procure such seed, cones, and nursery stock by open purchase, without advertisements for proposals, whenever in his discretion such method is most economical and in the public interest and when the cost thereof will not exceed $500:", is hereby amended to read as follows: "That the provisions of section 3709, Revised Statutes (41 U. S. C. 5), shall not apply to any purchase by the Forest Service of forest-tree seed or cones or of forage plant seed when the amount involved does not exceed $10,000, nor to any purchase of forest-tree nursery stock when the amount involved does not exceed $500, whenever, in the discretion of the Secretary of Agriculture, such method is in the public interest."

SEC. 3. The provisions of section 3709, Revised Statutes (41 U. S. C. 5), shall not apply to purchases by the Forest Service of (1) materials to be tested or upon which experiments are to be made or (2) special devices, test models, or parts thereof, to be used (a) for experimentation to determine their suitability for or adaptability to accomplishment of the work for which designed or (b) in the designing or developing of new equipment: *Provided,* That not to exceed $50,000 may be expended in any one fiscal year pursuant to this authority and not to exceed $10,000 on any one item or purchase.

SEC. 4. That section 205 of the Department of Agriculture Organic Act of 1944, approved September 21, 1944 (58 Stat. 736, 16. U. S. C. 579a), is hereby amended to read as follows:

"SEC. 205. The Forest Service by contract or otherwise may provide for procurement and operation of aerial facilities and services for the protection and management of the national forests, with authority to renew any contract for such purpose annually, not more than twice, without additional advertising."

SEC. 5. That section 1 of the Act of March 3, 1925 (43 Stat. 1132; 16 U. S. C. 572), is hereby amended to read as follows:

"SEC. 1. (a) The Forest Service is authorized, where the public interest justifies, to cooperate with or assist public and private agencies, organizations, institutions, and persons in performing work on land in State, county, municipal, or private ownership, situated within or near a national forest, for which the administering agency, owner, or other interested party deposits in one or more payments a sufficient sum to cover the total estimated cost or the depositor's share thereof, for administration, protection, improvement, reforestation, and such other kinds of work as the Forest Service is authorized to do on lands of the United States: *Provided,* That the United States shall not be liable to the depositor or landowner for any damage incident to the performance of such work.

(b) Cooperation and assistance on the same basis as that authorized in subsection (a) is authorized also in the performance of any such kinds of work in connection with the occupancy or use of the national forests or other lands administered by the Forest Service.

(c) Moneys deposited under this section shall be covered into the Treasury and shall

constitute a special fund, which is hereby made available until expended for payment of the cost of work performed by the Forest Service and for refunds to depositors of amounts deposited by them in excess of their share of said cost: *Provided*, That when deposits are received for a number of similar types of work on adjacent or overlapping areas, or on areas which in the aggregate are determined to cover a single work unit, they may be expended on such combined areas for the purposes for which deposited, in which event refunds to the depositors of the total amount of the excess deposits involved will be made on a proportionate basis: *Provided further*, That when so provided by written agreement payment for work undertaken pursuant to this section may be made from any Forest Service appropriation available for similar types of work, and reimbursement received from said agencies, organizations, institutions, or persons covering their proportionate share of the cost shall be deposited to the credit of the Forest Service appropriation from which initially paid or to appropriations for similar purposes currently available at the time of deposit: *Provided further*, That when by the terms of a written agreement either party thereto furnishes materials, supplies, equipment, or services for fire emergencies in excess of its proportionate share, adjustment may be made by reimbursement or by replacement in kind of supplies, materials, and equipment consumed or destroyed in excess of the furnishing party's proportionate share.

SEC. 6. That so much of the act of August 11, 1916 (39 Stat. 446, 462; 16 U. S. C. 490), as provides: "That hereafter deposits may be received from timber purchasers in such sums as the Secretary of Agriculture may require to cover the cost to the United States of disposing of brush and other debris resulting from cutting operations in sales of national-forest timber; such deposits shall be covered into the Treasury and shall constitute a special fund, which is hereby appropriated and made available until expended, as the Secretary of Agriculture may direct, to pay the cost of such work and to make refunds to the depositors of amounts deposited by them in excess of such cost," is hereby amended to read as follows: "Purchasers of national-forest timber may b required to deposit the estimated cost to the United States of disposing of brush and other debris resulting from their cutting operations, such deposits to be covered into the Treasury and constitute a special fund, which is hereby appropriated and shall remain available until expended: *Provided*, That any deposits in excess of the amount expended for disposals shall be transferred to miscellaneous receipts, forest-reserve fund, to be credited to the receipts of the year in which such transfer is made."

SEC. 7. The Secretary of Agriculture, under such regulations as he may prescribe and at rates and for periods not exceeding 30 years as determined by him, is hereby authorized to permit the use by public and private agencies, corporations, firms, associations, or individuals, of structures or improvements under the administrative control of the Forest Service and land used in connection therewith: *Provided*, That as all or a part of the consideration for permits issued under this section, the Secretary may require the permittees at their expense to recondition and maintain the structures and land to a satisfactory standard.

SEC. 8. The Secretary of Agriculture is authorized to furnish persons attending Forest Service demonstrations, and users of national forest resources and recreational facilities, with meals, lodging, bedding, fuel, and other services, where such facilities are not otherwise available, at rates approximating but not less than the actual or estimated cost thereof and to deposit all moneys received therefor to the credit of the appropriation from which the cost thereof is paid, or a similar appropriation current at the time the moneys are received: *Provided*, That such receipts obtained in excess of $10,000 in any one fiscal year shall be deposited in the Treasury as miscellaneous receipts.

SEC. 9. The Secretary of Agriculture is authorized, subject to such conditions as he may prescribe, to sell forest-tree seed and nursery stock to States and political subdivisions thereof and to public agencies of other countries, at rates not less than the actual or estimated cost to the United States of procuring or producing such seed or nursery stock, moneys received from the sale thereof to be credited to the appropriation or appropriations of the Forest Service currently available for the procurement or production of seed or nursery stock at the time such moneys are deposited: *Provided*, That the Secretary of Agriculture may exchange with such public agencies forest-tree seed and nursery stock for forest-tree seed or nursery stock of the same or different species upon a determination that such exchange is in the interest of the United States and that the value of the property given in exchange does not exceed the value of the property received: *Provided further*, That no nursery stock shall be sold or exchanged under this section as ornamental or other stock for landscape planting of the types commonly grown by established commercial nurserymen.

SEC. 10. Notwithstanding the provisions of section 7 of the act of August 23, 1912, as amended (31 U. S. C. 679), appropriations for the protection and management of the national forests shall be available to pay for telephone service installed in residences of seasonal employees and of persons cooperating with the Forest Service who reside within or near the national forests when such installation is needed in protecting the national forests: *Provided*, That in addition to the monthly local service charge the Government may pay only such tolls or other charges as are required strictly for the public business.

SEC. 11. Whenever such action is deemed to be in the public interest, the Forest Service is authorized to pay from any appropriation available for the protection and management of the national forests all or any part of the cost of leasing, seeding, and protective fencing of public range land other than national forest land and privately owned land intermingled with or adjacent to national forest or other land administered by the Forest Service, if the use of the land to be seeded is controlled by the Forest Service under a lease or agreement which in the judgment of the Chief of the Forest Service gives the Forest Service control over the land for a sufficient period to justify such expenditures: *Provided*, That payment may not be made under authority of this section for the seeding of more than 1,000 acres in any one private ownership: *Provided further*, That payment may not be made under authority of this section for the seeding of more than 25,000 acres in any 1 fiscal year: *Provided further*, That the period of any lease under this authority may not exceed 20 years.

"SEC. 12. The Secretary of Agriculture, when in his judgment such action will be in the public interest, and under such regulations as he may prescribe, may require any grazing permittee of a national forest to make deposits of money, as a part of the established fee for the use of the range, to cover the cost to the United States of (1) artificial revegetation, including the collection or purchase of necessary seed; (2) construction and maintenance of drift or division fences and stockwatering places, bridges, corrals, driveways, or other necessary range improvements; (3) control of range-destroying rodents; or (4) eradication of poisonous plants and noxious weeds, on such national forest in order to protect or improve the future productivity of the range: *Provided*, That such deposits shall constitute a special fund, without fiscal year limitation, to be available to cover the cost to the United States of such artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous or noxious plants: *Provided further*, That whenever the Secretary of Agriculture determines that any portion of any deposit is in excess of the cost of doing said work, such excess shall be transferred to miscellaneous receipts, forest reserve fund, as a national-forest receipt of the fiscal year in which such transfer is made.

SEC. 13. That section 5 of the act of March 3, 1925 (43 Stat. 1133; 16 U. S. C. 555), is hereby amended to read as follows:

"Where no suitable Government land is available for national forest headquarters, ranger stations, dwellings, or for other sites required for the effective conduct of the authorized activities of the Forest Service, the Secretary of Agriculture is hereby authorized to purchase such lands out of the appropriation applicable to the purpose for which the land is to be used, and to accept donations of land for any national forest or experimental purpose: *Provided*, That such lands may be acquired subject to such reservations and outstanding interests as the Secretary determines will not interfere with the purpose for which acquired: *Provided further*, That not to exceed $25,000 may be expended in any one fiscal year pursuant to this authority."

SEC. 14. There are hereby authorized to be appropriated—

(a) such sums as may be necessary for the acquisition of parcels of land and interests in land in Sanders County, Mont., needed by the Forest Service to provide winter range for its saddle, pack, and draft animals;

(b) not to exceed $50,000 for the acquisition of additional land adjacent to the present site of the Forest Products Laboratory at Madison, Wis.; and

(c) not to exceed $25,000 for the acquisition of one helicopter landing site in southern California.

Land acquired under this section may be subject to such reservations and outstanding interests as the Secretary of Agriculture determines will not interfere with the purpose for which acquired.

SEC. 15. That section 6 of the act of March 3, 1925 (43 Stat. 1133; 16 U. S. C. 557), is hereby amended by substituting a colon for the period at the end thereof and adding the following: "*Provided*, That when a transient without permanent residence, or any other person while away from his place of residence, is temporarily employed by the Forest Service and while so employed becomes disabled because of injury or illness not attributable to official work, he may be provided hospitalization and other necessary medical care, subsistence, and lodging for a period of not to exceed 15 days during such disability, the cost thereof to be payable from any funds available to the Forest Service applicable to the work for which such person is employed."

SEC. 16. Appropriations of the Forest Service chargeable with salaries and wages shall be available for payment to temporary employees of the Forest Service for loss of time due to injury in official work at rates not in excess of those provided by the United States Employees' Compensation Act, as amended (5 U. S. C., 751 and the following), when the injured person is in need of immediate financial assistance to avoid hardship: *Provided*, That such payment shall not be made for a period in excess of 15 days and the United States Employees' Compensation Commission shall be notified promptly of the amount so paid, which amount shall be deducted from the amount, if any, otherwise available by the United States Employees' Compensation Commission to the employee on account of

the injury, the amount so deducted by the Commission to be paid to the Forest Service for deposit to the credit of the Forest Service appropriation from which the expenditure was made: *Provided further*, That when any person assisting in the suppression of forest fires or in other emergency work under the direction of the Forest Service, without compensation from the United States, pursuant to the terms of a contract, agreement, or permit, is injured in such work, the Forest Service may furnish hospitalization and other medical care, subsistence, and lodging for a period of not to exceed 15 days during such disability, the cost thereof to be payable from the appropriation applicable to the work upon which the injury occurred, except that this proviso shall not apply when such person is within the purview of a State or other compensation act: *Provided further*, That determination by the Forest Service that payment is allowable under this section shall be final as to payments made hereunder, but such determination or payments with respect to employees shall not prevent the United States Employees' Compensation Commission from denying further payments should the commission determine that compensation is not properly allowable under the provisions of the Employees' Compensation Act.

SEC. 17. (a) Section 2 of the act of March 3, 1925 (43 Stat. 1132; 16 U. S. C. 571); the second proviso in section 1 of the act of May 22, 1928 (45 Stat. 699; 16 U. S. C. 581); and section 1 of the act of May 27, 1930 (46 Stat. 387; 16 U. S. C. 573), are hereby repealed.

(b) The second proviso in section 13 of the act of March 1, 1911 (36 Stat. 961, 963), is hereby repealed.

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.

RESERVE LAND FOR SUMMIT LAKE INDIAN RESERVATION

The Clerk called the bill (H. R. 4069) to reserve certain land on the public domain in Nevada for addition to the Summit Lake Indian Reservation.

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

Be it enacted, etc., That the southeast quarter, northeast quarter, and northeast quarter southeast quarter section 20, township 42 north, range 26 east, Mount Diablo Meridian, Nev., situated within the exterior boundaries of the Summit Lake Indian Reservation, Humboldt County, Nev., containing 80 acres, be, and the same are hereby, withdrawn from the public domain, subject to valid existing rights heretofore initiated under any of the public land laws, and reserved as an addition to the Summit Lake Indian Reservation for the use and benefit of the Indians of that reservation.

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.

EXCHANGE OF INDIAN LANDS IN UTAH

The Clerk called the bill (H. R. 5390) to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land.

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

Be it enacted, etc., That the Secretary of the Interior or his authorized representative is authorized, with the consent of the governing body of the Navajo Indian Tribe, to exchange the surface rights in Naval Tribal Indian land described as the south half southwest quarter section 24; northwest quarter, northeast quarter, southeast quarter, and north half southwest quarter section 25, township 43 south, range 15 east, S. L. B. & M., containing 640 acres, more or less, for the surface rights in land of the State of Utah described as all of section 32, township 43 south, range 16 east, S. L. B. M., all in San Juan County, Utah. Title to the Indian land exchanged shall be transferred by the Secretary of the Interior to the State of Utah by the issuance of a patent in fee. Title to the State lands to be conveyed to the Indians shall be taken in the name of the United States in trust for the Navajo and such other Indians as the Secretary of the Interior may see fit to settle thereon, and shall be satisfactory to the Secretary of the Interior.

SEC. 2. In the event the lands acquired by the State of Utah under the provisions of this act shall be used for airport purposes, members of the Navajo Tribe of Indians shall be given preference in employment in every phase of construction, operation, and maintenance of the airport for which they are qualified, notwithstanding any provisions to the contrary contained in the Federal Airport Act of May 13, 1946 (60 Stat. 170), or any other act of Congress.

With the following committee amendment:

Page 1, line 6, strike out "Naval" and insert "Navajo."

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.

RESERVE LANDS FOR THE GOSHUTE INDIAN RESERVATION

The Clerk called the bill (H. R. 4231) to reserve certain land on the public domain in Utah for addition to the Goshute Indian Reservation.

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

Be it enacted, etc., That all vacant, unappropriated, public domain lands in the following described area, be, and they are hereby, added to the Goshute Indian Reservation, subject to all valid existing rights and claims:

Section 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, and 31, all in township 10 south, range 19 west, Salt Lake base and meridian.

Lots 1 and 2 in fractional section 1 and fractional sections 12, 13, 24, and 25, all in township 10 south, range 20 west, Salt Lake base and meridian.

Lots 1, 2, 3, 4, northeast quarter, and northeast quarter southeast quarter in fractional section 12; lots 1, 2, 3, 4, northwest quarter southeast quarter, and south half southeast quarter in fractional section 13; and fractional sections 1, 24, and 25, all in township 11 south, range 20 west, Salt Lake base and meridian.

Lots 1, 2, 3, 4, 5, and 6 in fractional section 1, and lots 1 and 2 in fractional section 12, all in township 12 south, range 20 west, Salt Lake base and meridian.

The northeast quarter northwest quarter of section 27, in township 12 south, range 19 west, Salt Lake base and meridian.

Upon the termination of any rights to, or appropriation of, any lands within the exterior limits of the area added to the Goshute Indian Reservation by this act, the lands thus released shall become a part of the reservation.

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.

RE TIMBER ON FLATHEAD INDIAN RESERVATION

The Clerk called the bill (H. R. 4509) to amend the Act of February 25, 1920 (41 Stat. 452), and for other purposes.

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

Be it enacted, etc., That the second proviso of the act entitled "An act for the relief of certain members of the Flathead Nation of Indians, and for other purposes," approved February 25, 1920 (41 Stat. 452), is amended by striking out "when the merchantable timber has been cut from any lands allotted hereunder" and substituting in lieu thereof "when the first cutting of merchantable timber from any lands allotted hereunder has been completed."

SEC. 2. The right heretofore reserved to the United States in any of the patents for allotments issued under the provisions of said act of February 25, 1920 (41 Stat. 452), to cut and market timber for the benefit of the Confederated Salish and Kootenai Tribes of the Flathead Reservation shall be limited to the cutting of so much of the merchantable timber on such allotments as may be cut during the first cutting operations on such allotments, and when such cutting operations have been completed, the title to the residual timber on such allotments shall thereupon pass to the respective allotees on their heirs or devisees.

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.

LEASING OF RESTRICTED INDIAN LANDS

The Clerk called the bill (H. R. 5098) to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, business, and other purposes requiring the grant of long-term leases.

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

Be it enacted, etc., That any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, or business purposes, including the development or utilization of natural resources in connection with operations under such leases, and for those farming purposes which require the making of a substantial investment in the improvement of the land for the production of specialized crops as determined by said Secretary. All leases so granted shall be for a term of not to exceed 25 years, but leases for public, religious, educational, recreational, or business purposes may include provisions authorizing their renewal for an additional term of not to exceed 25 years, and all leases shall be made under such regulations as may be prescribed by the Secretary of the Interior.

SEC. 2. Restricted lands of deceased Indians may be leased under this act, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 edition, sec. 380).

SEC. 3. No rent or other consideration for the use of land leased under this act shall be paid or collected more than 5 years in advance, unless so provided in the lease.

SEC. 4. The act of August 9, 1946 (60 Stat. 962; 25 U. S. C., 1946 edition, secs. 403b and 403c), is hereby repealed, but this repeal shall not be construed to affect the validity of any lease entered into under such act prior to, or within 90 days after, the approval of this act.

SEC. 5. Nothing contained in this act shall be construed to repeal any authority to lease

restricted Indian lands conferred by or pursuant to any other provision of law, except as specifically provided in section 4.

With the following committee amendments:

Page 2, line 4, after the word "purposes" insert "with the consent of both parties."

Page 2, line 7, after the word "leases" insert "and renewals."

Page 2, line 7, after the word "such" insert "terms."

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.

PATENTS HELD BY VETERANS OF WORLD WAR II

The Clerk called the bill (H. R. 4692) to provide for the extension of the term of certain patents of persons who served in the military or naval forces of the United States during World War II.

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

Be it enacted, etc., That any person who served honorably in the military or naval forces of the United States at any time between December 7, 1941, and September 2, 1945—

(a) who is the inventor or discoverer of an invention or discovery for which a patent was granted to him prior to September 2, 1945, the original term of which had not expired prior to said date and which is still owned by him, or who was prior to said date and continuously thereafter the sole owner of a patent for an invention or discovery which had not expired prior to said date; and

(b) who, between December 7, 1941, and the date of enactment of this act, was not receiving or was deprived of income from said patient, or his income therefrom was substantially reduced, as a result of his said service,

may obtain an extension of his patent for the term specified herein, upon application to the Commissioner of Patents within 1 year after the enactment of this act and upon complying with the provisions of this act. The period of extension of such patent shall be a further term from the expiration of the original term thereof equaling twice the length of the portion of his said service between the dates of December 7, 1941, and September 2, 1945, during which his patent was in force.

SEC. 2. (a) The application for extension shall be accompanied by a fee of $30 and shall include a verified statement, accompanied by supporting evidence, of all facts necessary to obtain the extension. The application shall also include a statement of the names of all persons, firms, or corporations, if any, holding at the time of the passage of this act, any right or interest in or under the patent.

(b) In the case of a person, as described in section 1 of this act, who dies, or has died, or who becomes insane or unable to act, which person owned an interest as described in this act in said patent at the time of his death or at the time he was declared mentally incompetent or become unable to act, such application may be filed or proceeded with by his legal representative substantially as provided in section 4896 of the Revised Statutes of the United State, as amended (sec. 46, title 35, U. S. C.), with respect to proceedings in such cases for obtaining a patent.

SEC. 3. On the filing of such application the Commissioner of Patents shall cause an examination thereof to be made and, if on such examination it shall appear that such application conforms, or by amendment or supplement is made to conform, to the requirements of this act, the Commissioner shall cause notice of such application to be published at least once in the Official Gazette. Any person who believes that he would be injured by such extension may within 45 days from such publication oppose the same on the ground that any of the statements in the application for extension is not true in fact, which notice of opposition shall be verified. In all cases where notice of opposition is filed the Commissioner of Patents shall notify the applicant for extension thereof and set a day for hearing. If after such hearing the Commissioner of Patents is of the opinion that such extension should not be granted, he may deny the application therefor, stating in writing his reasons for such denial. Where an extension is refused the applicant therefor shall have the same remedy by appeal from the decision of the Commissioner to the United States Court of Customs and Patent Appeals as is now provided by law where an applicant for patent is dissatisfied with the decision of the Patent Office Board of Appeals. If no opposition to the grant of the extension is filed, or if, after opposition is filed, it shall be decided that the applicant is entitled to the extension asked for, the Commissioner of Patents shall issue a certificate that the term of said patent is extended for the additional period provided therein and shall cause notice of such extension to be published in the Official Gazette and marked upon copies of the patent for sale by the Patent Office, in such manner as the Commissioner may determine.

SEC. 4. (a) Upon the issuance of the certificate of extension, said patent shall have the same force and effect in law as though it had been originally granted for 17 years plus the term of such extension, except as otherwise provided herein.

(b) No patent extended under the provisions of this act shall in any way serve as the basis for any claim by reason of manufacture, use, or sale by or for the United States during the period of extension, and the rights of the United States shall remain in all respects as if such patent had not been extended.

(c) No extension granted under the provisions of this act shall impair the right of anyone who before the passage of this act was bona fide in possession of any rights in patents or applications for patents conflicting with the rights in any patent extended under the act, nor shall any extension granted under this act impair the right of anyone who was lawfully manufacturing before the passage of this act the invention covered by the extended patent, but any such person shall have the right to make, use, and vend the invention covered by such conflicting patent or application for patent, or to continue or resume such manufacturing, during the extension of the patent, subject to the payment of a reasonable royalty for any period subsequent to the date on which the extension of the patent was granted: *Provided, however*, That any licensee under a patent which is extended shall have the option of continuing the license for the period of the extension or any part thereof on the same terms and conditions as contained in the existing license, or of discontinuing said license on the expiration of the original term of the patent: *Provided further*, That in the event an extension is not issued until after the date of expiration of the original term of the patent, any article or device made after said date and before the issuance of the extension, which would have infringed the patent had the patent been in force, may be sold or used after the issuance of the extension without any liability for infringement of the patent during the extended term by reason of such making, using, or vending.

(d) In any action, for infringement after the expiration of 17 years from the grant of the patent and during the period of such extension, the defendant may plead and prove that any material statement of the application for extension required by this act is not true in fact; and if any one or more of such statements shall be found untrue in fact, judgment shall be rendered for the defendant, with costs.

With the following committee amendments:

Page 1, line 9, after the word "date", insert "and which is still owned by him."

Page 2, line 4, strike out the subsection and insert:

"(b) who, between December 7, 1941, and the date of the termination of his service but not later than the date of enactment of this act, was not receiving income from said patent or patented invention or discovery; or whose income therefrom was substantially reduced as a result of his said service or because of the war."

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.

USE, FOR PUBLIC PURPOSES, CERTAIN LAND IN NEW MEXICO

The Clerk called the bill (H. R. 5620) permitting the use, for public purposes, of certain land in Hot Springs, N. Mex.

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

Be it enacted, etc., That, notwithstanding the provisions and limitations of section 10 of the act of April 25, 1928 (45 Stat. 1728), and the patent issued pursuant thereto, granting to the State of New Mexico a certain tract of land in Hot Springs, N. Mex., for the erection and maintenance of bathhouses, hotels, or other improvements for the accommodation of the public, the State of New Mexico is hereby authorized to permit the use of any part or the whole of said land for the erection and maintenance of buildings or other structures for public or municipal purposes.

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.

COLLECTION AND DISBURSEMENT OF MONEYS OF SENECA INDIANS

The Clerk called the bill (H. R. 4942) to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes.

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

Mr. WHITE of Idaho, Mr. GAVIN, and Mr. O'SULLIVAN objected.

TRANSFER OF LAND, NEW MEXICO

The Clerk called the bill (H. R. 5670) authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site.

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

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, if he finds it to be for the best interest of the United States and the Indians of New Mexico, to convey to the county of Bernalillo, State of New Mexico, such portion of the land in the city of Albuquerque, County of Bernalillo, State of New Mexico, now set aside and reserved for the use of the Bureau

of Indian Affairs for hospital purposes as he may find necessary or desirable to enable said premises to be used for the construction and operation of a hospital by the county of Bernalillo, State of New Mexico.

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.

DISCONTINUE DIVISIONS OF THE COURT IN DISTRICT OF KANSAS

The Clerk called the bill (S. 259) to discontinue divisions of the court in the district of Kansas.

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

Be it enacted, etc., That section 96 of title 28 of the United States Code is amended to read as follows:

"SEC. 96. Kansas constitutes one judicial district.

"Court shall be held at Kansas City, Leavenworth, Salina, Topeka, Hutchinson, Wichita, Dodge City, and Fort Scott."

With the following committee amendment:

Page 1, line 5, strike out line 5 and insert: "§ 96. Kansas.

"Kansas constitutes one judicial district."

The committee amendment was agreed to.

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.

EXPENSES ALLOWED TO JUSTICES AND JUDGES

The Clerk called the bill (H. R. 2166) to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at the rate of 7 cents per mile.

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

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill what the cost of this proposal will be.

Mr. CELLER. I do not know exactly what the cost of this proposal will be. It would depend on the number of judges that are assigned out of their districts, but the cost would be comparatively trifling. It increases to $15 per day the subsistence allowance to judges when they serve out of their home districts and go to distant parts. We cannot tell at this juncture the exact amount of cost. It cannot be much, because not too many judges are assigned away from their official stations, but when they are thus assigned out it would be a great injustice to them to compel them to pay more than the Government allows them for subsistence. Presently it is $10 a day, and they are frequently compelled to pay upward of $15 a day in hotels, particularly in the metropolitan areas like New York, Chicago, and elsewhere.

Mr. FORD. Does it not also apply not only to travel outside of the particular district but travel in the district where there are several divisions?

Mr. CELLER. That is possible, but the $15 per day is a ceiling. It is up to the judge's conscience to indicate exactly what his subsistence allowance is. If he goes within his own district, and his expenses, say, are only $6 or $7, he must so indicate. So, I repeat that the $15 a day is the limit.

Mr. FORD. I withdraw my reservation of objection, Mr. Speaker.

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

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

Be it enacted, etc., That the first paragraph of title 28, United States Code, section 456, is amended to read as follows:

"Each justice or judge of the United States and each retired justice or judge recalled or designated and assigned to active duty, shall, upon his certificate, be paid by the Director of the Administrative Office of the United States Courts all necessary traveling expenses, and also his reasonable maintenance expenses actually incurred, not exceeding $15 per day, while attending court or transacting official business at a place other than his official station. Justices and judges may be reimbursed for such travel by privately owned automobiles upon their certificate at the rate of 7 cents per mile in lieu of actual expenses."

With the following committee amendments:

Page 2, line 7, strike out "the" and insert "a."

Page 2, line 8, at the beginning of the line, insert "not exceeding."

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 to amend title 28, United States Code, section 456, so as to increase to $15 per day the limit on subsistence expenses allowed to justices and judges while attending court or transacting official business at places other than their official station, and to authorize reimbursement for such travel by privately owned automobiles at a rate of not exceeding 7 cents per mile."

A motion to reconsider was laid on the table.

FEDERAL CORRECTIONAL INSTITUTION, SANDSTONE, MINN.

The Clerk called the bill (S. 1949) to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota.

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

Be it enacted, etc., That the Attorney General is authorized to lease to the State of Minnesota, upon such terms and conditions as he may see fit, all lands, buildings, equipment, and other facilities of the Federal correctional institution at Sandstone, Minn., not required for use by the Department of Justice. The agreement of the State of Minnesota to protect, repair, and maintain such property and to return it to the Department of Justice in as good condition as when leased, reasonable wear and tear excepted, may constitute the sole consideration for any such lease. Any such lease shall continue in effect until terminated (1) by either party upon not less than 18 months' notice to the other, or (2) by agreement of both parties.

SEC. 2. The Attorney General shall consider any proposals which may be made by the State of Minnesota for the transfer to it of any of the property described in the first section of this act, and shall report the same, together with his recommendations, to the Congress.

SEC. 3. There is hereby ceded to the State of Minnesota, for the duration of any lease of any property to it pursuant to the provisions of this act, the jurisdiction heretofore vested in the United States over such property.

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.

ADMINISTRATION OF INDIAN LIVESTOCK LOANS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 5097, for the administration of Indian livestock loans, and for other purposes.

The Clerk read the title of the bill.

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

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, since this bill has not been on the Consent Calendar long enough to be eligible for consideration on the call of the calendar a few moments ago, will the gentleman explain the purposes of the bill before unanimous consent is given for its consideration?

Mr. MORRIS. Yes; I will be glad to. This involves the expenditure of no public funds. It is for the purpose of carrying on the orderly and expeditious handling of the Indian livestock program. As it is now, when they sell and collect on livestock the funds go into the United States Treasury, whereas the program here would put them into the revolving fund so that the money could be used on other reservations and to help other Indians in the purchase of livestock.

Mr. CASE of South Dakota. The bill relates to what is commonly known as the revolving fund?

Mr. MORRIS. Yes; that is right.

Mr. CASE of South Dakota. That is for the Indian livestock loan fund and when repayments are made, either by individuals or by tribes, it provides for continuing that fund?

Mr. MORRIS. Continuing the fund and carrying on an orderly program. As it is now they either have to trade livestock in kind or have to sell livestock and of course the money is supposed to go into the Treasury of the United States and has to be appropriated to be used, which makes it a cumbersome procedure.

We went into this fully in committee and it was reported out by unanimous vote of the committee. We think this provides for an orderly procedure and we believe it is necessary to carry on a good program to help the Indians rehabilitate themselves.

Mr. CASE of South Dakota. What record is being made in the repayment of these loans?

Mr. MORRIS. I might state to the gentleman that the record that is being made is a most unusual one and a record that I think the whole country should be proud of. If I recall the statistics correctly, and I believe I do, less than one-half of 1 percent of these loans which have been made to Indians, which include this particular program, have failed

of collection, which means that the record of collection is almost 100 percent on these loans.

Mr. CASE of South Dakota. Of course that is an outstanding record. It is important to know the kind of record that is being made, otherwise in the passage of legislation of this kind it would mean that there would be no further congressional review of these funds and the appropriation necessary to increase the amount in the fund.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. D'EWART. This particular bill does not apply to the whole revolving fund, it only applies to that livestock which was acquired under the Government purchasing program during the drought years. That livestock is not now regularly handled under the revolving loan fund. This will provide legislation so that they can be included in the regular revolving loan fund instead of being handled separately.

Mr. CASE of South Dakota. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That all acceptances of cash settlements at prevailing market prices for livestock lent by the United States to any individual Indian, or to any tribe, association, corporation, or other group of Indians, and all sales and relending of livestock repaid in kind to the United States on account of such loans are hereby authorized and ratified.

SEC. 2. Any moneys hereafter received in settlement of such debts or from the sale of livestock so repaid to the United States shall be deposited in the revolving fund established pursuant to the acts of June 18, 1934 (48 Stat. 984), and June 26, 1936 (49 Stat. 1967), as amended and supplemented.

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.

LOS ANGELES RIGHTS-OF-WAY IN PUBLIC LANDS

Mr. POULSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5764) to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands.

The Clerk read the title of the bill.

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

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to grant to the city of Los Angeles permanent rights-of-way, 250 feet in width, described in section 6 of this act on, over, under, through, and across public lands of the United States in the counties of Mono, Inyo, and Kern in the State of California, for the purposes of constructing, operating, and maintaining any and all works, structures, roads, and facilities, necessary, convenient, incidental, or appurtenant to the generation, transformation, transmission, distribution, and utilization of electrical energy: *Provided*, That the Secretary of the Interior shall, in his discretion, attach and impose such conditions on said rights-of-way, and promulgate such rules and regulations as he shall deem appropriate, consistent with the use of said rights-of-way for the purposes prescribed in this act.

SEC. 2. Nothing contained in this act is intended to, nor does it, affect any presently existing right of any kind or nature however acquired, nor any valid claim heretofore initiated under the laws of the United States or the State of California, including, but not limited to, the homestead, mining, desert land, and other laws relating to public lands and appurtenances and incidents thereto.

SEC. 3. That the use of the rights-of-way herein authorized shall also be subject to such conditions as are reasonable and necessary, in the opinion of the Secretary of Agriculture to protect the interests of the United States in the management of the national forests.

SEC. 4. That the lands described in section 6 hereof shall be open at all times to exploration, prospecting, discovery, lease, or patent under the mining or mineral leasing laws from time to time applicable thereto insofar as said laws relate to minerals in said lands, and to any uses or disposition of the land or resources, to the extent and in the manner permitted under any of the nonmineral public-land laws of the United States from time to time applicable thereto: *Provided, however*, That all rights so acquired in or to said lands shall be subject to the rights in this act authorized to be granted to the city.

SEC. 5. The rights-of-way by this act authorized to be granted to the city of Los Angeles shall be held by the city for the purposes of municipal power supply, and no assignment, sale, or other disposal of said rights-of-way or interests therein shall be made by the city, except with the approval of the chief officer of the department controlling or supervising the public lands concerned upon a finding by him that such assignment, sale, or other disposal is compatible with the public interest. The chief officer of the department supervising or controlling the public lands concerned is authorized to delegate the powers designated in this or in any other section of this act and may authorize the subdelegation of such powers.

SEC. 6. Lands within the county of Mono, State of California, described as follows:

All those portions of section 21; section 27; section 28; section 34, township 5 south, range 31 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the side lines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows:

Beginning at a point on the north line of said section 21 distant thereon south eighty-nine degrees thirty-five minutes forty-two seconds east one thousand two hundred twenty-six and seventy-five one-hundredths feet from the north quarter-corner of said section; thence from said point of beginning south sixteen degrees twenty-nine minutes forty-nine seconds east three thousand one hundred sixty-two and fifty-eight one-hundredths feet; thence south nine degrees five minutes forty-nine seconds east ten thousand one hundred fourteen and thirty-one one-hundredths feet; thence south six degrees twenty-five minutes twenty-two seconds east two thousand eight hundred forty and sixty-five one-hundredths feet to a point on the south line of said section 34, which is easterly thereon one thousand six hundred twenty-six and ninety-four one-hundredths feet from the southwest corner thereof.

Lands within the county of Inyo, State of California, described as follows:

All those portions of section 3; section 10, township 6 south, range 31 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the side lines of said strip being parallel with and distant one hundred and twenty-five feet on each side of a centerline described as follows:

Beginning at a point on the north line of said section 3 which is distant thereon south eighty-nine degrees eighteen minutes fifty-five seconds east two thousand twenty and sixty-two one-hundredths feet from the northwest corner of said section; thence from said point of beginning south five degrees fifty-six minutes ten seconds east five thousand three hundred seventeen and eighty one-hundredths feet to a point in the south line of said section 3 which is westerly thereon four and nineteen one-hundredths feet from a stage in rock mound set to mark the quarter-section corner common to sections 3 and 10, said township and range; thence continuing south five degrees fifty-six minutes ten seconds east three thousand four hundred sixty-nine and fifty-eight one-hundredths feet to a point in the northwest quarter of the southeast quarter of said section 10 which is south five degrees fifty-two minutes three seconds east from the above-mentioned quarter-section corner.

Also all those portions of section 3; section 10; section 14; northeast quarter section 15; northeast quarter section 23; section 24; section 25, township 6 south, range 31 east, Mount Diablo base and meridian; section 31, township 6 south, range 32 east, Mount Diablo base and meridian; south half lot 2 northwest quarter, lots 1 and 2 southwest quarter section 30; section 31, township 7 south, range 33 east, Mount Diablo base and meridian; northwest quarter southwest quarter section 5; section 28, township 8 south, range 33 east, Mount Diablo base and meridian; section 2; section 12; section 13, township 9 south, range 33 east, Mount Diablo base and meridian; section 19; lots 3, 7, 8, south half southwest quarter, southwest quarter southeast quarter section 29; section 32; section 33, township 9 south, range 34 east, Mount Diablo base and meridian; section 4; section 5 (unsurveyed); section 8 (unsurveyed); section 9; section 17 (partly unsurveyed); section 20; section 33, township 10 south, range 34 east, Mount Diablo base and meridian; section 4; section 9; section 28, township 11 south, range 34 east, Mount Diablo base and meridian; section 21; section 27; section 28, township 12 south, range 34 east, Mount Diablo base and meridian; lots 1, 2, 3, 4, 5, 6 northeast quarter, south half southeast quarter, east half lot 1 northwest quarter, southeast quarter southwest quarter, lots 7, 10, 11, 14, 15, section 2; section 11; section 12; section 13; section 14; section 24; section 25, township 13 south, range 34 east, Mount Diablo base and meridian; section 30; section 31, township 13 south, range 35 east, Mount Diablo base and meridian; section 5; section 6; section 8; section 17; section 20; section 28; section 29; section 32; section 33, township 14 south, range 35 east, Mount Diablo base and meridian; section 4; section 9; section 21; section 22; section 27; section 28; section 34; northwest quarter northwest quarter, south half north half, south half section 35, township 15 south, range 35 east, Mount Diablo base and meridian; section 1; section 2; section 12, township 16 south, range 35 east, Mount Diablo base and meridian; lot 2 northwest quarter, lot 2 and south half lot 1 southwest quarter, southwest quarter southeast quarter section 7; southwest quarter section 17; northwest quarter northeast quarter, south half northeast quarter, northeast quarter northwest quarter, southeast quarter section 18; section 20; section 21; section 28; northeast quarter section 33; west half southeast quarter, east half west half, west half northwest quarter, northwest

quarter southwest quarter section 34, township 16 south, range 36 east, Mount Diablo base and meridian; southwest quarter section 2; section 11 (partly unsurveyed); section 14 (partly unsurveyed); section 23 (partly unsurveyed); east half section 26; east half northeast quarter, east half southeast quarter (unsurveyed) section 35, township 17 south, range 36 east, Mount Diablo base and meridian; south half section 1; northeast quarter northeast quarter (unsurveyed) section 2; section 12; section 13 (partly unsurveyed); west half (unsurveyed), west half east half section 24; west half, west half east half section 25, township 18 south, range 36 east, Mount Diablo base and meridian; lots 1 and 2 northwest quarter, southwest quarter section 1; lots 1, 5, 6, 7, section 2; lots 1, 2, 3, 4, southwest quarter northeast quarter, northwest quarter southeast quarter section 11; west half west half section 12; section 13; northeast quarter northeast quarter section 14; section 24; section 25, township 19 south, range 36 east, Mount Diablo base and meridian; west half section 30; section 31, township 19 south, range 37 east, Mount Diablo base and meridian; lots 1 and 2 northeast quarter, southeast quarter section 6; east half section 7; east half section 18; east half section 19; west half section 29; east half section 30; east half section 31; west half section 32, township 20 south, range 37 east, Mount Diablo base and meridian; section 4; section 9; section 14 (partly unsurveyed); section 15; north half northeast quarter section 16; south half section 23; southwest quarter section 24; section 25; east half east half section 26; section 36, township 21 south, range 37 east, Mount Diablo base and meridian; lot 4 section 31, township 21 south, range 38 east, Mount Diablo base and meridian; lots 1 and 2 northeast quarter, east half lots 1 and 2 northwest quarter, southeast quarter, lot 1 southwest quarter section 6; section 7; section 8; section 17; east half section 20; section 29; section 32, township 22 south, range 38 east, Mount Diablo base and meridian; lots 1 and 2, south half northeast quarter, southeast quarter section 5; east half, east half southwest quarter section 8; east half, east half west half section 17; east half, east half west half section 20; east half section 29; east half section 32, township 23 south, range 38 east, Mount Diablo base and meridian; section 5 (partly unsurveyed); section 8 (partly unsurveyel); section 17; section 20; south half southeast quarter section 29; east half section 32 (partly unsurveyed); west half section 33, township 24 south, range 38 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the sidelines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows:

Beginning at a point on the north line of section 3, township 6 south, range 31 east, Mount Diablo base and meridian, which is distant thereon south eighty-nine degrees eighteen minutes fifty-five seconds east one thousand six hundred twenty-six and ninety-four one-hundredths feet from a rock mound set to mark the northwest corner of said section 3; thence from said point of beginning south six degrees twenty-five minutes twenty-two seconds east five thousand three hundred twenty-two and forty-five one hundredths feet to a point on the south line of said section 3, which is westerly thereon three hundred fifty-two and thirty-eight one-hundredths feet from a rock mound set to mark the south quarter-corner of said section 3; thence continuing south six degrees twenty-five minutes twenty-two seconds east two thousand ten and twenty-nine one-hundredths feet; thence south fifteen degrees twenty-two minutes two seconds east one thousand five hundred ninety-five and seventy-nine one-hundredths feet; thence south thirteen degrees fifty-seven minutes twenty-four seconds east four hundred ninety-one and fifty-seven one-hundredths feet; thence south eleven degrees thirty-nine minutes eighteen seconds west seven hundred sixty-five and ninety-three one-hundredths feet; thence south forty-three degrees thirty minutes thirty-two seconds east seven hundred eighty and forty one-hundredths feet to a point on the north line of section 15, township 6 south, range 31 east, Mount Diablo base and meridian, which is distant thereon south eighty-nine degrees forty-six minutes fifty-two seconds east six hundred sixty-three and fifty one-hundredths feet from a rock mound set to mark the north quarter-corner of said section 15; thence continuing south forty-three degrees thirty minutes thirty-two seconds east seventeen thousand three hundred four and sixty-one one-hundredths feet; thence south two degrees forty-seven minutes twenty-four seconds east two thousand one hundred thirty-two and seventy-two one-hundredths feet; thence south thirty-seven degrees thirty-four minutes no seconds east one thousand five hundred seventy-seven and eighty-two one-hundredths feet to a point on the north line of section 31, township 6 south, range 32 east, Mount Diablo base and meridian, which is easterly thereon seven hundred sixty and ninety-two one-hundredths feet from the northwest corner of said section 31; thence continuing south thirty-seven degrees thirty-four minutes no seconds east seven thousand five hundred twenty-four and ten one-hundredths feet; thence south fifty-two degrees forty-eight minutes eighteen seconds east seven thousand six hundred ten and eighteen one-hundredths feet to a point on the north line of section 9, township 7 south, range 32 east, Mount Diablo base and meridian, which is easterly thereon eight hundred twenty-one and sixty-nine one-hundredths feet from the northwest corner of said section 9; thence continuing south fifty-two degrees forty-eight minutes eighteen seconds east one thousand six hundred fifty and fifty-six one-hundredths feet; thence south sixty-six degrees one minute fifty-two seconds east four thousand one hundred ninety-nine and eighty-six one-hundredths feet; thence south forty-five degrees fifty-five minutes thirty-five seconds east eleven thousand four hundred twenty-four and fifty-one one-hundredths feet to a point on the north line of section 23, township 7 south, range 32 east, Mount Diablo base and meridian, which is easterly thereon eight hundred eighty-eight and seventy-five one-hundredths feet from a rock mound set to mark the quarter-section corner common to sections 14 and 23, said township and range; thence continuing south forty-five degrees fifty-five minutes thirty-five seconds east one thousand nine hundred fifty-two and seventy-five one-hundredths feet; thence south sixty degrees thirty-three minutes twenty-three seconds east six thousand four hundred seventy-eight and ninety-six one-hundredths feet to a point on the range line between ranges 32 and 33 east, which is northerly thereon six hundred three and sixty one-hundredths feet from the northwest corner of section 30, township 7 south, range 33 east, Mount Diablo base and meridian; thence continuing south sixty degrees thirty-three minutes twenty-three seconds east four hundred eight and twenty one-hundredths feet; thence south thirty-five degrees thirty-six minutes twenty-nine seconds east four thousand two hundred thirteen and twenty-seven one-hundredths feet; thence south twenty-three degrees thirty-four minutes thirty-nine seconds east eight thousand two hundred twelve and ninety-eight one-hundredths feet to a point on the township line between townships 7 and 8 south, which is one thousand nine hundred seventy-two and seventy one-hundredths feet westerly thereon from a rock mound set to mark the north quarter corner of section 5, township 8 south, range 33 east, Mount Diablo base and meridian; thence continuing south twenty-three degrees thirty-four minutes thirty-nine seconds east one thousand four hundred and eleven one-hundredths feet; thence south thirty-one degrees two minutes six seconds west seven hundred forty-nine and thirty-two one-hundredths feet; thence south seventeen degrees twenty-one minutes fifty-seven seconds east thirteen thousand three hundred ninety and seventy-six one-hundredths feet; thence south twenty-three degrees seven minutes thirty-seven seconds east nine hundred thirty-two and eigthy-six one-hundredths feet to a point on the north line of section 20, township 8 south, range 33 east, Mount Diablo base and meridian, which is westerly thereon one hundred seventy-one and eighty-eight one-hundredths feet from the northeast corner of said section 20; thence continuing south twenty-three degrees seven minutes thirty-seven seconds east fifteen thousand nine hundred thirty-eight and twenty-four one-hundredths feet; thence south thirty degrees forty-five minutes thirty seconds east one thousand four hundred ninety-four and ninety-eight one-hundredths feet to a point on the south line of section 34, township 8 south, range 33 east, Mount Diablo base and meridian, which is easterly thereon one thousand five hundred thirty-two and sixty-four one-hundredths feet from the southwest corner of said section 34; thence continuing south thirty degrees forty-five minutes thirty seconds east four thousand one hundred twenty-two and forty-nine one-hundredths feet; thence south fifty-four degrees fifty-two minutes thirty-eight seconds east two thousand eight hundred fifty-eight and forty-five one-hundredths feet; thence south forty-three degrees forty-two minutes no seconds east one thousand thirty-three and fifteen one-hundredths feet; thence south forty-eight degrees nineteen minutes eighteen seconds east one thousand one hundred forty-four and twenty-five one-hundredths feet; thence south thirteen degrees fifty-three minutes twenty-eight seconds east two thousand eight hundred eighty-nine and eighty one-hundredths feet; thence south twenty-five degrees forty-one minutes eighteen seconds east three thousand two hundred seven and forty-one one-hundredths feet; thence south thirty-nine degrees thirteen minutes fifteen seconds east four thousand three hundred eighty-nine and twenty-eight one-hundredths feet to a point on the north line of section 19, township 9 south, range 34 east, Mount Diablo base and meridian, which is easterly thereon three hundred thirty and five-tenths feet from the northwest corner of said section 19; thence continuing south thirty-nine degrees thirteen minutes fifteen seconds east nine thousand fifty-seven and eighty-nine one-hundredths feet; thence south twenty-eight degrees six minutes forty seconds east nine thousand six hundred forty-nine and eighty-two one-hundredths feet to a point, which is north thirty-three degrees thirty-one minutes forty seconds east one hundred sixty-seven and ninety-three one-hundredths feet from the southwest corner of section 33, township 9 south, range 34 east, Mount Diablo base and meridian; thence south no degrees fifty-two minutes forty seconds west twenty-five thousand two hundred two and fifteen one-hundredths feet; thence south fifteen degrees eighteen minutes six seconds east eighteen thousand six hundred fifty-three and twenty-three one-hundredths feet; thence south two degrees twenty-four minutes nineteen seconds west twenty thousand two hundred ninety-three and seventy-four one-hundredths feet to a point on the township line between townships 11 and 12 south, which is westerly thereon one thousand four hundred sixteen

and seventy-nine one-hundredths feet from a rock mound set to mark the southeast corner of section 33, township 11 south, range 34 east, Mount Diablo base and meridian; thence continuing south two degrees twenty-four minutes nineteen seconds west fourteen thousand nine hundred twenty-four and seventy-seven one-hundredths feet; thence south thirteen degrees forty-two minutes thirteen seconds east sixteen thousand nine hundred ninety-four and seventy-nine one-dredths feet; thence south no degrees eighteen minutes thirty seconds east two hundred eighty-six and sevent; one-hundredths feet to a point on the township line between townships 12 and 13 south, which is easterly thereon two thousand and twenty-one feet from a two-inch iron pipe set to mark the southwest corner of section 34, township 12 south, range 34 east, Mount Diablo base and meridian; thence continuing south no degrees eighteen minutes thirty seconds east nine thousand five hundred thirty-one and seventy-one one-hundredths feet; thence south twenty-three degrees fifty-five minutes forty-three seconds east nineteen thousand six hundred fifty-one and seventy-seven one-hundredths feet to a point on the west line of section 30, township 13 south, range 35 east, Mount Diablo base and meridian, which is southerly thereon one thousand one hundred ninety-four and five-tenths feet from a rock mound set to mark the northwest corner of said section 30; thence continuing south twenty-three degrees fifty-five minutes forty-three seconds east ten thousand two hundred thirty-six and ninety-four one-hundredths feet to a point on the township line between townships 13 and 14 south, which is easterly thereon one thousand four hundred and five feet from the south quarter-corner of section 31, township 13 south, range 35 east, Mount Diablo base and meridian; thence continuing south twenty-three degrees fifty-five minutes forty-three seconds east seven thousand eight hundred twenty-six and four one-hundredths feet; thence south eleven degrees eighteen minutes forty seconds east forty-seven thousand six hundred forty and seventy-two one-hundredths feet; thence south forty-one degrees forty-nine minutes fifty-five seconds east twenty-eight thousand three hundred ninety-two and ninety-four one-hundredths feet; thence south thirty-seven degrees twenty-three minutes twenty seconds east twenty-four thousand twenty-seven and seventy-three one-hundredths feet; thence south four degrees twelve minutes fifty-seven seconds east nine hundred twenty-six and eight one-hundredths feet to a point on the township line between townships 16 and 17 south, which is westerly thereon thirty-three and seventy-two one-hundredths feet from a one-inch iron pipe with brass cap set to mark the south quarter-corner of section 34, township 16 south, range 36 east, Mount Diablo base and meridian; thence continuing south four degrees twelve minutes fifty-seven seconds east eighteen thousand sixteen and eighty-nine one-hundredths feet; thence south ten degrees two minutes ten seconds east thirteen thousand eight hundred ninety-four and sixty-one one-hundredths feet to a point on the township line between townships 17 and 18 south, which is westerly thereon two thousand five hundred and fifty feet from a stake in rock mound set to mark the south quarter-corner of section 36, township 17 south, range 36 east, Mount Diablo base and meridian; thence continuing south ten degrees two minutes ten seconds east seventeen thousand eight hundred eleven and forty-seven one-hundredths feet; thence south eleven degrees thirty minutes forty-seven seconds west fourteen thousand four hundred eleven and seven one-hundredths feet to a point on the township line between townships 18 and 19 south, which is easterly thereon two hundred and fifty-one feet from the southwest corner of section 36, township 18 south, range 36 east, Mount Diablo base and meridian; thence continuing south eleven degrees thirty minutes forty-seven seconds west seven thousand eight hundred twenty and sixty-two one-hundredths feet; thence south twenty-four degrees fifty-three minutes twenty-six seconds east fifteen thousand three hundred sixteen and ninety-three one-hundredths feet to a point on the range line between ranges 36 and 37 east, which is southerly thereon five hundred nineteen and five-tenths feet from the northwest corner of section 30, township 19 south, range 37 east, Mount Diablo base and meridian; thence continuing south twenty-four degrees fifty-three minutes twenty-six seconds east nine thousand three hundred ninety-four and seventy-six one-hundredths feet: thence south three degrees seventeen minutes twenty-one seconds west one thousand six hundred twenty and eighty-eight one-hundredths feet to a point in the township line between townships 19 and 20 south, which is westerly thereon one thousand five hundred and twenty-eight feet from the southeast corner of section 31, township 19 south, range 37 east, Mount Diablo base and meridian; thence continuing south three degrees seventeen minutes twenty-one seconds west thirteen thousand eight hundred forty-four and fifteen one-hundredths feet; thence south eleven degrees thirty-six minutes forty-five seconds east eighteen thousand two hundred sixty-eight and fifty-one one-hundreths feet to a point on the township line between townships 20 and 21 south, which is easterly thereon one thousand two hundred fifty-one and six-tenths feet from the southwest corner of section 32, township 20 south, range 37 east, Mount Diablo base and meridian; thence continuing south eleven degrees thirty-six minutes forty-five seconds east nine thousand nine hundred fifty-three and eighty one-hundredths feet; thence south sixty-two degrees thirteen minutes twenty seconds east twelve thousand nine hundred sixty-eight and thirty-seven one-hundredths feet to a point on the south line of section 14, township 21 south, range 37 east, Mount Diablo base and meridian, which is westerly thereon two thousand two hundred and sixty-eight feet from a rock mound set to mark the southeast corner of said section 14; thence south twenty-seven degrees forty minutes fifty seconds east twenty-nine thousand nine hundred sixty-five and fifty-one one-hundredths feet to a point on the south line of section 8, township 22 south, range 38 east, Mount Diablo base and meridian, which is easterly thereon seven hundred sixty-two and fourteen one-hundredths feet from the southwest corner of said section 8; thence continuing south twenty-seven degrees forty minutes fifty seconds east nine hundred ninety-five and eighty-one one-hundredths feet; thence south twenty-one degrees forty-three minutes twenty seconds east eight thousand nine hundred eighty-four and twenty-four one-hundredths feet; thence south three degrees forty-five minutes twenty-five seconds west eleven thousand eight hundred thirty-eight and fifty-eight one-hundredths feet to a point on the township line between townships 22 and 23, which is westerly thereon one thousand eight hundred and eighty-eight feet from a rock mound set to mark the southeast corner of section 32, township 22 south, range 38 east, Mount Diablo base and meridian; thence continuing south three degrees forty-five minutes twenty-five seconds west fifteen thousand six hundred sixty-nine and fifteen one-hundredths feet; thence south twenty degrees six minutes forty seconds east six thousand two hundred thirty-two and eighty one-hundredths feet; thence south ten degrees fifteen minutes fifty-eight seconds east five thousand one hundred twenty and seventy-six one hundredths feet; thence south twenty degrees three minutes ten seconds west four thousand four hundred twenty and forty-five one-hundredths feet to a point on the township line between townships 23 and 24 south, which is westerly thereon one thousand eight hundred seventy-eight and fifty-five one-hundredths feet from a brass cap in concrete monument set to mark the southeast corner of section 32, township 23 south, range 38 east, Mount Diablo base and meridian; thence continuing south twenty degrees three minutes ten seconds west two thousand four hundred seventy and forty-nine one-hundredths feet; thence south twenty-two degrees seven minutes forty-three seconds east two thousand five hundred thirty and fifty-five one-hundredths feet; thence south five degrees twenty-five minutes twenty seconds east twenty-seven thousand two hundred six and fifty one-hundredths feet to a point on the county line between Inyo and Kern Counties, which is easterly thereon two hundred ninety and twenty-two one-hundredths feet from a 2-inch iron pipe set to mark the southwest corner of section 33, township 24 south, range 38 east, Mount Diablo base and meridian.

Also all those portions of section 14; east half northeast quarter, south half section 22; section 27; west half east half, and east half west half section 34, township 16 south, range 36 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the sidelines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows: Beginning at a point on the township line between townships 16 and 17 south, which is distant thereon south eighty-nine degrees fifty-four minutes three seconds west thirty-three and seventy-two one-hundredths feet from a 1-inch iron pipe with brass cap set to mark the south quarter-corner of section 34, township 16 south, range 36 east, Mount Diablo base and medidian; thence north four degrees twelve minutes fifty-seven seconds west nine thousand seven hundred ninety-seven and ninety-four one-hundredths feet; thence north thirty-seven degrees twenty-seven minutes no seconds east eight thousand six hundred fifty-one and ninety-six one-hundredths feet to a point in section 14, township 16 south, range 36 east, Mount Diablo base and meridian, distant north sixty-three degrees fifty-seven minutes fifty seconds east two thousand eighty-three and twenty-one one-hundredths feet from the southwest corner of said section 14.

Lands within the county of Kern, State of California, described as follows:

All those portions of section 4; section 9; west half southwest quarter section 22; west half section 34, township 25 south, range 38 east, Mount Diablo base and meridian, lots 1 and 2 northwest quarter, southwest quarter section 3; section 10; lots 2, 5, 6, 8, and 9, section 15; southeast quarter section 21; west half west half section 22; northwest quarter section 27; section 28; section 33, township 26 south, range 38 east, Mount Diablo base and meridian; lots 1 and 2 northwest quarter, southwest quarter section 4; lot 1 northeast quarter, southeast quarter section 5; north half northeast quarter south half southeast quarter, east half southwest quarter section 8; east half northwest quarter, southwest quarter northwest quarter, southwest quarter section 17; section 18; section 19; section 20; east half, lot 1 northwest quarter, lot 2 and the north half lot 1 southwest quarter section 30; north half lot 2 northwest quarter, lot 2 southwest quarter section 31, township 27 south, range 38 east, Mount Diablo base and meridian; east half southeast quarter section 36, township 27 south, range 37 east, Mount Diablo base and meridian; section 1; section 12; west half west half section 13; section 14; section 23; section 26; section 34; section 35, township 28 south, range 37 east, Mount Diablo base and meridian; section 2; section 10; section 11; section 15; section 21; section 22; section 28;

lots 1 and 2 section 33, township 29 south, range 37 east, Mount Diablo base and meridian; section 4; west half northwest quarter, southwest quarter section 10; lots "C" and "D" in tract numbered 43; southeast quarter northeast quarter section 21; north half northeast quarter, east half northwest quarter, northeast quarter southwest quarter, lots 3 and 4, section 28; lots 1, 6, 7, 8, and 9, section 32, township 30 south, range 37 east, Mount Diablo base and meridian; northeast quarter section 6, township 31 south, range 37 east, Mount Diablo base and meridian; section 24; section 26; section 34, township 31 south, range 36 east, Mount Diablo base and meridian; section 13, township 31 south, range 36½ east, Mount Diablo base and meridian; southeast quarter section 4; lots 19 and 20 section 8, township 32 south, range 36 east, Mount Diablo base and meridian, lying within the boundaries of a strip of land two hundred and fifty feet in width, the side lines of said strip being parallel with and distant, respectively, seventy-five feet easterly of and one hundred and seventy-five feet westerly of a line described as follows:

Beginning at a point in the north line of section 4, township 25 south, range 38 east, Mount Diablo base and meridian, distant thereon south eighty-nine degrees fifty-seven minutes forty-two seconds west six hundred forty-eight and twenty-nine one-hundredths feet from the northeast corner of said section 4; thence south five degrees thirteen minutes eighteen seconds east thirty-two thousand three hundred eighty-nine and forty-six one-hundredths feet to a point in the south line of section 34, township 25 south, range 38, east, Mount Diablo base and meridian, distant westerly thereon four hundred forty and fifty-two one-hundredths feet from the south quarter-corner of said section 34; thence continuing south five degrees thirteen minutes eighteen seconds east eleven thousand thirty-four and sixty-eight one-hundredths feet; thence south seventeen degrees thirty-five minutes twelve seconds west thirteen thousand three hundred fifty-nine and twenty-one one-hundredths feet; thence south twenty-two degrees thirty minutes forty-two seconds west eight thousand six hundred forty-five and eighty-nine one-hundredths feet to a point in the south line of section 33, township twenty-six south, range 38 east, Mount Diablo base and meridian, distant westerly thereon one thousand four hundred twenty-one and fifty-two one-hundredths feet from the south quarter-corner of said section 33; thence continuing south twenty-two degrees thirty minutes forty-two seconds west eleven thousand three hundred thirty and fifty-seven one-hundredths feet; thence south twenty degrees thirteen minutes thirty-five seconds west twenty-two thousand eight hundred forty-nine and forty-eight one-hundredths feet to a point on the south line of section 36, township 27 south, range 37 east, Mount Diablo base and meridian, distant westerly thereon three hundred thirty-six and fifty one-hundredths feet from the southeast corner of said section 36; thence continuing south twenty degrees thirteen minutes thirty-five seconds west thirty-three thousand six hundred eighty-eight and forty-five one-hundredths feet to a point in the south line of section 34, township 28 south, range 37 east, Mount Diablo base and meridian, distant easterly thereon nine hundred fifty-eight and forty one-hundredths feet from the south quarter-corner of said section 34; thence continuing south twenty degrees thirteen minutes thirty-five seconds west twenty-nine thousand eight hundred fifteen and twenty-three one-hundredths feet; thence south seventeen degrees three minutes thirty-three seconds east three thousand nine hundred twenty-eight and twenty-two one-hundredths feet to a point in the south line of section 33, township 29 south, range 37 east, Mount Diablo base and meridian, distant easterly thereon, one thousand three hundred nineteen and nine-tenths feet from the south quarter-corner of said section 33; thence continuing south seventeen degrees three minutes thirty-three seconds east ten thousand one hundred seventy-four and eleven one-hundredths feet; thence south sixteen degrees thirty-three minutes five seconds west seven thousand one hundred fifty-four and forty-nine one-hundredths feet to a point in the north line of section 21, township 30 south, range 37 east, Mount Diablo base and meridian, distant westerly thereon six hundred seventy-four and ninety one-hundredths feet from the northeast corner of said section 21; thence continuing south sixteen degrees thirty-three minutes five seconds west eight thousand four hundred sixty-five and sixty-six one-hundredths feet; thence south forty-one degrees thirty-four minutes thirteen seconds west ten thousand one hundred twenty-three and twenty-two one-hundredths feet to a point in the north line of section 5, township 31 south, range 37 east, Mount Diablo base and meridian, distant easterly thereon eight hundred nineteen and fifty one-hundredths feet from the northwest corner of said section 5; thence continuing south forty-one degrees thirty-four minutes thirteen seconds west two hundred eighty-two and thirty-two one-hundredths feet; thence south twenty-three degrees fifty-seven minutes thirteen seconds west sixteen thousand seven hundred eighty-six and seventy-eight one-hundredths feet to a point in the east line of section 13, township 31 south, range 36 east, Mount Diablo base and meridian, distant northerly thereon one thousand one hundred seventeen and forty one-hundredths feet from the southeast corner of said section 13; thence continuing south twenty-three degrees fifty-seven minutes thirteen seconds west three thousand four hundred fifty-two and seven one-hundredths feet; thence south thirty-nine degrees thirty-seven minutes thirty seconds west seventeen thousand five hundred eighty-two and eighty-four one-hundredths feet to a point in the north line of section 3, township 32 south, range 36 east, Mount Diablo base and meridian, distant westerly thereon ninety-three and forty-three one-hundredths feet from the north quarter-corner of said section 3; thence continuing south thirty-nine degrees thirty-seven minutes thirty seconds west thirty thousand two hundred seventy-two and twenty-six one-hundredths feet to a point in the west line of section 30, township 32 south, range 36 east, Mount Diablo base and meridian, distant northerly thereon eight hundred forty-two and fifteen one-hundredths feet from the west quarter-corner of said section 30.

With the following committee amendment:

Page 26, line 13, delete comma after word "thereon."

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.

AMENDING ACT OF JUNE 7, 1924

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2296) to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes, with amendments of the Senate thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, ABBITT, HOPE, and AUGUST H. ANDRESEN.

CROP INSURANCE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3825) to amend the Federal Crop Insurance Act, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 6, after "Board" insert: "*Provided*, That, except in the case of tobacco, such insurance shall not extend beyond the period the insured commodity is in the field."

Page 2, line 21, after "1950," insert "and continuing through the crops planted for harvest in 1951, 1952, and 1953."

Page 2, line 25, strike out "in which such insurance was provided in the previous year" and insert "specified above."

Page 6, line 19, strike out "and livestock."

Page 6, line 22, strike out "and livestock."

Page 7, after line 19, insert:

"SEC. 11. The expanded program authorized herein shall be instituted beginning with the 1950 crop year, the additional cost for fiscal year 1950 to be financed, pending the appropriation of supplemental funds, from any appropriation available for operating and administering expenses of the Corporation for such fiscal year."

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

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the amendments adopted by the other body?

Mr. COOLEY. Mr. Speaker, the bill passed by the House authorized the Crop Insurance Corporation to investigate the feasibility of an insurance program for livestock. The other body eliminated that provision. The other change involved was with regard to the limitation upon insurance. The House had language in the bill which I believe was adopted during the Eightieth Congress, which restricted the insurance to crops while in the field.

We eliminate the words "in the field," in the bill which passed the House. The Senate amendment makes crop insurance available only on tobacco after it leaves the field. On other crops it is limited to the crop while it is in the field.

Mr. HOPE. But it leaves the same restriction as in the present law, except as to tobacco?

Mr. COOLEY. That is true.

Mr. HOPE. And those are the only changes made by the Senate?

Mr. COOLEY. That is correct.

Mr. HOPE. I withdraw my reservation of objection, Mr. Speaker.

Mr. MURRAY of Wisconsin. Mr. Speaker, reserving the right to object, I think it might be well to call attention to some good things which the Eightieth Congress did. Many people have been told that they did not do very much good. Here is one legislative act of many where the Eightieth Congress made a constructive approach. It straightened out this crop-insurance mess. If you will check up, you will notice there is $73,000,000 written off in this noble experiment. The activities of the Eightieth Congress resulted in bringing this crop-insurance waste to a head.

We put a little sense into the program. You can go out and tell your people now that there is a crop-insurance program in operation that has some merit in it. It is now on an experimental basis. It is to be regretted that so many millions of dollars were wasted by the "wasters" before the Eightieth Congress straightened it out.

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

WEBER BASIN RECLAMATION PROJECT, UTAH

Mr. PETERSON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2391) to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior, through the Bureau of Reclamation, is hereby authorized to construct, operate, and maintain the Weber Basin project to consist of reservoirs, irrigation and drainage works, power plants, transmission lines, and similar works in and near Morgan, Davis, Summit, and Weber Counties, Utah, for the purposes of supplying irrigation water to lands, both new and presently irrigated; supplying municipal, industrial, and domestic water; controlling floods; and generating and selling electric energy to help meet the short supply of power in the area and as a means of making the whole project self-supporting and financially solvent; and for other beneficial purposes (including, but without limitation, the control and catchment of silt, improvement of the general quality of the water, the preservation and propagation of fish and wildlife, and the provision and improvement of recreational facilities), at an estimated cost of $69,500,000, all in substantial accord with the recommendations made in that certain report, dated July 15, 1949, of the regional director, region IV, Bureau of Reclamation, entitled "Weber Basin project, Utah."

SEC. 2. The Secretary is authorized to apportion equitably the costs of constructing, operating, and maintaining (including therein reasonable provision for replacement) the project works herein authorized between, on the one hand, their flood control, recreational, and fish and wildlife purposes and, on the other hand, their irrigation, power, municipal, and other water-supply purposes. The former allocations shall be nonreimbursable and nonreturnable. The latter allocations shall be reimbursable and returnable: *Provided*, That general repayment obligations undertaken pursuant to subsections (c) and (d) of section 9 of the Reclamation Act of 1939 may extend over a period not exceeding 60 years.

SEC. 3. As a condition precedent to construction of any of the irrigation or drainage works herein authorized, there shall be established an organization in the State of Utah with powers satisfactory to the Secretary, including the power to tax property both real and personal within its boundaries and the power to enter into a contract or contracts with the United States for payment of reimbursable costs allocated to irrigation, municipal water supply, and other miscellaneous purposes.

SEC. 4. This act shall be a supplement to the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), the provisions whereof shall govern the construction, operation, and maintenance of the Weber Basin project except as otherwise herein provided.

SEC. 5. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purposes of this act.

The SPEAKER. Is a second demanded? [After a pause.] The Chair hears none.

Mr. GRANGER. Mr. Speaker, I want to take this opportunity to tell the Members of the House that the project proposed in this bill, H. R. 799, known as the Weber Basin project, is the most important single reclamation project yet proposed for construction in the State of Utah, and that it is not confined by my congressional district alone.

This Weber Basin project is located in the center of the most populous section of Utah. It will not only serve the needs of irrigation, but also flood control, municipal water supplies, and recreation, any one of which would warrant the development of this project. This arid section must be irrigated, and the proposed project will provide a full season supply of water for this 100,400 acres of farm lands. The water is there if we will but construct the facilities to regulate and distribute surplus stream flows which fluctuate widely from season to season. Only with additional storage capacity and distribution can the utilization of this priceless natural resource—water—be realized.

The rapidly growing population of the Weber Basin area, where four large, permanent military installations—Hill Field, Utah General Depot, Ogden Arsenal, and the naval supply depot, were established during World War II, has greatly increased the demands for locally produced foods and other agricultural products. The population of this area has increased from 90,000 in 1940 to 127,000 in 1947, which is an increase of 41 percent, and represents 20 percent of the population of the State of Utah. There are in this area large acreages of land suitable for irrigation farming which can supply local demands for food if water is made available. An average of 285,000 acre-feet of water would be provided annually by this project, and of this total supply 245,000 acre-feet would be utilized by irrigation. Hydroelectric energy would be generated to supply project pumping energy during the irrigation season.

I mentioned that this project was important as a flood-control measure, and I know that I need not say more than that Weber Basin is located in a valley with high mountains to the north, the east, and the south. During the winter months, heavy snows cover these mountains and when spring thaws begin, the two rivers, known as the Ogden River and the Weber River, cannot possibly hold the swollen streams, and so yearly spring floods are the result. This precious water rushes out over the lands and carries the topsoil into the Great Salt Lake. You will be interested in knowing that this project provides for further regulation of the flows of the Weber River by means of upstream reservoirs and an offstream reservoir on the east shore of Great Salt Lake. Flood damage along these rivers would be materially reduced by the storage regulation and canal diversions of flood flows.

Of course, with this increased population that I have mentioned, has come a need for increasing dependable supplies of municipal water. Water systems which were planned a decade ago have been overtaxed. Only the above-normal precipitation during the past few years has prevented serious shortages. If we should have a recurrence of extended periods of below-normal precipitation or of extreme drought, the situation would be critical. Of the total supply of water which it is anticipated will be made available by this project, 40,000 acre-feet would be used for municipal purposes in communities in Davis and Weber counties which comprise the new defense area.

While it is estimated that this project will approximate $70,000,000, I hasten to assure my colleagues that the benefits resulting from this project exceed the costs by a ratio of over 3 to 1.

You, of course, will be interested in the allocation of the costs of this project to the various purposes for which it has been planned, and I am glad to make this brief statement in that regard. The allocation of costs to flood control and fish and wildlife would, of course, be nonreimbursable in accordance with present law. Then, too, since recreational benefits are national in scope, the allocation to recreation should be made nonreimbursable by authorization of the project. At the same time, the allocation to irrigation and municipal water would be reimbursable.

It has been estimated that the project revenues from irrigation, municipal water, and power would be sufficient to pay all reimbursable capital costs in 60 years. The irrigators each year could pay their allocation of the operation, maintenance, and replacements costs, and could pay approximately $500,000 toward their allocation of capital costs.

The municipalities could pay costs allocated to them in a 40-year period and, in addition, would pay at the same rate for an additional 20 years to assist in the payment of costs allocated to irrigation.

In this respect, I should like to point out to you that farmers on reclamation projects in Utah have an excellent record of repayment. They are returning to the Government all costs properly chargeable to them and have not defaulted on any payment.

Utah is justly proud of its reclamation activities. You undoubtedly know that modern irrigation, as we know it today, had its beginning in Utah just 102 years ago, when the Mormon settlers first diverted water from City Creek to a little potato patch.

While we are proud of our past, we likewise know the value of irrigation and so we must plan for the future. As I said in the beginning, this project crosses congressional district lines, and its importance also crosses State lines. For, with the ever-increasing population of our Nation, now comes the need for well-watered farms for settlement of veterans and others who seek new lands to cultivate.

Just now we are all thinking in terms of more jobs, and so I want to point out that the authorization of the Weber Basin project will mean not only more food and more homes, but it will also mean more jobs. I do not refer to the comparatively few jobs that will be available to the construction of this project, but rather to the general economics of our Nation. It has been found through a study of national economics that when our western farms prosper, our businessmen of the North, the South, the East, and the West also prosper. Other States will supply some of the materials which go into the construction of this project, and after its completion, the new homes which will be built on newly created farms will make ready markets for other products, and so the cycle goes.

I hope I have given you a glimpse of what this project means to the people of the Weber Basin area, and that I have made clear my opinion that it is a sound investment of Federal funds which will be reimbursable. I do not want to close without mentioning again that the authorization of such projects is a foresighted method of strengthening national security.

Mrs. BOSONE. Mr. Speaker, if the West is going to continue to grow and sustain this growth in population, and if the West is going to remain the important part of the country it is today, reclamation projects are essential and must be ample.

The Weber Basin project is the biggest reclamation project ever introduced for the benefit of the State of Utah. Most of the $69,500,000 it provides will be repaid by the State. And let me say here that Utah does not owe the Government one single penny on reimbursable projects—this fact alone should be sufficient to justify passage of this bill by the House of Representatives.

Upon completion, this great project will reclaim 70,000 acres of new undeveloped lands which will provide homes for an extensive new farm population. In addition, it will supply much needed additional water for 30,000 acres—water not only for irrigation purposes but to quench the thirst and wash the clothes and meet the other culinary needs of the many people who already live in this area and the many others who will be drawn to it.

This great new reclamation project will be a long step forward in the development and progress of Utah.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A similar House bill (H. R. 799) was laid on the table.

TEMPORARY APPROPRIATIONS

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations, I call up House Joint Resolution 339, amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes, and ask for its consideration in the House as in Committee of the Whole.

The Clerk read the title of the resolution.

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

Mr. TABER. Mr. Speaker, I object.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 339.

The Clerk read the resolution as follows:

Resolved, etc., That Public Law 154 (81st Cong.), making temporary appropriations for the fiscal year 1950, and for other purposes, as amended, is hereby amended by striking out, in section (c) thereof, "or (3) August 15, 1949."

The SPEAKER. Is there a second demanded?

Mr. TABER Mr. Speaker, I demand a second.

Mr. CANNON. I ask unanimous consent, Mr. Speaker, that a second be considered as ordered.

The SPEAKER. Without objection it is so ordered.

There was no objection.

The SPEAKER. The gentleman from Missouri is recognized for 20 minutes, and the gentleman from New York will be recognized for 20 minutes.

Mr. CANNON. Mr. Speaker, again we are before the House with a continuing resolution.

All major appropriation bills had passed the House and been messaged to the Senate before the Easter holidays. Notwithstanding the ample time given for consideration on the other side, there are still pending four general appropriation bills which have not even been considered by the Senate, and two others of the annual supply bills which are now in conference. In response to this situation at the end of the fiscal year the House offered and the Congress enacted a joint resolution similarly extending appropriations to the end of July, July 31, 1949, thinking that all pending bills would be completed and disposed of by that time.

When the second deadline arrived, most of the bills were still undisposed of, and again the House passed a resolution extending the time until August 31, 1949. The Senate amended that to August 15 instead of August 31. We took for granted that indicated an intention to expedite action on the other side and final enactment by the middle of this month and agreed to the amendment.

Now the time has again expired and we have no choice but to pass a third continuing resolution.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I am glad to yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Will the gentleman tell us to what date this is extended?

Mr. CANNON. It is extended indefinitely. Apparently the Senate wishes to proceed without limitation.

Mr. AUGUST H. ANDRESEN. It could go on, then, for the balance of the Eighty-first Congress.

Mr. CANNON. It is possible that it could, but of course as a matter of fact we may reasonably expect to dispose of all bills in the next two weeks. We could very easily, with proper cooperation, dispose of them next week.

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

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

Mr. DINGELL. Mr. Speaker, what I wish to know is just how long we are going to continue this practice. I myself am getting fed up with it. There are four important bills over there. Somebody has been sitting on the lid; somebody ought to be forced to get off. We are encouraging a very dangerous practice.

My good friend from Missouri came here before the 1st of July and we made one concession to the other end of the Capitol. Before the end of July he goodnaturedly came and graciously did the same thing over again and another extension was granted. He now comes here a third time with a request for an indefinite extension. And for what purpose and with what effect? The departments may go out and spend all of this money without any restriction from the House. I think it is high time that the House asserted itself. Since it has the right to originate it has some right to tell somebody to get moving or else, and the "or else" is to not grant further extensions. I am getting fed up with it. We are being taken advantage of, and I do not think we should allow it. I think we could force action here in a hurry by refusing at this time to grant a further continuance. Then somebody would act and these bills in proper form would be brought here and enacted. I am sorry I am not in position to raise an objection under the circumstances, but I think somebody ought to be made to understand that we are not going to tolerate this sort of thing because we in this Chamber have respect for the people of the United States.

Mr. CANNON. There is just one correction which might be made in the gentleman's statement. The amount they may spend is not unlimited. The lowest figure in either bill, either the House or Senate bill governs.

It might be added that on this side of the Capitol we have made the most extraordinary record in legislative history, never before have the appropriation bills been handled so expeditiously and effectively as they were by the House this year.

Mr. DINGELL. And that record should not be smeared.

Mr. CANNON. Any responsibility for delay rests elsewhere.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not also true that this resolution provides that where an item is carried by one House and by only one House that that item shall prevail? In other words, following the line of argument offered by the gentleman from Michigan, the House has a definite responsibility when we are dealing with appropriation and revenue measures. If the other body has passed an item and the House has not approved of it, that item would prevail until such time as action is taken.

Mr. CANNON. In any event, the lowest figure in either bill governs.

I yield to the gentleman from New York [Mr. TABER].

CALL OF THE HOUSE

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

The SPEAKER. Will the gentleman withhold that point of order for a moment?

Mr. CHURCH. I withhold it for the time being, Mr. Speaker.

The SPEAKER. The Chair is very anxious that we get through with the few things that we have to do by a week from next Thursday. If we can accomplish that, it is the purpose of the Chair to try to arrange for us to get away until after Labor Day. Of course, if we are going to have unnecessary points of no quorum raised, and the Chair is not criticizing anybody, we may not be able to take a recess at all.

The gentleman from Illinois makes a point of order that a quorum is not present. Obviously a quorum is not present.

Mr. PRIEST. 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. 179]

Abbitt	Gwinn	Morton
Allen, Ill.	Hale	Norton
Auchincloss	Hall,	O'Neill
Bailey	Edwin Arthur	Pace
Barden	Halleck	Pfeiffer,
Baring	Hardy	William L.
Bland	Hart	Phillips, Tenn.
Bolton, Md.	Havenner	Plumley
Bolton, Ohio	Hébert	Powell
Breen	Heffernan	Price
Brown, Ohio	Heller	Redden
Buckley, N. Y.	Herlong	Reed, Ill.
Bulwinkle	Herter	Reed, N. Y.
Burke	Hinshaw	Rees
Burnside	Irving	Riehlman
Burton	Jackson, Wash.	Scott, Hardie
Case, N. J.	Jacobs	Scott,
Chatham	Jenison	Hugh D., Jr.
Chudoff	Kearney	Shafer
Clevenger	Kearns	Sikes
Cole, N. Y.	Keefe	Sims
Coudert	Kennedy	Smith, Ohio
Crosser	Kilburn	Spence
Davenport	Kruse	Staggers
Davies, N. Y.	Lesinski	Stanley
DeGraffenried	Lichtenwalter	Taylor
Denton	Lovre	Thomas, N. J.
Dolliver	Lucas	Tollefson
Durham	Lyle	Towe
Eaton	McCormack	Underwood
Elston	McCulloch	Vinson
Feighan	McGregor	Weichel
Fellows	McKinnon	Welch, Calif.
Fogarty	MsSweeney	Whitaker
Gamble	Macy	Wickersham
Gilmer	Magee	Wilson, Ind.
Golden	Martin, Mass.	Winstead
Gordon	Meyer	Wood
Gore	Miles	Woodhouse
Gregory	Miller, Nebr.	Zablocki

The SPEAKER. Three hundred and thirteen Members are present, a quorum.

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

EXTENSION OF REMARKS

Mr. HARVEY asked and was given permission to extend his remarks in the Appendix of the RECORD.

TEMPORARY APPROPRIATIONS

The SPEAKER. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Speaker, this resolution extends without date a continuing resolution which was passed here in the House before the 1st of July. It will result in making it impossible to have any pressure on the conferees to get a settlement of these appropriation bills and get things cleaned up so that the Congress can recess or adjourn. That is the trouble with this thing. There are about five or six bills hanging that ought to be approved and there is one conference report.

Mr. Speaker, if we pass this resolution the effect will be that the different departments and agencies can go ahead throughout the year and spend up to the amount of the lowest figure in the bill relating to them in either House; if the bill has passed only one House the figure that is contained in that bill will govern. We should immediately get these conference reports through and cleaned up. It is going to be impossible to recess or adjourn this Congress unless we do, and we have got to have the pressure of immediate action and the necessity for it on those conferees to get a settlement. I believe that we can get a settlement that will be more beneficial to the Treasury of the United States if we do not pass this resolution.

On many occasions there have been periods of from 10 days to 2 weeks and I understand in one case 6 weeks when there were no funds available that could be obligated. It will do no harm if we have that situation for the next 3 or 4 days or 10 days; in fact, it will help to get a settlement of these appropriation bills and we will get through. I hope the House will not agree to this resolution.

I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, perhaps something that I may say may be repetitious, at least in substance, of what the gentleman from New York just said, but I think it will be good for us to hear it again in another way. The appropriation bills passed by the House and reposing at the other end of the Capitol if amended while there by committee or by individual action on the floor would then have to be validated as a matter of moral obligation by the House whenever any expenditure or commitment had been made. That to my lay mind, is wrong, because it is unjustified and unnecessary. By any line of reasoning it is indefensible.

The temper of the House, as I sense it, is to force action, prompt and positive. If the departments are going to be inconvenienced, let the fault be placed where it belongs. It will not fall upon the membership of the House which made an all-time record in promptly handling appropriations. Let the Members of Congress, if need be, go without their pay due to these inexcusable delays. Let the chips fall where they may. They have had two strikes already, and I refer to those who have delayed these appropriation bills. Now force them to hit or strike out.

I am not going to make any excuses for somebody else without a sound reason. Let whoever is to blame stew in his own juice. That is my determination at this time and I am not going to vote to grant any additional time to whoever is causing the delay. We in the House are in the clear.

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

Mr. DINGELL. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Does the gentleman recall any instance in any Congress where we have had three continuing appropriation bill delays?

Mr. DINGELL. No; I do not recall three, but I do know that these delays are always caused by too much exertion and time being lost in bowing and talking about nothing. I am getting fed up with the practice.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I have been informed that the entire ECA program is endangered by this untimely delay.

Mr. DINGELL. Yes, and everything else, too, is jeopardized. There is a very important military bill on the national defense that is endangered. I cannot enumerate all of the bills at the moment which are involved, but everyone is familiar with what they are. They are four or five in number and they ought to be acted upon promptly to become law.

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

Mr. DINGELL. I yield to the gentleman from New York.

Mr. TABER. I will name them.

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

Mr. TABER. Mr. Speaker, I yield the gentleman 2 minutes.

There is the independent offices appropriation bill. The Interior bill has not been passed by the Senate. The military bill has not been passed by the Senate. The third deficiency bill has not been passed by the Senate. The foreign-aid bill is in conference. The civil-functions bill is in conference; no agreement.

Mr. DINGELL. They all ought to be out?

Mr. TABER. They all ought to be out.

Mr. DINGELL. It is no fault of ours that they are not passed and that the bills have not been signed?

Mr. TABER. Not a bit. We have been on the job every minute.

Mr. DINGELL. If there would be less talk and a little more action the bills would be through by this time.

Mr. TABER. That is right and we would not be arguing about them now.

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

Mr. DINGELL. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to compliment the gentleman. I feel that he, like every other Member of the House, feels that they are not going to vote in favor of this thing. We can delay this and wait at least 3 or 4 days, then maybe we will get some of these things through.

Mr. DINGELL. I think this thing will make somebody move anyway.

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

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL of Michigan. Mr. Speaker, every departmental appropriation bill had passed the House and was on its way to the Senate on April 13, 1949. It was the first time that this was done in the 13 years I have served on the Appropriations Committee.

We had high hopes of adjourning before the 1st of July. The rules of the House prevent me from saying what I would like to say with regard to the delays in the other body in passing these bills. The rules do not prevent me from giving the facts, however.

The civil-functions appropriation bill has been in conference since June 1.

The Department of the Interior appropriation bill passed the House on March 30, was reported to the Senate on June 13, and has not yet passed the other body.

The armed services bill has as yet not passed the other body despite the fact that it passed the House on April 13. Our subcommittee worked hard and for long hours to get that bill on its way. But since April 13 it has been resting more or less peacefully in that other body.

The independent offices appropriation bill passed the House on April 14, passed the other body on August 2, and is in conference.

The foreign-aid bill is in conference.

The third deficiency bill passed the House June 24, was reported to the other body August 5.

I do not want to go home, Mr. Speaker, until these departmental appropriation bills have been passed. It is our duty to stay here until they are passed.

I am not going to vote for a continuing resolution unless a definite date is set limiting the time which it is in force. A continuing resolution without a definite date means that the other body can delay the passage of these appropriation bills until the next session of Congress. I shall vote against any 3-day recesses until and unless these appropriation bills are passed. There is no excuse for them not having been passed now. We have been in session eight long months and these bills have been in the other body for 4 months or more. They have a responsibility as well as we. Until the national defense appropriation bill is passed we do not know whether we are going to have a 58- or a 48-group air force. We do not know what kind of an Army, Navy, or Air Force we are going to have, as to numbers or equipment. Every day we delay the passage of this bill, means that we are hamstringing national defense and the House is not responsible. The civil-functions bill contains all rivers and harbors and flood-control projects as well as maintenance money. Until that bill is passed no one will know how much any project is going to have to expend. In other years we were able to let our contracts immediately after July 1. With conditions as they exist today 3 months or the first quarter of the fiscal year 1950 will have passed without anyone knowing how much a project is going to be given. The engineers do not know how much they are going to have for maintenance. I am hoping we can get together on this bill before a recess. It has been in conference now since the first day of June.

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

Mr. ENGEL of Michigan. I yield to the gentleman from Michigan.

Mr. RABAUT. The gentleman is referring to a definite date, and he wants a definite date established. They have had two definite dates established up to the present time, July 31 and August 15. Today is the 15th of August, so we proceeded along the very line to which the gentleman has referred.

Mr. ENGEL of Michigan. I would give them a definite date and say "This is the last time" and then let them sweat.

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

Mr. ENGEL of Michigan. I yield to the gentleman from Mississippi.

Mr. RANKIN. As a matter of fact, this resolution will not amount to anything unless the Senate passes it, too, will it?

Mr. ENGEL of Michigan. That is right.

Mr. RANKIN. The Senate is not the only one to blame for holding up this legislation; we know that.

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

Mr. ENGEL of Michigan. I yield to the gentleman from Pennsylvania.

Mr. RICH. They have had two extensions of time up to this time. If you give them another extension how does the gentleman know that they will agree to have the bills passed by that time?

Mr. ENGEL of Michigan. I do not know.

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

Mr. ENGEL of Michigan. I yield to the gentleman from Michigan.

Mr. DONDERO. What will happen if the House turns down or refuses to pass this measure?

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

Mr. ENGEL of Michigan. I yield to the gentleman from New York.

Mr. TABER. Then the Senate conferees will come to their milk.

Mr. ENGEL of Michigan. I hope they will.

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

Mr. ENGEL of Michigan. I yield to the gentleman from Ohio.

Mr. BREHM. This bears out the contention that the Senate is known as the greatest deliberative body in the world.

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

Mr. ENGEL of Michigan. I yield to the gentleman from Illinois.

Mr. CHURCH. Would the gentleman cite any instance where such considerable amounts were involved, where Congress abdicated its power more than it has today by this action, without a definite date?

Mr. ENGEL of Michigan. The War Department, the Navy, the Air Corps, the Veterans' Administration, rivers and harbors and flood-control projects are all depending on the passage of their appropriation bills before they can make definite plans or know where they stand financially. To pass a continuing resolution without a definite date limiting the time it will run, means that we are merely encouraging the other body in delaying the passage of these vital appropriation bills. Again I for one do not want to go home until they are passed.

Mr. CANNON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I do not like the idea of having to wait on the other body any more than other Members of the House do, but we are up against a practical proposition. It is not a speculative thing. Unless this resolution is passed, after today certain of the departments will have no funds with which to operate. Like the gentleman from Michigan [Mr. ENGEL] I have been particularly concerned about the Army, the Navy, and the Air Force, because we have worked jointly on that subcommittee to handle that bill. I am not willing to vote today against this continuing resolution because I know it is physically impossible for this bill to be presented to the other body and to pass the other body, and for us to agree in conference, within a day or so. It is not physically possible at this time. In my judgment, the legislation in question should have all been disposed of and sent to the White House, but that is not the fact. We have to vote today on the basis of the facts as they are.

Our military operations are far-flung. They extend around the world. I am not going to paralyze our military operations, hamper military officials to where they cannot spend money or contract money or obligate money to carry on this very vital program in the United States and around the world. I cannot do it. We are going to have to pass some kind of continuing resolution. If the House wants to fix a definite date in the resolution, that is all right with me, but I cannot just vote to leave the Government in utter confusion and chaos by refusing to approve this resolution.

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

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

Mr. DINGELL. If we pass this resolution, the other body will have to act affirmatively on it to make it effective.

Mr. MAHON. There is no doubt the other body will have to do that.

Mr. DINGELL. They can find time to do that; can they not?

Mr. MAHON. Of course.

Mr. DINGELL. Then they can find time to validate the bills we send over there.

Mr. MAHON. They can in the future.

Mr. DINGELL. They can now.

Mr. MAHON. But the mistakes of the other body, if any, have been made. It is certainly too late now completely to rectify them. They have to have some time beyond today to pass these major bills. As one of the conferees on the military bill, I do not feel we should be so rushed for time that we should have to go over there and say, "Yes, yes, we will adopt the bill as written by the other

body and disregard the wishes of the House." We are going to have to stand pat with reference to certain controversial issues that can arise in that bill as in other bills.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. BOGGS of Louisiana. Will the gentleman inform the House as to the date when this legislation was referred to the other body?

Mr. MAHON. All of our major appropriation bills——

Mr. BOGGS of Louisiana. I am talking about the bill on which the gentleman is a conferee, the military bill.

Mr. MAHON. I believe the 12th or 13th of April. It has been a considerable time.

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

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

Mr. RICH. I cannot understand why the author of this resolution we are now considering comes in here and sets no date. If we handled it twice before by an extension of time, why not set a definite time now? If you do not do that, the thing can run on here until January or next July. It does not seem as if it is good business. I think you ought to set a definite time in this resolution.

Mr. MAHON. I have no objection to fixing a date, but certainly it would take, say, a couple of weeks to go through the legislative mill on the military appropriation bill and come to an agreement on other major bills, and act on the three or four deficiency bills in addition to the others mentioned.

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

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. The gentleman from Texas said he had no objection to fixing a date; in fact, he thinks it is a good idea. That is the fix most of us on this side are in. We do not like to agree to an indefinite time, yet we recognize the impossibility of cutting off all Government funds after today, which might result in a disaster to our armed forces and other Government agencies. Can we not by unanimous consent amend this today to fix a definite date 15 or 25 days in advance, so the Senate will then have a target date at which to shoot?

Mr. MAHON. I think some date might be fixed. I do not think it is essential that it should be fixed. The end result will be about the same. I shall vote for the resolution because I cannot see any other thing to do without leaving important agencies of the Government in utter chaos.

Mr. TABER. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I shall try to set forth what is embodied in this resolution so we will know exactly what we are voting on.

In the first place, keep in mind that this matter has been brought up under suspension of the rules. The resolution, therefore, is not amendable and requires a two-thirds vote for passage.

Now, the position of the House conferees is not as helpless as it might appear from the remarks made by the gentleman from Texas. When the House goes into conference on an appropriation bill it does not have to say "Yes, yes." The precedents on comity between the two branches suggest that when conferees meet and have reached a stage of disagreement and cannot get anywhere, in the final analysis it is up to the body which has proposed amendments to recede from their position. Appropriation bills originate in the House of Representatives. If the conferees are unable to agree, eventually the House position will prevail. Our conferees do not have to "Yes, yes."

The end of the legislative process is agreement and when the proponent of change cannot win the other to his point, the original position must prevail. But I do not expect any such extreme situation to develop on any of the bills still out. If we fail to pass this resolution, what I expect is that the Members of the other body and the conferees will hear from home, because they want some action on these bills. Give and take will follow and agreements will be reached.

There are five appropriation bills that remain to be finally acted upon at this time. Each one has been at the other end of the Capitol for a long time. This is August 15.

The Interior Department appropriation bill was passed by the House on the 30th of March and went to the other body immediately thereafter. The armed services appropriation bill passed the House on the 13th of April and went to the other body immediately thereafter. The third deficiency appropriation bill, which was supposed to be the final clean-up bill, was passed by the House on the 24th of June and went to the other body. The foreign-aid appropriation bill was passed by the House on the 26th of May and went to conference immediately thereafter. The civil functions appropriation bill was passed by the House on the 29th of March and went to conference immediately thereafter.

It is now August 15, 6 weeks into the new fiscal year, and the Government agencies should be working out their next year's budgets instead of wondering what they will get for the current year.

Mr. Speaker, the other body has had more time to consider these bills than in any other year that I can remember. All of them should have cleared by June 30, the end of the old fiscal year. Unless there is some compulsion or persuasion to require action, this situation will run on and on. If you pass such a resolution as this, providing for an indefinite continuance of old appropriations, nothing is going to happen.

Mr. DINGELL. Mr. Speaker, will the gentleman yield briefly for a question?

Mr. CASE of South Dakota. Yes, I yield.

Mr. DINGELL. If the delay continues then the House conferees will have to say "yes, yes" and that is the maneuver from the other side.

Mr. CASE of South Dakota. If so, it is a mistaken maneuver. But now, turn for a minute to the exact content of the public law which it is proposed to extend by the pending resolution. It provides for continuing appropriations on the basis of last year's figures or the 1950 budget estimates. But there are two provisos and a clause B which determines what this continuing resolution actually does in dollars.

The first proviso says that—

> In any case where the amount to be made available or the authority to be granted under any such act as passed by the House is different from the amount to be made available or the authority to be granted under such act as passed by the Senate, the pertinent project or activity shall be carried out under whichever amount is lesser or whichever authority is more restrictive.

In other words this says that where there are items in both bills, or where there is authority in both bills and the Senate's figure is less or its language is more restrictive, the Senate position would prevail. Why should the House surrender its right to initiate appropriations and the conditions of their expenditure?

The second proviso is that—

> In any case where an item is included in an appropriation act which is passed in only one House and there was an appropriation for it in 1949, such project or activity shall be carried on under the appropriation funds or authority granted by the one House.

Suppose the House had denied funds and the other body included them. In that case the wishes of the other body will prevail while this resolution continues. That is what that amounts to.

Strangest surrender, however, is where the Budget asked for something which neither body approves.

Clause B provides that as to items for which neither House nor Senate has provided, and where there was an appropriation last year, and where there has been a budget estimate, then—of all things—that the budget estimate shall be the appropriation even though neither house has approved it nor included it in its bill.

When we pass these continuing resolutions, we encourage delay and procrastination. Twice already we have given extra time and set up a target date: Once for July 31, and then August 15—now it is proposed that we take that target date out altogether and say "Take as long as you want. If only one body has approved funds, you can proceed on that figure or on the budget estimate. Where neither house has provided an appropriation let the budget estimates prevail."

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

Mr. CASE of South Dakota. I yield.

Mr. HAND. I imagine the gentleman recalls the resolution originally provided August 31 and it was amended in the other body.

Mr. CASE of South Dakota. Probably because at that time they felt they needed a little compulsion, a target date. How it can be argued that the failure to meet either deadline calls for quitting, I do not see. Let us continue the compulsion of necessity for action and defeat this resolution.

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

Mr. CASE of South Dakota. I yield.

Mr. CRAWFORD. If this resolution is not amendable, how long would it take to bring in another resolution?

Mr. CASE of South Dakota. I am glad the gentleman brought that point up, because let us not be too worried about whether we have any resolution for a few days. Many times we have gone on for 10 days or more without a continuing resolution. We are already past the middle of the month pay-roll period. If there should be a few days that the agencies do not see the money for their next pay roll, it will become clear where delay exists and we will get some action. Somebody will hear from home.

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

Mr. CANNON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, the last speaker, the gentleman from South Dakota, said, "Let us not be in a hurry to pass this resolution." The indirect inference is of course, an indifference to the agencies of the Government whose functions are affected by this legislation. Each time a delay occurs the agencies set up their work for the period of the extension and the taxpayer pays the bill. We have had a demonstration of this in the Deficiency Subcommittee when the housing bill was before us, for funds to implement the bill recently passed. I said, "How long has this been in operation?" "Thirty days." "Well, what are you doing now?" "Well, we have it in operation now for 30 days more."

With every such set-up there is an involvement of bookkeeping and expense to the Government. That is No. 1.

Now, twice we have set a time limit, and today is the dead line on the second time limit. I blame no one in this body for being very provoked at the dilatory tactics of another body. They had their opportunity earlier in the year to limit debate but they preferred to cling to old customs. They are now the victims of their decision and we are the victims with them this year for the delay so effected.

But I see no reason why we should not proceed to pass this resolution, regardless of whether or not we have projects in our individual districts which fact may be somewhat influencing our decisions. The nobility of proper action in this regard was demonstrated today in the Appropriations Committee by the distinguished gentleman from North Carolina, the Honorable JOHN KERR, chairman of the Subcommittee on Deficiencies, when he moved that we proceed to pass this resolution. That was enought for me, and I hope it will be enough for you.

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

Mr. CANNON. Mr. Speaker, I must confess that I am not wholly out of sympathy with much that has been said today; but we must be practicable. It is inconceivable that in the absence of statutory funds, we should not pass a continuing resolution and leave the Government stalled and drifting. The far-reaching effects are so serious that it is impossible to catalog them at this time. There is no alternative to a continuing resolution.

If this motion should be defeated, we must then apply to the Committee on Rules, which has until tomorrow to bring in a resolution, which will only require a majority vote.

I might say also, Mr. Speaker, that the indefinite date has its practical value. We have discovered by two experiences that establishing a date is ineffective if we do not have cooperation from the other side. But in addition to that all departments of the Government affected have been for the last 6 weeks living from hour to hour. They have to readjust their schedules after each one of these resolutions; it means a tremendous change and a lot of extra bookkeeping. It creates a disorganizing situation generally, and on the other hand nothing is lost by passing this resolution.

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

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that they have to juggle the bookkeeping anyway when conference reports are agreed to?

Mr. CANNON. I never heard that they did any juggling, but may I call the attention of the gentleman to the serious import of the course he proposes.

A few examples may serve to illustrate. For instance, agencies operating hospitals, such as the Bureau of Indian Affairs and the Veterans' Administration, will have patients to take care of with no funds available.

The Veterans' Administration must stop paying veterans' pensions and other benefits, due for periods beginning August 16, as they will have neither the authority nor the funds to make payments.

The Army, the Navy, and the Air Force will have no authority for pay of military personnel, for discharge pay and transportation home of enlisted personnel, or for burial of deceased members of the military forces or for purchase of food. A man whose enlistment has expired and who would be eligible for discharge on August 16 might have to wait at his post of duty until funds are available to pay his fare home.

The Maritime Commission would have no authority to pay the expenses of trainees leaving schools.

The Interior Department and the Corps of Engineers of the Army will be unable to pay contractors' earnings and probably would have to close down some construction projects. These shut-downs would result in added cost to the Government connected with reopening construction. What these claims would amount to it is not possible to measure, but the cost to the Government would be substantial.

The Interior Department will not have cash to employ local personnel for fighting forest fires on the public domain. The loss to the Government and the country of valuable timber, range lands, and other property might be appreciable.

The Economic Cooperation Administration can operate for only 30 days on a liquidation basis and must cease all procurement immediately. Even a few days' lag in procurements would disrupt the schedules and could seriously impair the effectiveness of the program.

These and many other similar problems will arise, to say nothing of the general chaotic condition which will obtain throughout the agencies whose funds are suspended. The cost of sending telegrams and cablegrams all over the world to advise local offices as to the situation will itself be a considerable expense.

Mr. Speaker, but certainly it will relieve the situation and stabilize procedure in all Departments affected if we pass this resolution without a definite date.

So, Mr. Speaker, the practical thing is to agree to this resolution. If we do not pass it today it will be called up tomorrow, or the next day under a rule. Why not pass it now and be done with it and contribute that much to an early adjournment?

The SPEAKER. The question is on the motion to suspend the rules and pass the bill.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 176, nays 145, not voting 111, as follows:

[Roll No. 180]

YEAS—176

Abernethy	Furcolo	Murray, Tenn.
Addonizio	Garmatz	Noland
Andrews	Gary	Norrell
Aspinall	Gathings	O'Brien, Ill.
Barrett, Pa.	Gorski, Ill.	O'Brien, Mich.
Bates, Ky.	Gorski, N. Y.	O'Hara, Ill.
Battle	Gossett	O'Sullivan
Beckworth	Granahan	O'Toole
Bennett, Fla.	Granger	Passman
Bentsen	Grant	Patman
Biemiller	Green	Patten
Blatnik	Hardy	Perkins
Bolling	Hare	Peterson
Bolton, Md.	Harris	Pfeifer,
Boykin	Havenner	Joseph L.
Brooks	Hays, Ark.	Philbin
Brown, Ga.	Hays, Ohio	Poage
Bryson	Hedrick	Polk
Buchanan	Hobbs	Preston
Buckley, Ill.	Howell	Priest
Burleson	Huber	Quinn
Burnside	Johnson	Rabaut
Byrne, N. Y.	Jones, Ala.	Ramsay
Cannon	Jones, Mo.	Regan
Carlyle	Jones, N. C.	Rhodes
Carnahan	Karst	Ribicoff
Carroll	Karsten	Richards
Cavalcante	Kee	Rodino
Celler	Kelley	Rogers, Fla.
Chelf	Keogh	Rooney
Chesney	Kerr	Roosevelt
Christopher	Kilday	Sabath
Chudoff	King	Sadowski
Clemente	Kirwan	Sasscer
Colmer	Lane	Secrest
Combs	Lind	Sheppard
Cooley	Linehan	Spence
Cooper	Lynch	Sullivan
Crook	McCarthy	Sutton
Crosser	McGrath	Tackett
Davis, Ga.	McGuire	Tauriello
Davis, Tenn.	McMillan, S. C.	Teague
Dawson	Mack, Ill.	Thomas, Tex.
Deane	Madden	Thompson
Dollinger	Mahon	Thornberry
Donohue	Mansfield	Trimble
Douglas	Marcantonio	Underwood
Doyle	Marsalis	Wagner
Eberharter	Marshall	Walsh
Elliott	Miller, Calif.	Walter
Engle, Calif.	Mitchell	Welch, Mo.
Evins	Monroney	White, Calif.
Fallon	Morgan	Whitten
Fernandez	Morris	Whittington
Fisher	Morrison	Wier
Flood	Moulder	Wilson, Tex.
Forand	Multer	Yates
Frazier	Murdock	Young
Fugate	Murphy	Zablocki

NAYS—145

Albert	Anderson, Calif.	Barrett, Wyo.
Allen, Calif.	Andresen,	Bates, Mass.
Allen, La.	August H.	Beall
Andersen,	Angell	Bennett, Mich.
H. Carl	Arends	Bishop

Blackney	Heselton	Nixon
Boggs, Del.	Hill	Norblad
Boggs, La	Hoeven	O'Hara, Minn.
Bonner	Hoffman, Ill.	O'Konski
Bosone	Hoffman, Mich.	Patterson
Bramblett	Holifield	Phillips, Calif.
Brehm	Holmes	Pickett
Burdick	Hope	Potter
Byrnes, Wis.	Horan	Poulson
Camp	Hull	Rankin
Canfield	Jackson, Calif.	Rich
Case, S. Dak.	James	Rivers
Chiperfield	Javits	Rogers, Mass
Church	Jenkins	Sadlak
Cole, Kans.	Jennings	St. George
Corbett	Jensen	Sanborn
Cotton	Jonas	Scrivner
Cox	Judd	Scudder
Crawford	Kean	Short
Cunningham	Kearns	Simpson, Ill
Curtis	Keating	Simpson, Pa.
Dague	Klein	Smathers
Davis, Wis.	Kunkel	Smith, Kans.
Delaney	Lanham	Smith, Va.
D'Ewart	Larcade	Smith, Wis.
Dingell	Latham	Steed
Dondero	LeCompte	Stefan
Doughton	LeFevre	Stigler
Ellsworth	Lemke	Stockman
Engel, Mich.	Lodge	Taber
Fenton	McConnell	Talle
Ford	McDonough	Van Zandt
Fulton	McMillen, Ill.	Velde
Gavin	Mack, Wash.	Vorys
Gillette	Macy	Vursell
Golden	Martin, Iowa	Wadsworth
Goodwin	Mason	Werdel
Graham	Merrow	Wheeler
Gross	Michener	Wigglesworth
Hagen	Miller, Md.	Williams
Hand	Mills	Willis
Harden	Murray, Wis.	Wilson, Okla.
Harrison	Nelson	Withrow
Harvey	Nicholson	Wolcott

NOT VOTING—111

Abbitt	Halleck	Price
Allen, Ill.	Hart	Rains
Auchincloss	Hébert	Redden
Bailey	Heffernan	Reed, Ill.
Barden	Heller	Reed, N. Y.
Baring	Herlong	Rees
Bland	Herter	Riehlman
Bolton, Ohio	Hinshaw	Scott, Hardie
Breen	Irving	Scott, Hugh D., Jr.
Brown, Ohio	Jackson, Wash.	Shafer
Buckley, N. Y.	Jacobs	Sikes
Bulwinkle	Jenison	Sims
Burke	Kearney	Smith, Ohio
Burton	Keefe	Staggers
Case, N. J.	Kennedy	Stanley
Chatham	Kilburn	Taylor
Clevenger	Kruse	Thomas, N. J.
Cole, N. Y.	Lesinski	Tollefson
Coudert	Lichtenwalter	Towe
Davenport	Lovre	Vinson
Davies, N. Y.	Lucas	Weichel
DeGraffenried	Lyle	Welch, Calif.
Denton	McCormack	Whitaker
Dolliver	McCulloch	White, Idaho
Durham	McGregor	Wickersham
Eaton	McKinnon	Wilson, Ind.
Elston	McSweeney	Winstead
Feighan	Magee	Wolverton
Fellows	Martin, Mass.	Wood
Fogarty	Meyer	Woodhouse
Gamble	Miles	Woodruff
Gilmer	Miller, Nebr.	Worley
Gordon	Morton	
Gore	Norton	
Gregory	O'Neill	
Gwinn	Pace	
Hale	Pfeiffer	
Hall, Edwin Arthur	Phillips, Tenn.	
Hall, Leonard W.	Plumley	
	Powell	

So (two-thirds not having voted therefor) the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Fogarty and Mr. Gore for, with Mr. Herter against.

Mrs. Norton and Mr. Hart for, with Mr. Smith of Ohio against.

Mr. McCormack and Mr. McSweeney for, with Mr. Brown of Ohio against.

Mr. Vinson and Mr. Wood for, with Mr. Taylor against.

Mr. Price and Mr. Breen for, with Mr. Dolliver against.

Mr. Baring and Mr. Gordon for, with Mr. Coudert against.

Mr. Gregory and Mr. Heffernan for, with Mr. Hinshaw against.

Mr. Davenport and Mr. Denton for, with Mr. Allen of Illinois against.

Mr. Kennedy and Mr. Magee for, with Mr. Reed of Illinois against.

Mr. McKinnon and Mr. Staggers for, with Mr. Cole of New York against.

Mr. Bailey and Mr. Buckley of New York for, with Mr. Lichtenwalter against.

Mr. Powell and Mr. Kruse for, with Mr. Shafer against.

Mrs. Woodhouse and Mr. Feighan for, with Mr. Hardie Scott against.

Mr. O'Neill and Mr. Jackson of Washington for, with Mr. Hugh D. Scott Jr., against.

Mr. Davies of New York and Mr. Lesinski for, with Mr. Elston against.

Mr. Whitaker and Mr. Jacobs for, with Mr. Meyer against.

Mr. Gilmer and Mr. Irving for, with Mr. Kearney against.

Mr. Burke and Mr. Heller for, with Mr. Riehlman against.

Until further notice:

Mr. Winstead with Mr. Towe.

Mr. Wickersham with Mr. Tollefson.

Mr. Pace with Mr. Auchincloss.

Mr. Abbitt with Mr. Case of New Jersey.

Mr. Worley with Mr. Wolverton.

Mr. Burton with Mr. Reed of New York.

Mr. Stanley with Mr. Martin of Massachusetts.

Mr. Sikes with Mrs. Bolton of Ohio.

Mr. Lucas with Mr. Eaton.

Mr. deGraffenried with Mr. Miller of Nebraska.

Mr. Lyle with Mr. McGregor.

Mr. Durham with Mr. Halleck.

Mr. Redden with Mr. Gamble.

Mr. Rains with Mr. Leonard W. Hall.

Mr. Chatham with Mr. Weichel.

Mr. Sims with Mr. Woodruff.

Mr. Hébert with Mr. William L. Pfeiffer.

Mr. Herlong with Mr. Phillips of Tennessee.

Mr. Bland with Mr. McCulloch.

Mr. Barden with Mr. Gwinn.

Mr. YOUNG changed his vote from "nay" to "yea."

Mr. EBERHARTER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

PUBLIC WORKS FOR DEVELOPMENT OF TERRITORY OF ALASKA

Mr. PETERSON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 855) to authorize a program of useful public works for the development of the Territory of Alaska.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Alaska Public Works Act."

SEC. 2. The Congress hereby declares that the purpose of this act is to foster the settlement and increase the permanent residents of Alaska, stimulate trade and industry, encourage internal commerce and private investment, develop Alaskan resources, and provide facilities for community life, through a program of useful public works.

SEC. 3. The Administrator of General Services (hereinafter referred to as the "Administrator") is hereby authorized to accept applications for public works in the Territory of Alaska from the said Territory or from any city, town, district, or other public body in said Territory (said Territory or other public body submitting an application hereunder being hereinafter referred to as the "applicant"). Each of such applications shall include a statement by the Governor of the Territory respecting the need for the public works requested and the financial ability of the applicant to defray the cost of the public works.

SEC. 4. Whenever the Administrator, with the concurrence of the Secretary of the Interior, given after consultation with such other Federal agencies as have a substantial interest in the public works requested in any such application, concludes that such public works, as requested or as revised by him, will effectuate the purposes of this act and should be provided hereunder, he may include them in the program of public works for the Territory of Alaska.

The Administrator is further authorized to provide, within the limits of the appropriations available therefor, any public works included in such program. The authority to provide public works hereunder shall include the power to acquire, construct, and equip public works, clear and improve sites therefor, improve, extend, alter, rehabilitate, repair, or remodel existing public works, and prepare surveys, drawings, specifications, and contract and other construction documents.

As used in this act, the term "public works" is intended to mean public facilities, such as schools, hospitals, sewer, water, and other public-utility facilities, wharf, dock, and other harbor facilities, bridges, roads, sidewalks, streets, alleys, and other public thoroughfares, college and institutional buildings and facilities (including dormitories and quarters for students, inmates, and employees), libraries, firehouses, and other public buildings, incinerators and garbage-disposal facilities, and other public and community facilities.

SEC. 5. The Administrator, in providing public works for any applicant hereunder, shall enter into an appropriate agreement with the applicant pursuant to which the applicant shall agree, in consideration for such public works, to operate and maintain the public works at its own expense and to pay to the United States at such time or times as may be mutually agreed, a purchase price deemed by the Administrator to be reasonable and in the public interest. Such purchase price shall in no event be less than 25 percent nor more than 75 percent of the estimated cost or the actual cost, whichever is the lesser, to the United States of said public works, as determined by the Administrator, and the aggregate amount agreed to be paid by the applicants under all said agreements shall be sufficient, in the determination of the Administrator, to enable the United States to recover in the aggregate not less than 50 percent of the total estimated cost to the United States of all the public works provided under this act, it being the intent that the Administrator shall ultimately recover and cover into miscellaneous receipts approximately one-half of the total Federal funds expended for the provision of public works under this act. Upon completion of the public works the Administrator shall transfer to the applicant, in conformity with the provisions of said agreement, possession of and all rights, title, and interest of the United States in and to said public works. Any portion of the purchase price remaining unpaid on the date of such transfer, shall bear simple interest at 2 percent per annum from such date to the date of payment.

SEC. 6. To facilitate carrying out the purposes of this act, any applicant hereunder is authorized to enter into agreements with the United States, perform the obligations assumed thereunder, pay to the United States the amount agreed upon for the public works, out of any funds available to the applicant not otherwise appropriated, and, in connection with any project described in any such agreement incur indebtedness, issue general obligation or revenue bonds, levy taxes which shall be uniform upon the same class of subjects, impose special assessments, fix and

collect charges for services rendered by the public works, operate and maintain public works included in said program, acquire by purchase, condemnation, donation, or otherwise such interests in land as may be necessary to provide public works hereunder, and grant to the United States, without reimbursement, any permit, license, or right to use land and other property in the possession of the applicant as may be necessary to enable the Administrator to carry out his functions hereunder. The powers granted under this section shall be in addition to the powers heretofore granted and may be exercised notwithstanding any other provisions of law.

SEC. 7. For the purpose of carrying out this act, any Federal agency having jurisdiction over any interest in land, whether improved or unimproved, necessary for providing public works hereunder may, in its discretion and subject to such conditions as it may determine, transfer jurisdiction thereof to the Administrator upon his request, notwithstanding any other provisions of law, and the Administrator is authorized to acquire jurisdiction over such land and utilize such land for carrying out his functions under this act. The Administrator may also provide public works upon lands of any applicant made available to him for such purpose.

SEC. 8. Except as hereinafter provided, public works shall be provided under this act by the Administrator through the award of contracts in conformity with the provisions of section 3709 of the Revised Statutes. Work estimated to cost less than $25,000, and repairs, improvements, extensions, and alterations to existing public works may be performed by entering into a written contract with any applicant for the performance of such work upon the basis of the United States reimbursing the applicant for its approved legitimate expenditures in connection therewith. Notwithstanding any other provisions of law, applicants are hereby authorized to enter into such contracts with the United States and in performing such contracts are authorized to utilize their officers and employees, equipment, tools, materials, supplies, and other property, to incur necessary debts, and to make necessary expenditures.

SEC. 9. All moneys received by the Administrator under the provisions of any agreement with an applicant shall be covered into the Treasury as miscellaneous receipts.

SEC. 10. In carrying out the provisions of this act the Administrator is authorized to utilize and act through other Federal agencies or through any applicant, with the consent of such applicant, and any funds appropriated pursuant to this act shall be available for transfer to any such agency or for payment to any such applicant in reimbursement for services rendered hereunder. The Administrator may delegate any authority conferred upon him under this act to any officer or unit of the General Services Administration and may prescribe rules and regulations for carrying out the provisions of this act.

SEC. 11. There is hereby authorized to be appropriated the sum of $70,000,000, or so much thereof as may be necessary to carry out the provisions of this act, and for administrative expenses in connection therewith, including the employment of consultants, such as engineers, architects, and other technical experts, in conformity with Public Law 600, Seventy-ninth Congress, except for the rates of compensation which shall be determined by the Administrator, personal services and rental in the District of Columbia, Alaska, and elsewhere, supplies and equipment, travel expenses, transfer of household goods and effects, purchase, repair, operation, and maintenance of motor-propelled passenger-carrying vehicles, printing and binding, purchase and exchange of law-books and other reference books, and such other expenses as may be necessary for carrying out this act.

SEC. 12. The authority of the Administrator under this act to provide public works and to enter into agreements with applicants in connection therewith shall terminate on June 30, 1955, or on the date he obligates for such purposes the total amount authorized to be appropriated hereunder, whichever first occurs.

The SPEAKER. Is a second demanded? [After a pause.] The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

OUR TERRITORIAL RESOURCES

Mr. CRAWFORD. Mr. Speaker, wherever western mercantile interests have invaded the "undeveloped" areas of the earth, greatly increased populations have resulted, sometimes with the extermination or absorption of native stocks. Mechanized production and trade has produced this result.

Its social implementation has generally involved what one thoughtful economist, Dr. Melvin Reder, of Stanford University, has called "monetary aggression" in investments. This has brought about what Governor Gruening, of Alaska, has justly complained about as "absenteeism" in both Government and industry.

The population of such Territories, even when developed without conquest as in Hawaii, not only increases but becomes excessively dependent on outside food supplies. This is often true of areas politically independent but economically subjugated; for example, Cuba with a sugar industry largely overdeveloped—from the Cuban angle—by American capital.

A similar course of colonial or quasi-colonial development has characterized the history of the sterling area of the British Empire, and an unpremeditated result of two World Wars has been the displacement, still in process and in conflict with communistic influences emanating from Russia, of sterling by dollar financing of this process.

The dangers of this kind of development can be readily visualized by the throttle hold which a stevedores' union is today exerting on our Hawaiian Territory. Under its primitive culture no such tyranny was possible for Hawaii and its people. What can we do to save our outlying Territories from such extremities?

Isolated by the Communist government of Russia, we provided Berlin with an air lift. For our own Territories, all too similarly and dangerously isolated, we offer no such rescue. Instead, we even withhold the statehood which might enable them at least to look after their own affairs and reduce the controls of absentee government and mercantilism.

There is little sense in any opposition to, or promotion of, "one world" of modern industrialization without a thorough reexamination of the weak spots in a system that has, like Topsy, "jest growed" and is obviously bringing about an impasse in "capitalism" that is begetting proposals to "save free enterprise" by "strengthening" Government control; for example, our own peculiar antitrust laws which an experienced attorney, H. A. Toulmin, Jr., of Dayton, has characterized in a recent Congressional hearing as "the most dangerous to our democracy that any nation has ever enacted in all history."

In view of the current agitation for a world government, a resolution of this and other quandaries in the issues of capitalism versus communism seems essential to prevent such a world-wide movement from developing a bureaucratic "welfare state" such as is evolving before our eyes in the United Nations Organization. Our own system is producing many bad results in our own affairs.

This applies notably to the Territory which borders the great Communist state of Russia with only a narrow strait of water intervening. We need a greater, but not a subjected, population in Alaska; a people who own and operate their own industries as private property which, for their own sake, they will ardently defend against infiltration by interests subversive of what are, we may hope, still American ideas of law and order.

To bring all this as vividly as possible before the Congress and the people, I have asked for an extension of remarks to include a part of Governor Gruening's recent address on Territorial Resources and What They Mean, depicting the "picture of neglect" in Alaska. His good sense is notable, especially when he points out that "there is absolutely no villain in the picture. No one has deliberately tried to injure the Territory or its people or its resources. The defect is in the system." Excerpts from his address follow:

TERRITORIAL RESOURCES AND WHAT THEY MEAN

(By Ernest Gruening)

When Congress, after 17 years of no government, decided to give Alaska a little government, it hastily applied in 1884 the code of the State of Oregon. But as Oregon had a county system and Alaska had none, all reference to county officials and county functions, which are considerable in a code, made no sense, and were inapplicable to Alaska. The Oregon code provided that in order to be a member of a jury you had to be a taxpayer, and since Congress had levied no taxes in Alaska we could have no juries under this code. So justice under the American system was still unattainable in Alaska.

That incredible situation continued with little change until the nineties, when, not through any great governmental urge to improve the situation, but through the accidental discovery of gold in the Klondike and elsewhere in Alaska, a rush of American prospectors indignantly called themselves and their problems to the attention of an inattentive Congress. Only then did some interest in Alaska on the part of our distant lawmakers develop and there was a beginning of legislation. Much of it was inappropriate and there was increasing clamor for more self-government, and, above all, for representation in Congress. In 1906 Congress gave us a voteless delegate. But it was not until 1912 that the unworkable Organic Act of 1884 was replaced by the act of 1912. This, though a substantial improvement, was notable chiefly for the things it forbids Alaskans to do for themselves and reserves

a great part of the authority or responsibility in the hands of the Federal Government. How has that responsibility been exercised?

Now we have often heard that the wonderful purchase of Alaska, made by William H. Seward, at a cost of $7,200,000, or less than 2 cents an acre, was long derided as "Seward's folly." A later, more considered and sounder view refutes these derisive allegations and points out that, apart from its strategic importance, since its purchase Alaska has poured some $3,000,000,000 of natural resources into the national economy and has, therefore, to date yielded more than a 400-fold return on the original investment. When, however, we stop to consider what has happened to those resources there is nothing to be proud of.

We have a great fishing industry, our principal industry. The greatest fisheries in the world, the Pacific salmon, frequent primarily the Alaskan coast. Under Federal policies and facing the impact of a highly acquisitive industry, the salmon runs have so diminished that there is imminent danger of their being almost closed down in one section of Alaska next summer. The most important species of salmon quantitatively, the pink salmon, has been depleted almost to the vanishing point in southeastern Alaska. The canned salmon industry has contributed little during those years except temporary employment and in return has consistently fought the Territorial authorities' efforts to make Alaska economically self-sustaining and to achieve a greater measure of self-government.

Alaska's second industry has been mining and principally of gold. For the vast amount of gold that has been taken out of Alaska in the last 50 years there is relatively little to show for Alaska. For the $200,000,000 worth of copper taken out of Kennicott during a quarter of a century there is merely a hole in the ground.

As for the wildlife resource, control of which Congress has reserved for the Federal Government, Alaska has never been able to secure adequate appropriations to safeguard it properly. Congress allows us only enough to maintain 12 game wardens in a Territory one-fifth as large as the United States.

Now there is a very close relationship between Alaska's natural resources and Government. Ninety-nine percent of Alaska is public domain. Federal executive agencies exercise a substantial domination over all natural resources and the Congress makes available, or not, and often not, the funds which make possible the conservation and development of those resources. I want to say that in reviewing this picture of neglect, and it is a rather shocking one taken over the 82 years since Alaska came under the flag, that it is a striking fact that there is absolutely no villain in the picture. No one in Government has ever lain awake nights trying to work against Alaska and no one has deliberately tried to injure the Territory or its people or its resources.

The defect is in the system—a system whose chief characteristic is absenteeism in every form. We have in Alaska absentee industry control. We have absentee labor control. And we have absentee Government control. It is difficult to say which is most detrimental.

Now when I speak of absentee Government control again I wish to emphasize that I do not criticize any individual or any particular agency, but rather the system. Actually Alaska, as a Territory, is a creature of Congress. The Territory can have its form of government abolished by the Congress at any time. Congress can do what it will to the Territory. That came up very graphically after the Congress enacted the Shipping Act of 1920. This act is known in Alaska as the Jones Act, after its sponsor, the late Senator Wesley Jones, of Seattle.

This act contained a unique discrimination against Alaska. It permitted the use of foreign as well as national shipping in every direction from Pacific coast ports except north to Alaska. The particular discrimination was written into the act with the words "excluding Alaska." That was back in 1920. The Territory was still politically an infant in swaddling clothes. Yet it arose from its crib and, guided by its Territorial attorney general, toddled to court. The Solicitor General of the United States, who defended the Federal Government and the Shipping Act, in his plea to the court said, in effect:

"Yes; this act is discriminatory. We admit it. But Congress can discriminate against a Territory. If Alaska were a State, this discriminatory clause would violate the commerce clause of the Constitution. But Congress can do what it likes to the Territory."

The Supreme Court of the United States so found, Mr. Justice McReynolds delivering the opinion.

I mention that as a typical example of the vital and often detrimental relationship of the distant rulers of Alaska to the Territory and to the people whom they rule.

This may seem surprising to those who are unaware of the long history of neglect and discrimination from which Alaska has suffered and continues to suffer. It is hard for people to believe that conscientious Members of Congress, as the majority of them are, would so act. Why do they? The answer is that Members of Congress, elected to represent the people of the several States cannot and do not adequately represent the people of the Territories. The situation exists because with all allowances and appreciation for the many sympathetic and friendly Representatives and Senators, the committees that have to deal with the Territories are a changing body of men whose interest in any Territory is at best only transitory and secondary to their major interests.

And so in Alaska, where the world has been told for years that we have vast natural resources, the great failure has been in not integrating these resources with the human resources. Without such integration the boast of vast potential stored wealth is not only meaningless, but, if analyzed, a confession of failure.

Of what good are the millions of salmon that return to our shores and up our rivers to spawn, if benefits, measured in human terms, do not likewise come to our shores and up our rivers to our people? The recent boast is that salmon has become a hundred million dollar industry. But no substantial portion of this vast extraction has gone to produce conditions in Alaska that we like to associate with the designation "the American way of life." Impermanence, uncertainty, strife, depletion, characterize man's manipulation of this great natural bounty.

Alaska is a great storehouse of minerals. But in exchange for the more than a billion dollars worth that has been extracted from Alaska's subsoil there is little more than the tangible and tragic residue of ghost towns and ghost camps and the memory of departed families.

Alaska has the greatest reserves of virgin forest on the North Atlantic Continent, but the great trees age and die on the stump. After nearly half a century of Government control of our Alaskan forests this waste continues. After 50 years of so-called conservation we have in Alaska produced no lumber industry, no pulp and paper industry, no recreation industry. The forests remain empty and silent. Their virginity has become spinsterhood. Meanwhile, the forest land is so firmly held by ancient legislation and resistant bureaucracy that it cannot be effectively utilized.

Alaska's potential agriculture, the basis for permanent settlement, has been thwarted on the one hand by obsolete, inapplicable, and unworkable land laws made three-quarters of a century ago for our Western States. On the other hand, the Congress consistently denies Alaska the appropriations due Alaska's land-grant college, the University of Alaska, which would permit the research and agricultural extension work which are enjoyed in the States and are a prerequisite to successful farming, particularly in an area of relatively unstudied climatic, soil, and entomological conditions. Denied likewise has been inclusion under the Federal Highway Act which would come to Alaska automatically with statehood. Without roads it is clear that development and population growth are impossible.

And so I return to the human factor. While in an area three-quarters of Alaska's extent, in Scandinavia and Finland, under comparable physical conditions, dwell 13,000,000 people who have developed a high civilization and a stable economy, all in a free society, a shining example of the integration of material and human resources, in Alaska, after 82 years under the Stars and Stripes, our population has increased by only some 70,000. Those 70,000 are the residue of perhaps 20 times that number who came to Alaska, lived there for a time, found the man-made obstacles too great and returned to the States. As for the 30,000 of native population, Indians and Eskimos, who were in Alaska, at the time of the purchase, their numbers have remained about stationary. The expected and normal biologic increase has been cut by tuberculosis—uncared for by the Federal authorities—and by the man-made frustrations which has discouraged the permanent settlement of all but the most hardy of their white brothers from the States. In other words the human resource in Alaska has been neither conserved nor developed. And so in Alaska, which like Scandinavia and Finland, could become the permanent abode of a million Americans, building in those northern latitudes an inspiring demonstration of the American way of life—a particularly pressing assignment right now in view of our totalitarian neighbors and their great activities just across Bering Strait—we have only the hollow reiteration that Alaska is a great storehouse of natural resources. These resources, I repeat, are meaningless unless the concomitant development of human resources is made the prime consideration, and unless material and human resources in their development are considered one and inseparable.

DEBT OF FINLAND

Mr. RICHARDS. Mr. Speaker, I move to suspend the rules and pass the resolution (S. J. Res. 3) to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

The Clerk read the joint resolution as follows:

Whereas the Republic of Finland alone among our debtors of the First World War has consistently made payments of principal and interest toward the retirement of its indebtedness to the United States; and

Whereas it is deemed proper, as an act of abiding friendship and good will which the people of the United States hold for the people of Finland, to provide that any further payments on its World War I debt by the Republic of Finland shall be held in a special deposit account for such use as will advance and strengthen the close ties of

friendship which bind together our two peoples: Now, therefore, be it

Resolved, etc., That any sums due or paid on and after the date of enactment of this joint resolution by the Republic of Finland to the United States as interest on or in retirement of the principal of the debt incurred under the act of February 25, 1919, as refunded by the agreement dated May 1, 1923, pursuant to authority contained in the act of February 9, 1922, or of any other indebtedness incurred by that republic and owing to the United States as a result of World War I, shall be placed in a special deposit account in the Treasury of the United States, to remain available until expended. This account shall be available to the Department of State to finance by contract, grant, or otherwise—

(a) studies, instruction, technical training, and other educational activities in the United States and its Territories and possessions (1) for students, professors, other academic persons, and technicians who are citizens of the Republic of Finland and, (2) with the approval of appropriate agencies, institutions, or organizations in Finland, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in Finland, including in both cases travel expenses, tuition, subsistence, and other allowances and expenses incident to such activities; and

(b) the selection, purchase, and shipment of (1) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of Finland, and (2) American laboratory and technical equipment for higher education and research in Finland, and (3) the interchange of similar Finnish materials and equipment for higher education and research in the United States.

SEC. 2. The Secretary of State is hereby authorized to carry out the purposes of this joint resolution in accordance with the applicable provisions of the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.).

SEC. 3. Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

The SPEAKER. Is a second demanded? [After a pause.] The question is on the motion to suspend the rules and pass the bill.

Mr. NORBLAD. Mr. Speaker, I urge that the House pass without dissent House Joint Resolution 87 which provides that future payments by Finland on its World War I debt shall be placed into a special fund and used for (a) the education of Finnish students in our schools and (b) to equip institutions of higher learning in Finland with American books and literature and laboratory and technical equipment.

Finland has been the only one of our dozens of World War I debtors who has consistently and constantly made regular payments on its debt. It has been my belief that in view of this fact that we should cancel that debt but I believe that this proposal is a wiser one. This will afford Finnish students the opportunity to study here and learn thoroughly of our ways of life and at the same time help their universities in their country obtain books and equipment from us.

This is but a small tribute of ours to that gallant country and shows to them tangibly our appreciation of their honesty, steadfastness, and friendship. It should help to even further bind the tie of friendship which I hope may always exist.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

By unanimous consent a similar House resolution (H. J. Res. 87) was laid on the table.

AMENDING SECTIONS 7 AND 11 OF THE CLAYTON ACT

The SPEAKER. The gentleman from New York is recognized.

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended.

The Clerk read the title of the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That sections 7 and 11 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., title 15, secs. 18 and 21), are hereby amended to read as follows:

"SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly.

"No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of one or more corporations engaged in commerce, where in any line of commerce in any section of the country, the effect of such acquisition, of such stocks or assets, or of the use of such stock by the voting or granting of proxies or otherwise, may be substantially to lessen competition, or to tend to create a monopoly.

"This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

"Nor shall anything herein contained be construed to prohibit any common carrier subject to the laws to regulate commerce from aiding in the construction of branches or short lines so located as to become feeders to the main line of the company so aiding in such construction or from acquiring or owning all or any part of the stock of such branch lines, nor to prevent any such common carrier from acquiring and owning all or any part of the stock of a branch or short line constructed by an independent company where there is no substantial competition between the company owning the branch line so constructed and the company owning the main line acquiring the property or an interest therein, nor to prevent such common carrier from extending any of its lines through the medium of the acquisition of stock or otherwise of any other common carrier where there is no substantial competition between the company extending its lines and the company whose stock, property, or an interest therein is so acquired.

"Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

"Nothing contained in this section shall apply to transactions duly consummated pursuant to authority given by the Civil Aeronautics Authority, Federal Communications Commission, Federal Power Commission, Interstate Commerce Commission, the Securities and Exchange Commission, or the Secretary of Agriculture under any statutory provision vesting such power in such commission, authority, Secretary, or board.

"SEC. 11. That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers subject to the Interstate Commerce Act, as amended; in the Federal Communications Commission where applicable to common carriers engaged in wire or radio communication or radio transmission of energy; in the Civil Aeronautics Authority where applicable to air carriers and foreign air carriers subject to the Civil Aeronautics Act of 1938; in the Federal Reserve Board where applicable to banks, banking associations, and trust companies; and in the Federal Trade Commission where applicable to all other character of commerce to be exercised as follows:

"Whenever the Commission, Authority, or Board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections 2, 3, 7, and 8 of this act, it shall issue and serve upon such person and the Attorney General a complaint stating its charges in that repect, and containing a notice of a hearing upon a day and at a place therein fixed at least 30 days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the Commission, Authority, or Board requiring such person to cease and desist from the violation of the law so charged in said complaint. The Attorney General shall have the right to intervene and appear in said proceeding and any person may make application, and upon good cause shown may be allowed by the Commission, Authority, or Board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the Commission, Authority, or Board. If upon such hearing the Commission, Authority, or Board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report in writing, in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock, or other share capital, or assets, held or rid itself of the directors chosen contrary to the provisions of sections 7 and 8 of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript

of the record in such hearing shall have been filed in a United States court of appeals, as hereinafter provided, the Commission, Authority, or Board may at any time, upon such notice, and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

"If such person fails or neglects to obey such order of the Commission, Authority, or Board while the same is in effect, the Commission, Authority, or Board may apply to the United States court of appeals, within any circuit where the violation complained of was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding, including all the testimony taken and the report and order of the Commission, Authority, or Board. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the Commission, Authority, or Board. The findings of the Commission, Authority, or Board as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Commission, Authority, or Board, the court may order such additional evidence to be taken before the Commission, Authority, or Board and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission, Authority, or Board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28, United States Code.

"Any party required by such order of the Commission, Authority, or Board to cease and desist from a violation charged may obtain a review of such order in said United States court of appeals by filing in the court a written petition praying that the order of the Commission, Authority, or Board be set aside. A copy of such petition shall be forthwith served upon the Commission, Authority, or Board, and thereupon the Commission, Authority, or Board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the Commission, Authority, or Board as in the case of an application by the Commission, Authority, or Board for the enforcement of its order, and the findings of the Commission, Authority, or Board as to the facts, if supported by substantial evidence, shall in like manner be conclusive.

"The jurisdiction of the United States court of appeals to enforce, set aside, or modify orders of the Commission, Authority, or Board shall be exclusive.

"Such proceedings in the United States court of appeals shall be given precedence over cases pending therein, and shall be in every way expedited. No order of the Commission, Authority, or Board or the judgment of the court to enforce the same shall in anywise relieve or absolve any person from any liability under the antitrust acts.

"Complaints, orders, and other processes of the Commission, Authority, or Board under this section may be served by anyone duly authorized by the Commission, Authority, or Board, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person; or (c) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same."

The SPEAKER. Is a second demanded?

Mr. GOODWIN. Mr. Speaker, I demand a second.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

The SPEAKER. Under the rules the gentleman from New York [Mr. CELLER] is recognized for 20 minutes and the gentleman from Massachusetts [Mr. GOODWIN] will be recognized for 20 minutes.

Mr. CELLER. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from New York is recognized.

Mr. CELLER. Mr. Speaker, this bill seeks to plug a loophole in the present antitrust laws. It seeks to amend section 7 and section 11 of the Clayton Act. Those sections invoke the sanction of the law only when there is a merger that substantially lessens competition or creates a monopoly by the purchase of corporate stock. Astute lawyers for years have learned how to evade violations by their clients of section 7 and section 11. Instead of purchasing corporate stock and thereby merging, the larger corporation swallowing the smaller corporation does it by acquiring the assets; by acquiring the accounts receivable, by acquiring the raw material and finished products, by acquiring the real estate, and by acquiring the good will, thereby leaving only an empty husk, a mere shell. They do not have to take over the corporate stock. Sometimes they do, but when the assets are thus acquired and all the properties of the smaller corporation are thus acquired by the larger corporation there is no violation of the law, according to the Supreme Court decisions. The most notable decision in that regard which has hampered the Department of Justice and the Federal Trade Commission in the prevention of mergers by the acquisition of assets in the way I have indicated is the case of *Federal Trade Commission* v. *Western Meat Company* (reported in 257 U. S. 554). There the Court held that where "a corporation had illegally acquired the stock of a competing corporation and had used the control so acquired to transfer to it the assets of such corporation, the authority of the Federal Trade Commission was limited to divestiture of the valueless stock of the former competing corporation."

That loophole was further widened by another decision in the case of *Arrow-Hart and Hegeman Electric Co.* v. *Federal Trade Commission* (291 U. S. 587).

The result of these decisions has so weakened sections 7 and 11 of the Federal Trade Commission Act as to give to the Federal Trade Commission and the Department of Justice merely a paper sword to prevent improper mergers. I think it is like tilting at windmills to attempt to prevent these mergers by such a valueless statute. It is time to stop, look, and listen and to call a halt to the merger movement that is going on in this country. It can be done in major part by passing the Celler bill now before you.

There are today over 3,000,000 units of business in the country. But only 445 corporations or one-eighth of 1 percent of all corporations are reported to own 51 percent of the Nation's gross assets. Because of this loophole that I have mentioned, between 1940 and 1947 more than 2,500 formerly independent concerns disappeared as a result of mergers and acquisitions. Their assets were $5,200,000,000 or 5½ percent of the total assets of all manufacturing corporations. Mergers have reached an all-time high. Two hundred and fifty concerns now control two-thirds of the industrial facilities of the country that were controlled by 15,000 companies before the war. These 250 concerns have already bought up 70 percent of the huge war plants built with Government funds.

Four companies now have 64 percent of the steel business, four have 82 percent of the copper business, two have 90 percent of the aluminum business, three have 85 percent of the automobile business, two have 80 percent of the electric lamp business, four have 75 percent of the electric refrigerator business, two have 80 percent of the glass business, four have 90 percent of the cigarette business, and so forth.

The antitrust laws are a complete bust unless we pass this bill.

Otherwise big business will be hellbent for more and more mergers.

We would be making a mockery of Jefferson's admonition against monopolies. You may remember Jefferson had demanded the restraints against monopolies be inserted into the bill of rights. He failed to have such a provision included therein but his theories against concentrations of industry prevailed nonetheless. Every political party during and since his time has urged restraints against great concentrations of industrial power.

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

Mr. CELLER. Mr. Speaker, I yield myself three additional minutes.

Mr. Speaker, the Temporary National Economic Committee found that in 1937 one-third of the total value of all manufactured products were produced under

conditions in which the leading four producers of each individual product supplied from 75 to 100 percent of the total output as measured by that value; and that 37 percent of the total value of all manufactured products were produced under conditions in which the largest four producers of each product produced more than half of its total value.

Further development of this kind of concentration must be stopped soon if the word "competition" is to retain any significant meaning.

The Federal Trade Commission is, therefore, eager for legislation of the type undertaken in this bill. The bill proposes that with appropriate exceptions the acquisition by a corporation of either the stock or the assets of another corporation shall be unlawful if the effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce in any section of the country.

The bill squarely recognizes the wisdom of applying the same rule to stock and to assets and of determining the legality of an acquisition by the effect upon competition.

I want to point out the danger of this trend toward more and better combines. I read from a report filed with former Secretary of War Royall as to the history of the cartelization and concentration of industry in Germany:

> Germany under the Nazi set-up built up a great series of industrial monopolies in steel, rubber, coal and other materials. The monopolies soon got control of Germany, brought Hitler to power and forced virtually the whole world into war.

The report continues:

> A high degree of concentration throughout industry fosters the formation of cartels and readily enables a war-minded government to mobilize for hostilities. Such was the history of war preparations in Germany in both World War I and World War II.
>
> This policy was first referred to in the Fourth Principle of the Atlantic Charter, August 14, 1941; it was restated in more detail in mid-1944 by Hon. Cordell Hull, Secretary of State, when, at the direction of President Roosevelt, he set up a branch in the Department of State to formulate a definite United States policy with respect to cartels and other restrictive trade practices and excessive concentration of economic power.

Mr. Walter Lippmann, writing in Fortune magazine several years ago, stated correctly:

> The development of combinations in business, which are able to dominate markets in which they sell their goods, and in which they buy their labor and materials, must lead irresistibly to some form of state collectivism. So much power will never for long be allowed to rest in private hands, and those who do not wish to take the road to the politically administered economy of socialism, must be prepared to take the steps back toward the restoration of the market economy of private competitive enterprise.

All these warnings must make us pause.

What can be said of Germany can likewise be said with reference to Japan and with reference to Italy. In those countries the industrialists because of their tremendous power as a result of constant merging controlled the military and with the military they controlled the government.

I do not want to see my country go the way of Japan or the way of Italy or the way of Germany or even the way of England. There are no antitrust laws in England. The result is there is constant merging, constant concentration of more and more power in the hands of the few. The end result in England was socialism. I want no socialism here. I want no manner or kind of collectivism or totalitarianism. These mergers are usually the forerunners of collectivism and socialism and therein lies the danger.

In view of the fact that there is widespread support, particularly from small-business units and small-business men for this legislation I hope that the necessary two-thirds vote will be cast for this bill. It has been before the Committee on the Judiciary for many years. Party platforms, both Democratic and Republican, advocate the passage of this bill. President Hoover, President Roosevelt, and now President Truman have earnestly requested the passage of the bill by the Congress.

Small, independent, decentralized business of the kind that built up our country, of the kind that made our country great, first, is fast disappearing, and second, is being made dependent upon monster concentration.

It is very difficult now for small business to compete against the financial, purchasing, and advertising power of the mammoth corporations.

Do not make that competition even more difficult by failing to plug this loophole in the Clayton Act.

Bigness does not mean efficiency, a better product, or lower prices.

Buying raw materials or parts by the combines at lower prices is often a matter of sheer power. Suppliers are often compelled to accept what huge companies choose to pay.

Volume of advertising is large in amount and impact but low in proportion to enormous sales.

Great wealth and credit are frequently matters of favor or accident or sheer power.

It seems rather unfair and highly deleterious that a few should control, for example, the steel industry. But, that is the case, because of this very loophole that I speak of. Because of the defect in our antitrust laws which I seek to cure, a few steel combines have garnered scores of small steel plants, small steel suppliers, and have finally controlled steel in toto. Our economy is threatened by a few men in the steel industry, as the result of these mergers and consolidations now permitted. These few men can decide, for example, whether we shall have enough steel to meet our needs to rearm America, to help Europe recover, to keep our workers employed, and who can, nonetheless, continue to expand and merge their already mammoth companies uninhibitably. Are these men infallible? Do they always act in good faith? Human nature being what it is, we must have our doubts on that score. They do indeed have entirely too much power.

The committee on trade regulation and trade-marks of the Association of the Bar of the City of New York adopted a report from which the following conclusion is taken:

> We can see no reasonable basis for excluding assets from section 7 of the Clayton Act but we feel that Congress, when it originally passed the Clayton Act, intended to prohibit all acquisitions and that it was through oversight that asset acquisitions were not included probably because the popular way of merging corporations at that time was through stock acquisition. We see no reasonable basis for distinguishing between stock and assets if the effect may be to substantially lessen competition or to create a monopoly.
>
> We believe that the substitution of substantial evidence for testimony in section 11 will do much to correct the criticism now leveled at findings of the Federal Trade Commission and that the service of the complaint on the Attorney General and his right to intervene will bring about a closer coordination between the Federal Trade Commission and the Department of Justice. While it is true that even should the amendments be enacted the Federal Trade Commission and the Department of Justice will still have concurrent jurisdiction, the fact that the Attorney General will have notice of any proceeding brought under section 7 by the Federal Trade Commission and that he may intervene should, in your committee's opinion, eliminate actions by both the Commission and the Department of Justice for the same offense.

A subcommittee of the House Judiciary Committee has been conducting a study of the growth of monopoly power. Many witnesses—economists, lawyers, publicists, professors—were heard, including some representatives from labor and business.

The witnesses were generally in agreement that the antitrust laws are more or less unsatisfactory in their present form. The most frequent reason given for dissatisfaction was that economic concentration has not been prevented or sufficiently slowed down. Practically all the witnesses recommended the passage of the bill now before us, which would prevent concentrations by acquisition of assets—a type of concentration now exempt from antitrust-law sanctions. The majority of the witnesses expressed the opinion that business concentration is politically dangerous, leading inevitably to increasing Government control. As Attorney General Clark said on July 11, "There is too much recent and tragic world history not to impress upon us the dangers in failing to meet the monopoly problem."

The objection that the suggested amendment would prohibit small companies from merging has strangely enough been put forward by representatives of big business. This would seem almost like "Greeks bearing gifts."

Incidentally, several small business associations interested in the welfare of small business and the maintenance of free enterprise testified very vigorously in support of this bill. No small-business group appeared against it.

There is no real basis for this objection.

In the first place, the present language of section 7 as it relates to mergers by sale of stock is more restrictive than the language in the amended bill. Yet no case has been found where a small corporation had any difficulty or was criticized by the Federal Trade Commission

for selling its business by selling its stock to another small corporation. The small corporations have not had to avoid the present language of section 7 by selling their assets in place of their stock, when they wanted to dispose of their business. Furthermore, the evidence shows that it is only in large acquisitions by large corporations, which would have a tendency to create a monopoly, where resort is had to the device of purchasing assets in lieu of capital stock when a merger is planned. Attention is also called to the list of acquisitions. None of these involve small corporations selling to other small corporations.

Furthermore, the Supreme Court and the Federal courts have not applied the present strict language of section 7, even in cases of stock acquisition, so as to prevent a small corporation from selling its business or of merging with another small business. The Supreme Court has only applied the present language of section 7, even in the case of stock acquisitions, to large transactions which would substantially lessen competition, or tend to create a monopoly. In the case of *International Shoe Company* v. *Federal Trade Commission* (291 U. S. 234), decided January 26, 1930, the International Shoe Co., having a Nation-wide business, purchased the stock of McElwain Co., a smaller shoe company also having a Nation-wide business. As to a part of the business of the two corporations, they were not in direct competition. The Federal Trade Commission sought to order a divestiture of the stock and prevent the merger. The Supreme Court held that the merger was not of sufficient size or importance, even though there was some competition between the two corporations, to substantially lessen competition or to create a monopoly. The Court has this to say:

> Mere acquisition by one corporation of the stock of a competitor, even though it results in some lessening of competition, is not forbidden; the act deals only with such acquisitions as probably will result in lessening competition to a substantial degree, *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346, 357); that is to say, to such a degree as will injuriously affect the public.

See also *Federal Trade Commission* v. *Sinclair Co.* (261 U. S. 463).

The Second Circuit Court of Appeals in the case of *Temple Anthracite Coal Co.* v. *Federal Trade Commission* (51 Fed. (2d) 656), in a case where one coal company had purchased several others in Kentucky, held that section 7 of the Clayton Act was not involved, and cited in addition to the International Shoe Co. case a decision of the Supreme Court in the case of *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346). This is definitely the law of the land.

Mr. GOODWIN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, in view of the highly controversial nature of this proposal and the fact that the Rules Committee has in previous Congresses refused to grant a rule, I regret that the first opportunity the House has had for consideration on the floor should arise upon a motion to suspend the rule with the consequent limited time for debate. I hope the rule will not be suspended. Any proposal for legislation which grants new and undefined authority to an administrative agency of the Government which could have the effect of radically changing our entire economic system ought not to be brought before the House except in the regular way upon the adoption of a rule providing for adequate debate.

In the past 20 years the Federal Trade Commission has been intermittently recommending that acquisition of assets be made unlawful on the same basis that acquisition of stock is prohibited by section 7 of the Clayton Act. Various bills have been introduced and received committee action. The principal support for these bills has come from the Federal Trade Commission with more or less perfunctory endorsement by the Department of Justice and the Department of Commerce.

H. R. 2734 is said to be designed to close a loophole in the Clayton Act, but the proposal goes much further than that and makes sweeping changes in our substantive antitrust law.

One of the chief indictments against this bill is that it grants to the Federal Trade Commission discretionary power so vague, uncertain, and indefinite as to vest that agency with almost unlimited control over the economic growth of corporations no matter how small, engaging in commerce no matter to how small an extent.

The powers granted in section 7 of the Clayton Act have heretofore had a somewhat narrow application; that is, in the field of stock acquisitions having the illegal effect described. However, if these same powers are given to the commission with respect to asset acquisitions the powers are changed out of all proportion to the change in subject matter. Words and phrases acquire a new and important significance and until there has been a more careful study I feel very strongly that this House should not vote to grant such powers and discretion, without proper standards or safeguards, to any administrative agency.

The bill contains such vague, indefinite, and undefined terms as "any line of commerce," "any section of the country," "to substantially lessen competition," and "tend to create a monopoly." The courts have generally refused to define such terms except with relation to their application to a specific case.

A "line of commerce," for example, may mean a generic or broad line or it may mean a specific or narrow line. In *Van Camp & Sons* v. *American Can Co.* (278 U. S. 245), the Court held in effect that the phrase "line of commerce" meant that segment of commerce wherein the two corporations competed. The percentage of all similar commerce outside the area in question was not of importance.

Equally indefinite is "section of the country." In application this phrase could mean an indefinitely large area or an infinitely small area. It could embrace all of the country or it could mean a small area in a city or town. In *Lukens Steel Co.* v. *Perkins* (310 U. S. 113) the court approved an administrative determination that the word "locality," normally thought of as a much smaller area, could mean an area embracing one-sixth of the United States.

What constitutes "substantial" has not been definitely determined for all purposes by any court, and the rule of reason of the Sherman Act cases has never been applied in Clayton Act cases. The observation in *International Shoe Co.* v. *F. T. C.* (280 U. S. 291), that competition to the extent of 5 percent of all sales is not "substantial" was not only dicta and by a 5-to-3 decision, but the case was decided in 1930, before the present Supreme Court began to expand the antitrust laws.

Such indefinite terms, as well as others in the bill are largely matters of administrative discretion, into which field courts normally refuse to venture. When taken all together these phrases would inject entirely new and indefinite tests of antitrust violations.

The Congress ought not to be called upon to spend valuable time in passing clarifying legislation to prevent disaster to business and industry arising from vague and undefined statutory phraseology. That is what we had to do in the case of overtime on overtime and portal-to-portal pay.

The Commission has asserted that language identical to that in this bill would, in addition to closing the loophole, merely restate the antitrust policy and laws. If the bill does not expand the antitrust laws it is unnecessary. If it does expand the law, then no one can know how far, because of the administrative discretion it bestows.

The proponents in arguing for this legislation by references to closing a loophole would make it appear that it was an oversight when the Congress failed to prohibit asset acquisitions in section 7 of the Clayton Act. But the record will show, I believe, that the limitation to stock acquisitions was deliberate and intentional. As to asset acquisition it was intended that the test should be whether the Sherman Act was violated. The acquisition of corporate assets is normally effected in the open, through negotiations entirely aboveboard after action by the company's directors and sometimes by the stockholders. Gaining control of a corporation by acquiring the stock is often done secretly with little or no opportunity for public knowledge. It was at this latter practice that section 7 was aimed.

The bill is not in the interest of small business. It is this segment of industry and trade which should concern us most. If we are to prohibit consolidations of small and medium-sized companies we will actually benefit the big corporations. By preventing harmless and reasonable mergers among small and medium-sized concerns, this bill by freezing them to their present status of size will foreclose the chance that they may by consolidation or acquisition ever approximate either the size or the efficiency that the big competitors have already achieved. Thus we will hurt small business and help big business.

Many small and medium-sized corporations will sometime want to sell out. This may be for a number of reasons: death, advancing age, sickness, poor business, dissatisfaction with Government

controls, anticipated tax problems, or as often happens in family enterprises, no succeeding member desiring to continue. Usually the only possible purchaser is a company in the same line and usually a competitor. But the competitor will be prohibited from purchasing. The business may have to be junked unless it can be disposed of piecemeal. Certainly it will have to be sacrificed. There will be no good will to sell when the business is closed up. This bill will destroy the market for many small corporations which want to sell out.

The bill is unnecessary. The recent decisions involving the breadth of the Sherman Act clearly provide an adequate remedy for illegal acts and practices complained of by the Commission as being outside their power to attack. In the case of *American Tobacco Co.* v. *U. S.* (328 U. S. 781, par. 1946) the Supreme Court held that economic concentration of any kind which had the power to raise prices or exclude competition could be enjoined, dissolved, or criminally prosecuted, even though its illegal power was never exercised.

There has been an expanding interpretation of the Sherman Act by the Supreme Court for many years until now it seems clear that the Attorney General has the power to apply for an injunction or a criminal sentence or a decree of dissolution in respect of any merger evidencing any monopolistic tendency whatever.

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

Mr. GOODWIN. I yield.

Mr. JENSEN. The gentleman knows that many veterans have gone into business since the war. They have formed corporations among themselves. They have formed small corporations to manufacture certain items, let us say. Would this bill prohibit two of those corporations, for instance, from merging in order to be able to compete with a larger manufacturer?

Mr. GOODWIN. If they are competing with each other in interstate commerce, no matter in how small a degree and no matter how small the businesses may be, and one of these corporations acquires the stock or assets of the other in whole or in part they would be in violation of the law if the Federal Trade Commission should construe the merger as one which would have the effect of substantially lessening competition.

(Mr. GOODWIN asked and was given permission to revise and extend his remarks.)

Mr. CELLER. Mr. Speaker, I yield myself 2 minutes to answer the statement of the gentleman who just spoke.

The gentleman said that this bill would affect the merger of small corporations. In the case of the acquisition of corporate stock, the Supreme Court has held that as presently written section 11 does not affect the acquisition of small corporations. It only affects them where there is a substantial lessening of competition in a given line of commerce. The Supreme Court has held on the question of acquisition of corporate stock the following, in the case of the *International Shoe Co.* v. *Federal Trade Commission* (291 U. S. 234):

> Mere acquisition by one corporation of the stock of a competitor even though it results in some lessening of competition, is not forbidden; the act deals only with such acquisitions as probably will result in lessening competition to a substantial degree—
>
> Citing *Standard Fashion Co.* v. *Magrane-Houston Co.* (258 U. S. 346, 357)—
>
> That is to say—
>
> Continued the Court—
>
> to such a degree as will injuriously affect the public.

When two small corporations get together, that does not substantially lessen competition to such a degree as to permit the Federal Trade Commission to bring sanctions against the merged company or the merging company.

As to veterans who have small establishments, if they want to sell out, there is nothing in the present act and there is nothing in the proposed law, or the bill which we are now considering which would prevent them.

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

Mr. CELLER. Mr. Speaker, I yield myself another minute.

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

Mr. CELLER. I yield.

Mr. JENSEN. Let us get down to cases. We have, for instance, some men who have gone into the business of manufacturing an article for some automobile concern. Let us say they manufacture a part of an automobile.

Another concern, a like concern, manufactures the same part. Possibly they are in different sections of the country; maybe not far apart, maybe a long way apart. They find there is a larger concern in the country that can manufacture that same part of an automobile at a lower price, because they have better facilities. These two small corporations decide that if they merge their factories, put their factories and their administration heads together, they can compete with this large concern that is taking the business away from them. Is there anything in this bill that will keep them from merging?

Mr. CELLER. No. There is nothing whatsoever that will prevent those corporations—you call them small corporations—from merging. In the first place they are small corporations. Small corporations do not come within the purview of this act. In the case you have indicated there would be an increase of competition—not a suppression of competition. So that they need not have any worry on that score whatsoever. The Supreme Court would not permit the Federal Trade Commission to interfere in a case like that, because they would have no right under either the present law or the bill now before us.

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

Mr. CELLER. I yield.

Mr. WILLIS. It is a fact, is it not, that under this bill it would not even be necessary for the small corporation, desiring to sell its assets to another corporation, to even deal with the Federal Trade Commission or ask permission of the Federal Trade Commission, or make any other kind of report?

Mr. CELLER. That is exactly so. I would say to the gentleman from Massachusetts [Mr. GOODWIN] how would he set up the difference for all practical purposes in the acquisition of stock or in the acquisition of assets? To my mind it is exactly the same. You can acquire corporate stock and thereby run afoul of the law, but if you do the same thing and effect the same result by the acquisition of assets, then you go scot free. That is barbarous, and I am sure that no intelligent Member of the House would want to countenance the continuance of that anomaly. You acquire the assets and leave an empty shell of a corporation. Then you dissolve the corporation whose assets you acquired. And then you have a halo of innocence around your head.

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

Mr. CELLER. I yield.

Mr. ELLSWORTH. I notice the bill deals entirely with the prohibition against acquiring of capital stock of a corporation and says nothing with regard to a corporation's rights to sell to another corporation, which leads me to this question: Does not the passage of this bill leave open for a middleman as an individual to acquire this stock and then resell it as an individual to another corporation?

Mr. CELLER. The answer is emphatically "No." That would be subterfuge and violation of the present law. We do not change the language of section 7. If you will read on page 2, all we do is add the words "assets of another corporation," and add the words "in any section of the country." In truth and in fact, the addition of the words are less restrictive, in a certain sense, than the present wording of section 7, because it must be a substantially lessened competition in any section of the country, whereas the present act in effect reads:

> The acquiring of stock of another corporation engaged in commerce, where commerce is lessened between the two corporations.

In other words, we make it more burdensome for the Federal Trade Commission to prove a violation, under the wording of the proposed bill, than under the present law.

Mr. ELLSWORTH. Will the gentleman yield for another question?

Mr. CELLER. I yield.

Mr. ELLSWORTH. I am thinking of the type of mergers that have taken place over the country, the merger of newspapers in cities or towns where there are two newspapers, and the competition is virtually destructive to each, and ultimately they reach an agreement whereby one will sell to the other. Would this act prevent any such thing?

Mr. CELLER. I think this act might be construed to prevent that kind of merger. In my humble opinion there should be preclusion of merging one newspaper with another where the effect

would be only one newspaper. In any community there should be clash of opinion. We should not have opinion all one-sided. There should be both sides submitted to the populace. Any community formerly supplied with two papers would be at a disadvantage if they combined.

Mr. ELLSWORTH. I would ask the gentleman further: Would such a law preventing one individual or corporation from selling his property, assets, or stock to another be protected by the Constitution or not?

Mr. CELLER. We have a commerce clause and a welfare clause in the Constitution which gives the right to Congress to legislate. No citizen would be prevented from selling his assets or property or stock so long as such sale does not tend toward monopoly or substantially curtail competition in a section of the country. But I cannot see how one can say in one breath: "You cannot acquire a corporation if you take its capital stock" and in the other breath: "You can do it if you acquire its assets." We have a perfect right to legislate along this line. No constitutional rights of the individual are infringed.

The SPEAKER. The gentleman from New York has but 5 minutes remaining.

Mr. CELLER. Mr. Speaker, I yield myself one additional minute.

Mr. KEATING. My question is: Does not the gentleman feel that the clean-cut way to meet the problem posed by the gentleman from Oregon and some of the other questions that have been raised is to repeal the Clayton Act? In other words, that there is no sense in prohibiting the purchase of capital stock by one corporation from another where the effect is to restrain competition substantially or create a monopoly and at the same time permit the purchase of assets for the same purpose?

Mr. CELLER. I thank the gentleman for his contribution. I feel that most of the gentlemen who oppose the bill would like to repeal the Clayton Act in its entirety. That is the import of their argument, it strikes me.

Mr. KEATING. Mr. Speaker, the issue here is very clear. Either we should repeal the Clayton Act entirely or we should amend it to make it effective.

There are those who argue that the Sherman Act is the only antitrust legislation we need. While I disagree, that seems to me a valid reason for opposing this legislation.

On the contrary, if the Clayton Act, adopted in 1914, is to remain on the statute books, we should not permit its purposes to be negated by evasion.

Under the Clayton Act it is unlawful for a corporation to acquire the capital stock of another corporation where the effect of such acquisition is to lessen competition substantially or tend to create a monopoly. This bill seeks to extend the coverage of this act to the acquisition of the assets of another corporation where the same effect is created.

I can see no justification for the legislative frown resting on the one, while an approving smile graces the other. Either both should be permitted or both barred.

The question may reasonably be asked why the statute as originally enacted did not cover both methods of acquisition. The answer is that at the time when Congress enacted the Clayton Act, stock purchase was the device employed for such acquisitions. The purchase of assets method is a relatively new development, legitimately conceived to avoid illegality and expressly sanctioned by Supreme Court decisions. Nevertheless, now that our attention has forcibly been called to the evasion of the underlying purposes of the Clayton Act, our duty is to act, whether that action take the form of repealing the Clayton Act entirely or molding it to enable it to serve its intended purpose. Those who believe that our economic system must be protected from the forces of monopoly cannot blind themselves to the recent trend.

During the period 1940–47, more than 2,500 formerly independent manufacturing and mining companies disappeared as a result of mergers and acquisitions. Most of these disappearances have taken place since 1943. The asset value of these companies which have disappeared amounts to $5,200,000,000, or roughly 5.5 percent of the total of all manufacturing corporations in the country.

There can be little doubt but that as a result of, first, the tremendous centralization of war production and, second, the rising trend of mergers and acquisitions during the reconversion and postwar period, the level of concentration in American industry has risen substantially. And there can also be little doubt that if this trend of mergers and acquisitions continues, small business will ultimately disappear as an important factor in American industry.

There may be in the minds of some a question as to whether this bill is actually directed at one of the principal means by which the concentration of economic power has increased over the years.

Actually, the facts show that the importance of mergers as a means by which large corporations increase their economic strength and power can hardly be discounted. In the two industries for which such highly technical, detailed studies have been made—steel and copper—the evidence indicates clearly that the method of mergers and acquisitions, with which this bill is concerned, is one of the principal means by which economic concentration is increased.

Thus a report of the Federal Trade Commission on the copper industry shows that no less than 70 percent of the long-term growth, that is, between 1915 and 1945, of the three largest copper companies—Anaconda Copper Mining Co., Kennecott Copper Corp., and Phelps-Dodge Corp.—has been due to mergers and acquisitions.

In the steel industry 83.8 percent of the long-term growth—1915–45—of Republic Steel Corp. has been due to this method of mergers and acquisitions. The corresponding figures representing the proportion of their long-term growth due to mergers and acquisitions for the other steel companies are: Colorado Fuel & Iron, 41.8 percent; Bethlehem Steel Corp., 33.4 percent; Youngstown Sheet & Tube, 28.5 percent; and American Rolling Mill Co., 20 percent. Since the figures relate to the period 1915–45, they fail to reflect the greatest consolidation of all time—the formation of United States Steel Corp. in 1901, in which some 170 formerly independent companies were brought together.

These figures should make it abundantly clear that in closing this loophole in the law we are taking action against one of the principal means by which big business makes itself bigger. And we are striking an effective blow for the preservation of small business and the protection of the general public.

In view of the present level of concentration in the two industries which I have cited above, the question may be raised as to whether, in passing this bill, we might be locking the barn door after the horse is stolen. That would be true for those industries in which big business has already swallowed up most of its smaller competitors. As the Federal Trade Commission itself has noted:

> Intensive merger activity can hardly be expected to take place in those industries which have already become so highly concentrated that there remain only a relatively few small competitors still available for purchase. It is difficult, for example, to conceive of any further widespread merger activity taking place in such industries as steel, rubber tires, copper, glass, and many other highly concentrated fields.

But while it is obviously not reasonable to expect further intensive merger activity in those industries in which small business has already been practically eliminated, there are numerous important segments of the economy in which small business is still an important competitive factor, and it is in these areas that the protection afforded by this bill is of the greatest importance. Unless the bill is enacted, there is every reason to believe that, like the steel and copper industries, these traditionally small business fields of which I am speaking will also come under the control of a few large corporations. That this is indeed a very real and positive danger is revealed by the fact that most of the acquisitions during the recent merger movement have actually taken place in what have commonly been regarded as traditionally small business industries.

Therefore, if we are to save the remainder of the economy from the same fate which has already befallen too many of our other important industries—if we are to protect and preserve small business in those fields in which small business is still an active and dynamic force, it is absolutely imperative that we plug this wide open loophole in the antitrust laws by passing H. R. 2734.

Mr. GOODWIN. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the discussion thus far has shown the futility of attempting to debate a bill of such vast national importance with only 20 minutes to a side. I am sorry that our distinguished chairman has seen fit to invoke the most stringent gag rule in the

House in the disposition of this most important bill. We may take 40 minutes to debate but cannot amend. We must then vote "Yes" or "No" regardless of what the debate develops.

Mr. Speaker, I voted to report this bill to the House in the Eightieth Congress; I voted to report it to the House in this Congress. I reserved the right, as did a number of members of the committee, to oppose or amend it on the floor. We were willing to have the bill come to the floor, be thoroughly debated on its merits, amended if advisable, and then to vote for it as our conscience dictated. We have been denied this usual privilege.

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

Mr. MICHENER. I cannot yield; I have no time.

Mr. Speaker, this subject has been befor the Congress and a matter of argument for possibly 20 years. The published articles, newspaper and trade journal statements, have been prolific. Sincere businessmen, large and small, and capable and truth-seeking lawyers, have given expression to various views down through the years. Extensive hearings in the past have been held before the Committee on the Judiciary and it has always been recognized that a bill of this kind is pregnant with many implications. Naturally the Congress has moved cautiously up to this minute.

There are arguments on both sides of the question and no one is so wise as to speak with finality concerning this most technical subject. In the light of these facts, I protest most sincerely against the method by which the bill is being considered. There are many Members who stated their desire to express their views on this proposal. There are many more Members who have not had the opportunity to study this technical bill and who want to ask questions and receive more information before they are compelled to vote. Yes; there are many Members who want to offer amendments to the bill. Under this strong-arm rule, as I stated above, the 435 Members are given but 40 minutes to debate and then are compelled to vote without even the opportunity of offering a single amendment. It is a question of take it or leave it as is.

This kind of congressional conduct does not make for good legislation. There are times and occasions when this rule serves a good purpose. This fact has been demonstrated by the passage of slightly contested bills this very day. Surely there is adequate time ahead in this session of Congress to bring this bill up in the usual way, and let it stand or fall on its merits.

What I am now saying will be an extension of remarks in the RECORD and not available to the Members before they are compelled to vote. The only advantage of such an extension is that the facts will be before the Senate and our own Members after voting will be able to more fully understand what the effect of this law will be in specific cases affecting, primarily, small-business men and the economic life of small corporations back home. Some of these examples are:

First. A proprietorship, partnership, family owned corporation, or other closely held enterprises could not sell their assets, to any corporation, even though the sale was prompted by a desire to retire from business, to liquidate an estate, or to convert their assets into the stock or assets of another corporation. At the same time, a corporation interested in buying the facilities would be forced to construct new facilities, thus destroying the potential market for the sale of a going concern.

Second. Company "A" is a small family-owned corporation. Its founder and manager dies. The widow wishes to dispose of the business. If it could not be purchased by any existing company in the same type of business, the opportunity to sell would be severely restricted. The business might have to be discontinued, and a willing buyer forced to build duplicating plant and facilities in the same area or community.

Third. Assume that in a certain city there are two small foundries whose total output is negligible in relation to the national output. A merger between these two concerns could be prohibited either as substantially lessening competition between them or tending toward a monopoly in that section of the country.

Fourth. A manufacturer of low-price shoes could not merge with a maker of high-priced shoes because, since either company could decide to add the other line, the effect may be to substantially lessen potential competition between them.

Fifth. A maker of automotive parts could not merge with a maker or supplier of any of his materials since buying out a supplier could deprive his competitors of possible sources of supply and thus tend toward a monopoly. Similarly the maker of parts could not buy out a customer for the same reasons.

Sixth. A maker of electric washing machines buys out a radio manufacturer. Before the merger, the two companies were not competing in any manner. Either could decide to go into the other line, however, and thus compete with the other. This merger could therefore be unlawful since the effect may be to lessen competition.

Seventh. In any one of these instances, the parties might go ahead with the acquisition in the honest conviction that no injury to competition would result. Years later, however, the FTC might disagree and order restoration of the situation existing before the sale or merger. The confusion, hardships, and even losses resulting from such a forced repudiation of contracts is beyond the imagination.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and give a few illustrations of how this bill may operate.

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

There was no objection.

Mr. GOODWIN. Mr. Speaker, I yield the balance of my time to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, there is no justification nor need for the enactment of H. R. 2734 either on the facts or under the law. The bill we are now considering, if enacted, will amend sections 7 and 11 of what is known as the Clayton Act which was passed by the Congress and approved by the President on October 15, 1914, and which has since been amended and carried into the United States Code, title 15, sections 18 and 21.

By section 7 of the Clayton Act, section 18 of title 15 of the United States Code, it is provided that—

> No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition may be to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or to tend to create a monopoly of any line of commerce.

This section of the Clayton Act and the United States Code also makes it unlawful for any corporation to acquire, directly or indirectly, the whole or any part of the stock of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies, or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

It is provided that these provisions of the law shall not apply to corporations purchasing such stock solely for investment and not for the purpose of voting same or otherwise using such stock to substantially lessen competition.

H. R. 2734, the bill we are now considering, also makes it unlawful for any corporation, big or little, engaged in commerce to acquire directly or indirectly the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly. The proposed act will likewise make it unlawful for any corporation to acquire, directly or indirectly the whole or any part of the assets of any one or more corporations engaged in commerce where the acquisition of such assets may be substantially to lessen competition or to create a monopoly.

It is said by those who favor the enactment of this amendment to the Clayton Act that competing corporations that are engaged in commerce in the same line of business have become cannibalistic. And the charge is made that they are out not only to make money for their stockholders and to manufacture goods for sale to their customers, or to mine coal, iron, and other minerals for their patrons, but that their chief purpose is to kill off, devour, and take over the assets of their competitors, put them out of business, and then through monopolistic practices and the destruction of their competitors increase the cost of their products to the general public.

I do not subscribe to the doctrine that the businessmen of our country are crooks and that those who carry on their

business through the instrumentality of corporations are out to fleece and extort higher and higher prices from their customers.

The authors of this proposed legislation making it unlawful for one corporation to buy all or any part of the assets and property of a competing corporation advance as a foundation and excuse for their proposal to make it unlawful for the owners of a corporation to sell their property to another corporation either for a profit or to prevent their continuing in business at a loss, the fact that within the last 8 years, from 1940 until 1948, 2,062 small corporations have gone out of business or have sold their property and assets to a competing company.

The supporters of this measure are proposing through far-reaching and drastic Federal law to make it impossible for people who have embarked in a mining manufacturing or mercantile business and have put their money into such business and taken the chance and risk of losing it, to sell the property of their company and go out of business.

The 2,062 manufacturing, mining, and mercantile corporations that have gone out of business within the last 8 years either through failure, or through voluntary liquidation, or through the sale of their assets to a competing corporation dwindle to an insignificant and inconsequential number when the fact of their ceasing business is set down alongside the fact that during that same period 100,000 manufacturing, mercantile, and mining corporations have been organized and have gone into business.

The Federal Trade Commission for years has sought the power to forbid the business people of this country the right, when it is to their interest, to sell their corporate property or any part of it.

This proposed act places in the hands of the five members of the Federal Trade Commission the arbitrary power to forbid a corporation to sell its own property to a competitor or to buy from a competitor its property.

In other words, it denies to all corporations the freedom of contract which has always been the very breath and life of corporate enterprise in this country. This power of life and death over the men and women of this country who are doing business through the medium of a corporation is vested in and will be vested in five men, none of whom are necessarily learned in the law and who, under the terms of the Federal Trade Commission Act, are made the accusers, the prosecutors, the judges, the jurors and the executioners of any corporate enterprise that they might conclude has bought from or sold to a competing corporation engaged in commerce the assets of either the purchaser or the seller.

Let us turn to the Federal Trade Commission Act which is carried into the United States Code, title 15, sections 41 to 45, inclusive. By the terms of the Federal Trade Commission Act it is provided that whenever the Commission concludes that it has reason to believe that any corporation has purchased from the stockholders of another corporation engaged in competition with it, or is about to purchase the stock of such corporation, or any part thereof, or if this act we are now considering is passed and becomes the law, that any corporation purchases from another corporation engaged in commerce in competition with it the assets, or any part of the assets of such competing corporation, and that the purchase by it of such shares of stock, or such assets, may substantially lessen competition or tend to create a monopoly, the Federal Trade Commission has the power and it is made its duty to issue and serve upon such corporation a complaint stating its charges and containing a notice of a hearing upon a day and at the place fixed at least 30 days after the serving of such complaint.

Then, if upon the hearing of testimony, the Commission is of the opinion that the corporation is guilty of the charges brought against it, the Commission will issue and have served upon the corporation which it has charged with wrongdoing, an order commanding it to cease and desist from buying either the stock or the assets of a competing corporation and may also issue an order against the persons seeking to sell their stock, or the selling corporation from disposing of its stock by sale.

Should the stockholders or corporation, who have thus been charged, prosecuted, tried, and found guilty and sentenced by the Federal Trade Commission, seek to carry the charges made against it or them into the United States circuit court of appeals, when the corporation thus condemned gets into the said Federal court it will find itself with three strikes against it because the act creating the Federal Trade Commission provides that—

> The findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

In other words, the stockholders who have sought to sell their stock in a corporation which they own and the corporation which seeks to sell its assets, or any part of same, for the benefit of its stockholders, and the corporation which desires to purchase such stock and such assets, after having been prosecuted, tried, convicted, and condemned, and after having perfected their appeal from their condemnation to a United States circuit court of appeals, will find themselves handcuffed to their fate by the Federal Trade Commission's finding of facts which if supported by any evidence, referred to in this act we are considering as "substantial," without a remedy.

The proposed measure is unnecessary and amounts to a denial of that due process of law, that hearing in a court of law, before an impartial tribunal, which is the only protection a citizen of this country has when it is sought to deprive him of his life, liberty, or property.

The fifth amendment to the Constitution provides that "no person shall be deprived of life, liberty, or property without due process of law."

The enactment of the measure we are now considering is unnecessary because under the provisions of the Sherman antitrust law as amended, and under the decisions of the Supreme Court of this country, the Department of Justice of the Federal Government, and the courts of the land, have ample authority and power to restrain, prohibit, and punish every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States.

I shall not burden this argument with further quotations from the laws against monopolies and practices in restraint of trade.

The Supreme Court of the United States in the 1934 cases of *Arrow-Hart & Hegeman Electric Co.* (291 U. S. 587) did not grant immunity to the violators of the antitrust laws. In the 1930 cases *of Swift & Co.* v. *F. T. C.* and *Thatcher Mfg. Co.* v. *F. T. C.* (272 U. S. 554), it was held:

> The purpose of the [Clayton] act was to prevent continued holding of stock and the peculiar evils incident thereto. If purchase of property [assets] has produced an unlawful status a remedy is provided through the courts.

And we add that it is provided by the express terms of the Sherman Antitrust Act, as amended, passed by the Congress in 1890.

DUPLICATION OF POWER

Recent decisions of the Supreme Court clearly establish an adequate remedy for illegal acts and practices which the Federal Trade Commission claims it wishes to eradicate by the powers it is grasping for under the present act.

In the recent case of *American Tobacco Co.* v. *U. S.* (328 U. S. 781 (1946) the Supreme Court held that economic concentration of any kind which had the power to raise prices or exclude competition could be enjoined, dissolved, or criminally prosecuted, even though its illegal power was never exercised. This interpretation of the Sherman Act makes unnecessary the granting of further powers to the Federal Trade Commission.

The granting of power to the Federal Trade Commission under the proposed act is arbitrary, dangerous, indefinite and uncertain.

Under the provisions of the Sherman Act the person or the corporation that is charged with their violation has his or its day in court. They are not tried and condemned in a kangaroo court. A fair trial is guaranteed. The person or the corporation charged under the Sherman Act is not presumed to be guilty. The Government must make out its case under established rules of testimony by the requisite quantum and degree of proof.

Much is made of the use of the word "substantial" as used in connection with the character of evidence upon which the Federal Trade Commission reaches its findings which are conclusive against the object of its wrath.

What constitutes "substantial" has never been defined by any court of last resort, and the rule of reason of the Sherman Act cases has never been applied in Clayton Act cases.

In the last 8 years, for every one corporation that has gone out of business either through liquidation or sale of its assets to a competitor, 50 new enterprises have gone into business. There is no power existing in this country to require

a legitimate enterprise making reasonable income on its capital stock to sell to a competitor or to anyone else, or to go out of business, unless it wishes to do so.

The great majority of the small business corporations in this country are owned and controlled by a few persons, who are generally the members of one family. As long as the people who own and operate such business concerns are able to do so at a profit, they naturally continue in business. When due to the slackening of trade, or to adverse business conditions, the owners of such business concerns no longer find it profitable to remain in business, the stockholders of the corporation naturally are disposed to sell their assets and cease operations.

This desire to sell the property of a corporation sometimes grows out of the fact that the person who has the know-how, the skill and the ability to conduct the business in a profitable manner dies, and then it becomes desirable for the company to sell its property and go out of business.

In the very nature of things, when the owners and operators of a machine shop or of a furniture factory, or a hosiery mill, desire to sell their property, they seek out and sell it to some company or persons engaged in the same line of business. The operators of a machine shop cannot sell their tools and supplies to people who operate a dry goods store or a jewelry store. A company desiring to sell its assets must sell to someone engaged in the same line of business.

The proposed measure is aimed at the heart of free enterprise in this country. Freedom of initiative, the desire to succeed, the willingness to take a chance, the creative and inventive genius of the American people have built in this land a system of free enterprise that is the envy and admiration of the world.

For the reasons that I have stated, the great majority of the businessmen of this country are opposed to this bill. There are 16,000 members of the National Manufacturers Association. Most of them are little-business men.

The business men and women of this country are alert. They are well informed. They know what is being proposed and what is being done in this Congress. I have not heard from a single one of the thousands of little-business men and women in my district, or in my State, who favor this unnecessary measure.

We now have 4,000,000 people out of work and in many sections of the country business is hanging on the ropes.

This is no time to put more power in the hands of any Federal bureaucrat, unless we wish to follow down the road to further bureaucratic control over the business of the country, and follow in the footsteps of the people of England where free enterprise has been put to death.

Even if the purchase of the assets of one corporation by another corporation continued at the rate at which it has traveled for the past 8 years, that is from 1940 through 1947, it would take over 1,000 years to merge all industrial and mining concerns into one great monopoly envisioned by those who favor this measure.

In my action on this measure I prefer the judgment, the good sense, the success, the good will, and the patriotism of the men and women of this country who are operating our farms, our mines, our factories, means of transportation, and our mercantile establishments to the greed for more and more power of the thousands of bureaucrats here in Washington and throughout the land whose numbers have been constantly multiplying until today they threaten to overwhelm and devour our free economy.

The right to work, to earn, and with those earnings buy property, to own it, to use it, to enjoy it, to invest it, to sell it, and to give it to one's family, is the time-honored badge of free American men and women.

This bill is a dagger aimed at the heart of these rights. I shall, therefore, vote against it.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. CARROLL].

Mr. CARROLL. Mr. Speaker, for 22 years the Federal Trade Commission has urged that the Clayton Act be made effective by eliminating the loophole which now allows the almost unrestricted use of mergers to increase the concentration of economic power in our economy. Both during the Seventy-ninth and Eightieth Congresses, the House Judiciary Committee approved legislation similar to the bill now before us, and such legislation also was approved by a subcommittee of the Senate Judiciary Committee during the Eightieth Congress. Many hundreds of pages of testimony and documentary evidence showing the need for this type of legislation have been accumulated during a period of years. I need only refer to the monumental study of the growth of monopoly conducted by the temporary National Economic Committee under the able leadership of Senator O'MAHONEY, to the studies made by the House Small Business Committee, to the hearings of the House Judiciary Committee, and to the various reports of the Federal Trade Commission.

Yet, despite the long and impressive record of the need for this type of legislation, this is the first time that a bill on this subject has reached the floor of the House for debate and a vote. We have a historic opportunity today to remedy a major defect which has hampered the operation of our antitrust laws for several decades.

Mr. Speaker, I wish to relate our consideration of H. R. 2734, the bill now before us, to the previous action of the House in passing S. 1008, the so-called basing-point bill, with protective amendments. I believe it is important for the House to understand the relationship between these bills.

In passing S. 1008 with amendments, the House stated in effect that freight absorption is not illegal per se, but that freight absorption cannot be used to violate the antitrust laws. As I understand the bill in the form in which it passed the House, the Government still will be able to act to prevent conspiracies in restraint of trade, unfair methods of competition, and unfair price discrimination. In taking this action, the House has served notice that it does not favor any weakening of our antitrust laws. There now is going on an organized campaign to persuade the House to change this stand, and this question relates closely to the bill now before us. It would be useless for the House to close one loophole in the antitrust law by the passage of H. R. 2734, and then to allow another loophole to be opened up by passage of S. 1008 without the House amendments. As I have stated, the House has made clear by its amendments to S. 1008 that it will resist any attempt to weaken or destroy the Sherman Act, the Federal Trade Commission Act, or the Robinson-Patman Act. Actually, it now is possible to evade the intent of the antitrust laws through the loophole in the Clayton Act which H. R. 2734 is designed to plug.

The inability to prevent one company from acquiring the physical assets of another company obviously has made the Clayton Act ineffective. This loophole has even more far-reaching effects, however, since it makes possible not only the evasion of the Clayton Act, but also the evasion of the Sherman Act and the Robinson-Patman Act.

Let me explain how this occurs. Suppose that the Federal Trade Commission has brought a case against several large companies in a particular industry, charging that they have entered into a conspiracy in restraint of trade. Let us assume that the Commission proves beyond a doubt that these companies have been maintaining an artificially high price for their product through collusion, and that the Commission's contentions are upheld in the courts.

It would seem that in such a clear violation of the antitrust law these companies could be enjoined from continuing their practice of maintaining high prices which injure the consumer. But no—there is a loophole. These firms may merge through the acquisition of physical assets, and after they are merged into one great company, with more economic power and influence than ever, this new company can continue to charge outrageous prices and to eliminate competition through its control of the market. The new company can get away with practices which has been declared in violation of the antitrust law because it has absorbed all of the firms which had entered into the conspiracy—and it is obvious that you cannot conspire with yourself.

It is obvious that so long as mergers cannot be prevented, the growth of monoply and the concentration of economic power will continue.

Mr. Speaker, I am not discussing hypothetical instances. I refer you to the Report of the Federal Trade Commission on the Merger Movement, issued in 1948, in which there is a detailed discussion of how mergers have been used to circumvent the antitrust laws in the steel, cement, white lead, book paper, and other industries. I shall mention only the famous Cement Institute case, which should be familiar to all of the Members

by now. As you know, the Federal Trade Commission issued in 1937 a complaint against nearly all the members of the cement industry, and that the Commission's cease and desist order was upheld by the United States Supreme Court in 1948. During the years in which this case was being adjudicated, mergers took place which substantially increased the degree of concentration in the cement industry. The Federal Trade Commission has commented:

> The action by the Supreme Court in upholding the Commission's order against the cement industry will obviously be nullified insofar as the relationships between the acquired and acquiring firms are concerned, since there will no longer be any occasion for the acquired firms to conspire with their new owners in order to put the basing-point system, or any other pricing system, into effect.

Mr. Speaker, our primary concern in antitrust legislation is the public interest. We know that if there is free competition the public will be protected from unduly high prices and artificial scarcities. We have found that Government regulation is necessary to preserve the freedom of competition. This is no novel theory; after all, the Sherman Act goes back to 1890. Free competition safeguards not only the consuming public; it also encourages small business and the development of new types of business and industry.

Actually, competition protects and aids every element in our population. It keeps prices low and quality high. It allows a man with a new idea to build up a stable and prosperous business. It prevents any individual or firm from assuming excessive power over the economic life of the Nation.

Our problem is to maintain competition. Everyone who has studied this problem knows that competition has been weakened during the past several decades. Actually, we have lost rather than gained ground since the days of the great trust-busting operations. From 1940 through 1947, more than 2,450 independent manufacturing and mining companies went out of existence as a result of mergers. This movement has been especially serious since the end of the war. In industry after industry, three, four, five, or six huge corporations dominate prices, production, and employment.

This movement must be held within bounds. The Government must use its power to preserve the freedom to compete. If this freedom is destroyed, these huge industries may become economic states within the Nation, exercising so much power as to endanger our system of Government. This type of collectivism is as dangerous as any other type, and the Congress has a clear duty to check the further concentration of economic power. We have the opportunity today to make an important step forward in the strengthening of our antitrust laws. I am confident that the House will act in the public interest by passing H. R. 2734 by a large majority.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I am very much in favor of this bill. This bill is long overdue. The purpose of Congress ever since 1890 has been to prevent monopolies. Both parties have made that policy an important part of their platforms. Support for that policy has been almost as basic in American political life as support for the Constitution itself. Ever since 1914 both parties have recognized that it is not enough to strike down monopolies after they have come into existence; that prevention is better than cure; that monopolistic practices must be terminated in their incipiency.

An important part of this preventive action is to avert the lessening of competition which may occur when a corporation acquires control over one or more competitors. A corporation may grow big in several ways. One is to make money and use the profits to expand its operations. When this happens the expansion is an evidence of the concern's success, a result of a kind of vote of confidence which consumers have given the enterprise by trading with it. Another way is to float new security issues in the market and expand with the proceeds. A concern which does this has exposed its prospects to the judgment of investment bankers and investors in competition with other companies which wish to expand. Either of these two ways of expanding may be used by a monopoly; but there is nothing in either of them which creates an inherent probability that competition will be reduced or that the purpose of the expanding corporation is monopolistic.

The third method of expanding, however, is inherently dangerous to competition. It consists in buying out going concerns. A desire to get rid of inconvenient competitors is one of the most probable motives for this type of expansion. And even where the motive does not exist, elimination of one competitor after another and a consequent weakening of competition is the almost inevitable result. When a concern expands by reinvesting profits or floating security issues, nothing in its action prevents others from trying to expand too. When a concern expands by acquiring its competitors, its growth and a reduction of the number and strength of its competitors are two aspects of the same transaction. Hence we do well to look with suspicion upon the buying out of competitors and to give a Government agency the special duty of watching such schemes and stopping them when competition is adversely affected. Yet between 1940 and 1947 manufacturing concerns owning 5½ percent of the assets of all manufacturing corporations disappeared through mergers; and the most common type of case, the Federal Trade Commission has reported, was one in which a large enterprise swallowed up a smaller competitor.

When a monopoly is created by mergers its existence is a violation of the Sherman Act. But a monopoly may not be the result of a single merger. It may grow by accretion, eliminating one competitor after another and increasing its power each time it acquires a competitor's assets. Under section 2 of the Sherman Act we cannot intervene in such a process until the monopoly has been attained or until the purpose to monopolize has become clear. But by this time the acquired competitors are out of business; their properties have been fitted into the operations of the acquiring company; their technology has been blended with that of the acquiring company. The acquiring company has attained a financial strength which enables it to fight an antitrust suit in the courts and before public opinion with many times the men and money the Government can use in trying to dissolve the monopoly. The protection that surrounds property rights has become attached to the monopoly property. The presumption against breaking up a going concern has come to the monopoly's defense. For such reasons this country does not have a record of successes in dissolving monopolistic corporations by Sherman Act proceedings. A few have been dissolved while many more have been born. If we rely on the Sherman Act alone, we shall win some battles, but we shall lose the war.

It is necessary to stop the process of accretion by which monopoly power is attained, and for this reason we must intervene to prevent acquisitions of competitors as soon as competition is injured by the acquisition and long before a Sherman Act proceeding would be justified.

We must also do this for another reason. The greatest danger to competition today is not the growth of single large monopolistic companies in various industries, but the growth of industrial oligarchies in which power over an industry is divided among three or four large concerns. When three or four producers take the places of 20 or 30, the chances are great that price competition will be crippled, that declining markets will be dealt with by restriction of output instead of by price reduction, that the big concerns will adopt a live-and-let-live policy toward each other at the sacrifice of their efficiency and their progress, and that the remaining small competitors will be either bought out or reduced to vassals who meekly follow the large enterprises. We want competition, not business oligarchy. We can't rest on the hope that the courts will interpret the Sherman Act in such a way as to call each of three or four large concerns a monopoly or a combination in restraint of trade. Instead we must prevent the mergers by which these large concerns grow large.

In 1914 Congress thought that such devices for lessening competition had been outlawed; for in the Clayton Act acquisitions of a competitor's stock—the customary way of acquiring control over a competitor at that time—were forbidden where they might have the objectionable effect. But in less than 15 years it became evident that this part of the Clayton Act was a failure. Though the law covered acquisition of a competitor's

stock, it did nothing to prevent acquisition of his assets, no matter what might be the effect upon competition. Thus the only significant effect of the statute was to substitute mergers for stock acquisitions in cases in which competition might be affected. The looser, less permanent method of reducing competition by uniting competitors was forbidden, the tighter, more permanent method remained wide open. The law did not check the monopolistic concentration of economic power; it merely encouraged the use of more effective devices for increasing that concentration.

This hole in the law has reduced the effectiveness of the Sherman Act in coping with conspiracies. In 1899, for example, in the Addyston Pipe & Steel case, the courts condemned a conspiracy among six companies to fix the price of cast iron pipe. Subsequently the defendants merged into what is now the largest manufacturer and distributor of cast iron pressure pipe in the United States. Instead of conspiring in a way which eliminated some of their competition, they got rid of all competition among themselves, and the Clayton Act contained nothing to stop them.

In the years immediately following 1900, the first great wave of industrial consolidation hit this country. The Clayton Act and the Federal Trade Commission Act in 1914 were direct consequences of that wave. In the 1920's, under the Clayton Act and in spite of the policy of section 7 of that act, a second wave of consolidation developed, larger than the first, most of it in the form of mergers which section 7 did not forbid. The Federal Trade Commission applied the remedy we had provided in the law, found it inadequate, and reported the fact to the Congress with a recommendation that the hole in the law be stopped. The Congress did nothing about the recommendation. For 23 successive years the Commission has renewed that recommendation. Children born after the Commission made its first recommendation were old enough to vote in the last election; but still we did not act. Meanwhile the depression of the 1930's put an end to the second wave of industrial consolidation; and since the Second World War a third such wave has developed. During all this period the Congress has never, until today, had an opportunity to vote on a bill to make the policy declared in 1914 really effective. A bill has been reported favorably three times by the Judiciary Committee of the House, twice in sessions of Congress in which there was a Democratic majority and once in a session in which there was a Republican majority, and in the Senate the same bill has been approved once by a subcommittee of the Judiciary Committee. Yet until now we have had no chance to vote on the bill.

We have reiterated our belief in competition; we have condemned monopoly; we have expressed alarm about the drift toward monopoly. But we have not done the single thing needed to enable those who enforce our laws to prevent the monopolistic drift and to preserve the existence of competition. Now we have a chance to do it. Our action on this bill will show whether our support of competition is a seriously intended policy or a mere form of words used for speechmaking purposes.

What is at stake in this bill is nothing less than the future of American free enterprise. Surely none of us doubt that during the 35 years since we enacted the Clayton Act there has been a steady trend toward a greater concentration of economic power. Most of us think this concentration has gone too far already. But even those who look upon our present big enterprises with the greatest complacency cannot doubt that a limit must be set to the further growth of concentration. In 1909 the 200 largest nonbanking corporations owned about one-third of all corporation assets; in 1928 they owned 48 percent; in the early thirties they owned 54 percent. Today they probably own a still larger proportion. If we project the present trends for another 40 years, there will be such a degree of concentration that even the most optimistic cannot expect competition to survive. It is already late to curb this trend; we must not let it grow later. Unless we preserve the competition that still exists we shall soon have no competition to preserve. Big business will have swallowed up little business.

Ever since Karl Marx, Communists have based their belief in the collapse of capitalism upon their prediction that concentration of wealth and power would be carried so far in capitalist countries as to deprive most people of protection from monopoly and to leave them without interest in the survival of private enterprise. European experience has provided that in one respect this prediction is justified—namely, that where competition ceases to be effective, men turn readily to the state for complete protection. If we want totalitarianism to take the place of private enterprise in this country, we can scarcely encourage the process more effectively than by refusing to make our antimonopoly laws effective. The battle of freedom will be lost whenever we are forced to choose between control of economic life by private monopoly and control of it by the state. But the battle can still be won; and a vote for this bill will help win it.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Speaker, as a member of the subcommittee of the Judiciary which has examined the problem of amending sections 7 and 11 of the Clayton Act in order to close the loopholes which have permitted monopolistic mergers, I have heard testimony in the Seventy-ninth Congress, the Eightieth Congress, and in the present Eighty-first Congress as to the merits of the proposed amendment to the Clayton Act. I have consistently supported this bill, and feel that it should be passed by this Congress. My interest in the bill grows out of my ardent belief in a free, competitive American enterprise system. I am opposed to monopoly and the growth of monopoly. I think this bill will go a long way in stemming the present tide toward greater and greater concentration of economic power.

I have a double interest in this matter of monopolistic mergers. In the first place, it is through mergers and acquisitions, that competition is most seriously damaged. It was through mergers and acquisitions that most of the giant corporations of today were created. I feel that the existing concentration of economic power threatens our basic liberties and is detrimental to progress in this country.

My second interest is in the problem of outside control of local enterprises. As a South Carolinian, I find no criticism of outside capital, from the North or from any other area, coming down into our region and constructing new plants and providing employment for our workers. I am opposed, however, to the intervention of outsiders to buy up existing plants which for generations have been owned and operated by Southerners.

I need not go into great detail as to the dangers inherent in such an encroachment on local industry from outside. Let me take the textile industry as an example. In 1945, according to a recent study published by the National Industrial Conference Board—National Industrial Conference Board, Economics of the Cotton Textile Industry, 1946, page 17—there were approximately 17,600,000 spindles in operation in the South. This represented 76.1 percent of the total number of spindles in the entire country. Moreover, it represented an enormous increase in the proportion of the industry located in the South. At the turn of the century there were only 35.7 percent of the spindles located in the South; by 1925 the proportion reached 46.5 percent, and now over three-fourths of the total is within the South. Three Southern States—South Carolina, North Carolina, and Georgia—accounted for 60.6 percent of the total value of the broad woven goods production in 1939; if we may rely upon the number of spindles in place as a proper indication, the importance of these Southern States has increased since that time.

Now, in the early days of the development of the textile industry in the South, the mills were owned by local people, who had a great interest in the development of the community. Let me quote a statement from an authoritative history of the rise of cotton mills in the South, by Broadus Mitchell, of Johns Hopkins University. I quote:

> Nothing stands out more prominently than that the southern mills were conceived and brought into existence by southerners. The impulse was furnished almost exclusively from within the South, against much discouragement from selfish interests in the North, and capital was supplied by the South to the limit of its ability (p. 102).

Lawyers, bankers, farmers, merchants, teachers, preachers, doctors, public officials—any man who stood out among his neighbors, contributed to the development of these mills. Local investors pooled their savings and worked together to develop the mills.

It is true that these locally owned mills from the beginning were under certain pressures from outside interests. For example, they often had to borrow or give stock in their enterprises to machinery manufacturers, in order to foster the construction and expansion of their mills. This left little mark on the form of ownership, however. The large commission houses, located for the most part in the North, also were a source of both long term and working capital for southern mills. The financial dependence of the mills on the commission houses often caused the mills considerable hardship. The manufacture of cotton products continued on a decentralized and competitive basis, particularly in the South, but the selling function was highly concentrated in the hands of a small group of commission merchants. Thus, while the price of cotton goods fluctuated widely, the commission houses' fees remained fixed. In times of stress, when the mill owners found their margins reduced to dangerous levels, they could not seek out new selling agents, because of their financial obligations to their particular selling houses.

This and other difficulties often led the cotton-mill owners to speculate and engage in other practices which were harmful to their long-run interests. However, they did manage to grow and provide employment for local people and develop their local communities. The communities thus represented clear examples of local ownership.

It seems to me there are three important advantages of local ownership, both to the communities involved and to the Nation as a whole.

First. Under local ownership, there is common knowledge and acquaintanceship between workers on the one hand and the mill owners on the other. The families on the side of both labor and management have grown up together in the same town; they have known each other; and they are acquainted with each other's problems. The worker who has a grievance knows who is the actual owner and responsible head of the mill, and he is thus able to bring his grievance to the place of responsibility where action can be taken. Under the outside ownership which has not developed, the actual owner of the mill does not know the workers and they do not know him; he may never even visit the properties to which he holds title; to the workers, ownership is impersonalized, distant, and unapproachable. Obviously, conditions of this type tend to aggravate labor-management difficulties.

Second. Under local ownership, most of the income derived from the operation of the mills remains in the communities in which the mills are located. It is plowed back into those communities in the form of new investments in other factories, shops, and enterprises of one type or another. In other words, under local management the legitimate profits of industry tend to remain at home and promote the well-being of the home town. In contrast, under the new outside ownership, the profits are siphoned off to distant areas, which in the case of the textile industry, usually happens to be New York City—a metropolis which of all communities in the country is least in need of additional supplies of capital. Moreover, large portions of these profits which are drained off to these metropolitan centers are not put to work in the form of new capital investment but are used for such nonproductive purposes as speculation in the stock market, buying useless luxuries, gambling at the race track, paying night-club bills, and engaging in the other frivolities of the cosmopolitan idle rich.

Third. Under local ownership, there are strong social and civic ties that bind the community together. Under outside ownership, these ties are weakened and broken. Merchants and manufacturers do not get together in local organizations for the obvious reason that the owners of the manufacturing firms live elsewhere. Hence the drive for civic improvements of one kind or another generally tends to disappear in towns which have become the victims of outside ownership. If anyone has any doubts on this point, I would like to refer him to a report of the Senate Small Business Committee of the Seventy-ninth Congress entitled "Small Business and Civic Welfare." This study, which was based on a comparison of pairs of comparable big-business and small-business communities—the big-business communities being characterized by outside ownership—came to the following conclusions:

(1) The small-business cities provided for their residents a considerably more balanced economic life than did big-business cities;

(2) The general level of civic welfare was appreciably higher in the small-business cities;

(3) These differences between city life in big- and small-business cities were in the cases studied due largely to differences in industrial organization—that is, specifically to the dominance of big business on the one hand and the prevalence of small business on the other (pp. 1, 2).

Among its findings were the following interesting conclusions:

It was found that the chance that a baby would die within 1 year after birth was considerably greater in big- than in small-business cities; in fact, the chance was almost twice as great in one big-business city than in the comparable small-business city. Public expenditures on libraries (per capita) were 10 times greater and on education (per student) were 20 percent greater in one of the small-business cities studied than in the comparable big-business city; slums were more prevalent—in one case nearly 3 times more prevalent—in big- than in small-business cities (p. 1).

It is through mergers, the problem to which this bill is directed, that so many of the local southern communities have come under the domination of big business—outside northern big business.

Let me cite some figures which were presented before our committee by Mr. Murchison, president of the Cotton Textile Institute. According to Mr. Murchison, during the years 1940 to 1946, inclusive, 164 cotton textile companies engaged in spinning or weaving, or both, changed ownership. These firms owned more than 4,400,000 spindles and more than 88,000 looms or approximately one-fifth of the industry's productive facilities. In other words, in a short period of 7 years, no less than one-fifth of the industry's facilities changed hands as a result of mergers or acquisitions. Such a huge merger movement was bound to affect many southern mills.

Where all this will end, no one knows. But is is interesting to note that so conservative a source as the trade journal Textile World, has stated:

Belief is prevalent that the industry is entering an era of larger mill groups and that consequently fewer men will control the majority of its equipment and its products. Some extremists even forecast that the time is coming when a mere five or six companies will dominate the textile field just as has come to pass in the automobile industry (July 1946, p. 101).

Not only is this growing trend toward outside control of local enterprise damaging to civic welfare, but also it is harmful to the general welfare, as the heads of large concentrated organizations tend to follow the suicidal policy of maintaining prices and cutting production, rather than lowering prices and maintaining production. This is particularly the case in the textile industry, as illustrated by a comment recently made by the textile editor of the Journal of Commerce. I quote:

In the past, most mills have been run with the idea that full production minimized costs and overhead and is more profitable than leaving machinery idle. Mill shutdowns only occurred when production had so exceeded demand that stock lines were filled at every level of distribution, including the mill. * * *

In the postwar years a new policy seemed to be growing among mills and this has borne fruit in the current summer months. This policy was one of quickly curbing output of any item for which a healthy market did not exist. At first this was accomplished by shifting looms from a slow- to quick-moving type of cloth. When the number of desirable types became limited and shifting of looms unprofitable, mills responded by extending vacation periods, cutting down on workweeks, and generally acting to reduce production in less salable items.[1]

In the face of this trend toward more and more mergers which suppress competition, increase the outside control of local enterprise, and cause higher prices and instability of employment, every effort should be made to strengthen our antitrust laws. Foremost among such steps should be the passage of this bill H. R. 2734 to close the loophole in the Clayton Act to prevent monopolistic mergers which substantially lessen competition or tend to create a monopoly.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. Mr. Speaker, I wish to support H. R. 2734, which is designed to plug the loophole in section 7 of the Clayton Act and enable the Federal Trade Commission to prevent monopolistic mergers, whether effected through the purchase of stock or assets, which substantially lessen competition or tend to create a monopoly.

I believe I can best present my views on this issue in the form of questions and answers.

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[1] Journal of Commerce, August 24, 1948.

First. Question: Will this bill prevent the growth of small firms in order that they may compete more effectively with the giant corporations in their industries?

Answer: It will not have that effect. The bill is aimed at preventing only those mergers which substantially lessen competition or tend to create a monopoly. Obviously, those mergers which enable small companies to compete more effectively with giant corporations generally do not reduce competition, but rather, intensify it. Small business should have nothing to fear and everything to gain from this bill. In this connection, it should be noted that small business organizations which have appeared before the Judiciary Committee on this bill unanimously supported it. None of these organizations opposed it.

Second. Question: Will not the passage of this bill prevent American industry from improving its efficiency?

Answer: In all of the hearings before the House and Senate Judiciary Subcommittees on this bill, going back to 1945, officials of a number of large corporations have been asked specifically whether the recent mergers made by their companies had resulted in increased efficiency. It is rather interesting to note that, universally, these representatives of big business did not know whether efficiency had been increased; they were unable to present any evidence whatever showing that mergers have brought about greater efficiency; and this is not surprising when it is remembered that the Temporary National Economic Committee Monograph No. 13 found that there was no definite relationship between size and efficiency.

Third. Question: If an increase in efficiency is not the purpose behind these acquisitions, why were they made?

Answer: Acquisitions of competing companies take place as a result of many causes.

In the first place, there is the desire to monopolize, to control the market, to eliminate competition. This, of course, is the basic factor which underlies most acquisitions.

Then, too, the large corporations have emerged from the war with immense amounts of funds; as of June 1947 the 78 largest corporations possessed $10,000,000,000 of net working capital, which is sufficient to purchase the assets of nearly 90 percent of the number of all manufacturing corporations. Moreover, this working capital is largely in the highly liquid form of cash and Government securities. In other words, giant corporations are merely putting their money to work by buying up independent companies.

A third reason behind the acquisition drive is the desire of companies with established sales and distribution organizations to round out their lines with additional products.

Fourth, huge corporations, like General Electric, fabricating all kinds of products have been buying out producers of raw materials in order to get hold of critical materials which have been in short supply during most of the prewar period.

Fifth, at the same time producers of raw materials, like United States Steel, have been extending forward into the production of fabricated products in order to secure the higher profit margins of the fabricating industries.

Sixth, some large companies have purchased small firms in order to obtain valuable stocks of commodities. An example of this is the big liquor firms, who have used mergers as a means of obtaining stocks of aged whisky. The Big Four distillers own 75 percent of all the whisky stocks 4 years old and over in the country—enough to prevent any newcomer from entering the business with any chance of success.

Fourth. Question: As a corollary to the last question, why have the small companies sold out?

Answer: In many cases they have been offered very attractive prices by giant corporations. In others, they have been unable to obtain critical materials, supplies, and parts. There have also been threats, intimidations, and unfair practices on the part of large companies.

Let me point to the bakery industry as an example. Extensive studies of the Federal Trade Commission, as well as testimony presented before the House Judiciary Subcommittee, definitely established the fact that the large baking companies do not hesitate to employ the most unethical and unfair practices in order to drive out competitors. They sell bread at prices below cost, use consignment selling, put in all sorts of fancy, unnecessary racks and displays which small bakers cannot afford, in order to force local bakeries out of business. Then, when the local bakeries are eliminated, of course the price goes up.

Fifth. Question: You have mentioned several types of acquisitions which have taken place, can you give us any specific examples?

Answer: Certainly. The largest number of acquisitions have been of the horizontal type, that is, of one company buying out its direct competitors. A good example of this is the acquisition in February 1946 of the Tubese Rayon Corp., which was the eighth largest producer of rayon, by Celanese Corp. of America, which is the third largest producer. Another type of acquisition has been those involving vertical integration. For example, Safeway Stores, Inc., the country's second largest grocery chain, not only absorbed other grocery chains, but has reached back into the manufacturing field and purchased a large number of independent meat packers, a gelatin-dessert manufacturer, a biscuit and cracker manufacturer, a butter plant, and a cheese-processing company. On the other hand, there have been vertical acquisitions which have carried big companies into the field of fabrication and distribution. For example, International Paper Co., world's largest paper producer, bought out its largest customer for kraft board—Agar Manufacturing Co.—and thus expanded into the shipping-container business.

A third avenue of expansion—and this is one of the most detrimental movements to a free enterprise economy—is the conglomerate acquisition. This is the type which carries the activities of giant corporations into all sorts of fields, often completely unrelated to their normal operations. In times such as these, when big corporations have such huge quantities of funds, they are constantly looking around for new kinds of businesses to enter. By this process they build up huge business enterprises which enable them to play one type of business against another in order to drive out competition.

Sixth. Question: Just how extensive has this merger movement been? Has it had any real effect on the economy?

Answer: Between 1940 and 1947 more than 2,500 formerly independent companies in manufacturing and mining disappeared as a result of acquisitions, most of which have taken place since the end of the war. Let me quote from the report of the Federal Trade Commission, The Present Trend of Corporate Mergers and Acquisitions:

> During wartime, there is little incentive for large corporations to acquire small businesses. New facilities which are needed to produce war products are generally supplied by the Government. However, as victory looms in sight, and the elements of competition and control over markets again become important, there occurs a revival of interest in mergers and acquisitions.

Seventh. Question: This figure of 2,500 companies refers to the number of companies bought up. Does it represent any sizable proportion of the economy in terms of productive capacity?

Answer: The assets of the 2,500 companies acquired represent no less than 5.5 percent of the total assets of all manufacturing corporations—a sizable chunk of the economy to be removed from the competitive picture in such a brief period of years.

Eighth. Question: How has the merger movement affected small business?

Answer: The outstanding feature of the movement is the acquisition of small companies by giant corporations. This present merger movement, unlike previous merger movements in our history, does not represent the merging together of big companies. Actually, it is taking the form of giant corporations gobbling up small firms. As proof of that I would like to call your attention again to the figures presented by the Federal Trade Commission. No less than 70 percent of the total number of firms acquired have been absorbed by large corporations, with assets of over $5,000,000. On the other hand, fully 71 percent of the companies bought up have been small firms, with assets of less than $1,000,000. As the FTC report states:

> In short, the figures indicate, conclusively, that the major impetus behind the current merger movement has been the desire of giant corporations to consolidate their wartime gains and to expand the scope of their domination through acquisitions of smaller, independent enterprises.

Ninth. Question: What are some of the industries involved in the recent merger movement?

Answer: The current merger movement has extended throughout most manufacturing industries. The greatest number of acquisitions, according to the Federal Trade Commission, have taken

place in the food, textile and apparel, chemical, nonelectrical machinery, and transportation equipment industries. And a particularly striking feature of the movement is the importance of acquisitions in several of the traditionally small-business industries. More than one-third of the total number of acquisitions took place in only three industries, namely, food, textiles and apparel, and nonelectrical machinery—all predominantly small-business fields. Let me cite three specific examples. The big distillers have bought out virtually all of the whisky-barrel industry. Now, oak barrels are absolutely essential for the aging of spirits and the Big Four have captured the industry so completely that the little distillers are unable to get sufficient cooperage to age their whisky properly, which forces them either to go out of business or to sell their raw spirits to the big companies. Another case is that of the big distillers moving into the winery industry. Within a very short period of time they absorbed nearly one-fourth of the country's wine storage capacity and about 50 percent of all the aging wines. In another field, the giant steel corporations have moved into the small-business field of steel-drum manufacturing, taking over 87 percent of the capacity of that industry. Before the war, production of steel drums was primarily a small business industry with many independent operators. The big steel companies had very little interest in the field—in fact, they controlled less than 10 percent of the capacity. Now the situation is reversed and the big steel companies have nearly nine-tenths of the capacity and the remaining 10 percent is handled by only a few, hardy independents.

Tenth. Question: Why is it necessary to amend this act in order to prevent mergers?

Answer: Congress thought that it had put a halt to mergers way back in 1914 when it passed the Clayton Act. The original purpose of the Clayton Act, as stated by the report of the Senate Committee on the Judiciary on January 22, 1914, was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency." In other words, "to nip monopoly in the bud." However, it was not long before smart corporation lawyers found a loophole in the law. The law gave the Federal Trade Commission the power to prohibit the acquisition of stock of competing companies where the result would be to substantially lessen competition or create a monopoly, but it said nothing about assets. The reason for the existence of this loophole lay in the fact that most of the mergers that had taken place before 1914 were made by acquisition of stock. In fact, Justice Stone, in his dissenting opinion in the Arrow-Hart and Hegeman case, clearly indicated that the reason that Congress took action to prevent acquisitions of stock was simply that it was the prevailing method. He said that corporate mergers were commonly effected through stock acquisitions, that "only in rare instances" would a merger be successful without advance acquisition of working stock control, that such control was "the normal first step toward consolidation," that it was by that process that most consolidations had been brought about, that this was the first and usual step and that the statute therefore reached the evil of corporate mergers in its most usual form by forbidding the first step. In the early twenties, however, corporation lawyers discovered that, by buying up the assets and not the stock, the provisions of the Clayton Act could be evaded. This practice has continued to this day, with the result that the statute is now a dead letter.

Eleventh. Question: Why do you say it is a dead letter? Cannot the Federal Trade Commission prevent stock purchases of competing companies?

Answer: Yes, theoretically it possesses the power. But whenever it tries to prevent one firm from buying up another through the purchase of stock, it finds that the acquiring company then buys up the assets and thus removes the case from the jurisdiction of the Commission. This is what is known as the switch—from stock to assets. In this connection I would like to cite the recent case where the Commission proceeded against P. Ballantine & Sons, a large brewery, which had brought up the stock of a competing firm in Newark, N. J. While hearings were actually being held in 1945, the counsel for P. Ballantine & Sons walked in and announced that his firm had just bought up the assets of the company. As a consequence, the Commission had to dismiss its complaint. In an even more recent case, the Commission tried to prevent the Consolidated Grocers Corp. from buying up competing corporations. The Consolidated Grocers Corp. had become by 1945 the largest wholesale grocery in the country with annual sales of $100,000,000. It occupied a dominant position in the wholesale grocery trade in numerous important trade areas including Chicago, Baltimore, and other large cities. While the case was being tried, Consolidated Grocers took title to the assets and thus removed the case from the jurisdiction of the Commission. In other words, whenever the Commission, under section 7 of the Clayton Act, moves against a company which buys up the stock of a competing firm, the acquiring firm then proceeds to buy up the assets, and the Commission is powerless to act. Because of this situation, the antitrust laws concerning mergers have become largely a dead letter. The Commission itself has stated in its report:

> In other words, when the Commission tries to prevent acquisitions which take the form of purchases of stock, it usually finds that it is chasing a vanishing will-o'-the-wisp.

Twelfth. Question: Has the plugging of this loophole been recommended previously?

Answer: Indeed it has. Since 1927 the Federal Trade Commission has been recommending that Congress take action which would make the law effective. The Temporary National Economic Committee, after an exhaustive study of the problem, made the following recommendation:

> We propose that the Federal Trade Commission be given authority to be fixed by Congress to forbid the acquisition of the assets and property of competing corporations of over a certain size unless it be made to appear that the purpose and apparent effect of such consolidation would be desirable. The authority given would, of course, relate to capital assets of competitors and not to inventory or stock in trade.

Then, in 1945, companion bills, designed to accomplish this objective were introduced by Senator O'MAHONEY and Senator—then Representative—KEFAUVER. After examining hundreds of mergers in specific industries and issuing a 373-page volume of hearings, the House Judiciary Committee of the Seventy-ninth Congress reported the bill out favorably on March 26, 1945. The bill was referred to the Rules Committee, but unfortunately did not reach the floor of the House during the Seventy-ninth Congress.

Then in the Eightieth Congress, after issuing a 551-page volume of hearings, the House Judiciary Committee again, on June 17, 1947, reported the bill out favorably. And again it failed to reach the floor.

Now in the Eighty-first Congress, the House Judiciary Committee, after issuing a 147-page volume of hearings, for the third time, on August 4, 1949, reported the bill out favorably.

In addition, the President has specifically urged the Congress to pass legislation which would plug up this loophole. In his Economic Report to Congress dated January 8, 1947, the President stated:

> Among the steps to be taken is the extension of section 7 of the Clayton Act to prohibit mergers by the acquisition of assets, as well as by the acquisition of stock control.

Thirteenth. Question: Why should the amendment of the Clayton Act be passed today?

Answer: There has been a growing trend toward economic concentration in the United States during the past half century which has reached the stage at which it constitutes a vital threat to the American way of life. Let me cite some figures prepared by Berle and Means and the National Resources Committee. In 1909 the 200 largest nonfinancial organizations in the United States owned one-third of the assets of all nonfinancial corporations. By 1929 they controlled 48 percent, and their control had risen to 55 percent in the middle thirties. During the war which has just been concluded, the giant corporations increased their economic power enormously. For example, the 100 largest corporations received 75 percent of the war contracts. They operated half of all the new private facilities constructed during the war and three-fourths of all the Government-owned facilities. Moreover, only 68 giant corporations received two-thirds of all the funds for scientific research and development. Through control of production improvements, scientific research, advertising, and the enormous profits which these giant corporations secured during the war, they are in a strategic position to increase their economic power now. A new merger movement, superimposed upon the wartime increases in concentration, is bringing monopoly to

an all-time high. That is the reason why it is so important to halt the trend toward monopoly today. If we do not stop it now, we may as well forget our democratic traditions and our free-enterprise system, because neither can survive under private monopoly. Private monopoly inevitably culminates in some form of Government-controlled collectivism.

Mr. CELLER. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. PATMAN].

ANTIMERGER BILL

Mr. PATMAN. Mr. Speaker, I am in favor of H. R. 2734—strongly in favor of it.

There is nothing radical in this bill, nothing drastic. The bill simply fills up a necessary gap in the present law, as construed by the courts.

Under the present law, corporations merged by acquiring stock are subject to certain antimonopoly restrictions.

But if they merge by acquiring physical assets, they are not subject to these antimonopoly restrictions. The curious distinction is due to a Supreme Court decision rendered way back in 1926.

What this bill does is to put all corporate mergers on the same footing—whether the result of the acquisition of stock or the acquisition of physical assets. The antimonopoly restrictions would apply to both types of mergers—not only one type.

Now, as I said before, the distinction limiting the present law to mergers by acquiring stock goes back to 1926.

For over 20 years, the door has been open. Merger has been on the march. Monopoly, or oligopoly, has become entrenched as the statistics show only too well.

The effect of this bill may be much like locking the barn door after the horse has been stolen. It does not apply to existing mergers, which in the meantime have escaped the restraints by the Congress many years ago.

That is another subject which may require further legislation. Existing entrenched bigness is a threat to free enterprise in this country. I am not saying that existing bigness is an evil in itself, but it is a threat. However, as I said before, this bill does not apply to this problem.

This bill does apply to future mergers, to mergers which may be accomplished or sought to be accomplished from now on. To this extent the bill is a good bill, and altogether salutary. It may be a late hour to lock the barn door, but you may be sure that all the horses are not stolen yet.

I understand that this bill, in past versions, has never before gotten to the floor of this House. I congratulate my distinguished colleague, the gentleman from New York [Mr. CELLER] for getting it on the floor today under suspension of rules. I sincerely hope that the bill passes—passes now.

There have been somewhat disingenuous suggestions circulated about that this bill does a disserve to small business, that the bill will prevent mergers of small businesses to meet the competition of big corporations, and so forth.

These false objections do not come from small business itself. They come from the representatives of big business, or from phoney small-business fronts financed by big business. The House Small Business Committee is greatly interested in these phoney small-business fronts.

Let me say to you once and for all: Small business is antimonopoly-minded—hook, line, and sinker. Several small-business associations testified vigorously in favor of this bill. None opposed it. The fact is that small-business corporations never had any trouble whatever with the Federal Trade Commission in connection with stock mergers. It is difficult to see, therefore, how they will have any trouble in connection with mergers accomplished by the acquisition of physical assets. Furthermore, the language of the present bill is carefully drafted so that the prohibition applies only where the effect is to substantially lessen competition and where the effect is experienced in the particular line of commerce and not merely as between the merged corporations.

I am in close touch with national associations throughout the country which believe in small business and are 100 percent for this bill. These are not small-business associations only. They represent organized labor, organized farmers, organized small business, and cooperatives. I have their assurances of support for this bill because of its benefits to small business and to free enterprise in all phases of American economic life.

Merger must be stopped now, or else the big corporations will become so big that there will be nothing left to do except for the Government to take them over—socialism in the United States, as in Great Britain, where they never have had our antimonopoly laws. This is the very thing we all are trying to avoid.

H. R. 2734 must be passed.

Permission having been granted, I am inserting a history of this proposal. It is as follows:

HISTORY OF PROPOSALS TO AMEND SECTION 7 OF THE CLAYTON ACT

Since 1927 the Federal Trade Commission has repeatedly called attention to the loophole in section 7 of the Clayton Act.

The annual report of the Commission for the fiscal year ended June 30, 1927, called attention to the fact that the Supreme Court's decisions in the Western Meat Co., Swift & Co., and Thatcher Manufacturing Co. cases, had practically nullified and destroyed the effectiveness of section 7 of the Clayton Act to accomplish the purpose intended by Congress of preventing mergers and acquisitions of competing corporations in industry and commerce.

Specifically, in the 1927 annual report the Commission discussed, on pages 14 and 15, the effect of the Supreme Court's decisions in the above-mentioned three cases, which had been argued together and had been decided in 1926.

In each of the three cases the respondent corporation had illegally acquired the capital stock of a competing corporation and had then used the voting power so illegally acquired to cause the illegally controlled corporation to sell its assets to the illegally controlling corporation. In the cases against Swift & Co. and Thatcher Manufacturing Co., this use of illegally acquired voting power to acquire direct title to the assets of the former competitor had been completed before filing of the Commission's complaints in the case, whereas in the Western Meat Co. case, the acquisition of direct title to the competitor's assets had not been completed at the time of entry of the Commission's final order. The Commission's orders to Swift & Co. and to Thatcher Manufacturing Co. to divest themselves of the assets so acquired had been upheld by the Circuit Court of Appeals for the Seventh and Third Circuits respectively; and in the Western Meat Co. case, the Circuit Court of Appeals for the Ninth Circuit had originally sustained the Commission's order, but upon rehearing had modified its decision so as to permit Western Meat Co. to acquire direct title to the assets of its competitor through use of the stock so illegally acquired.

The Supreme Court affirmed the original order of the Commission in the Western Meat Co. case, including the Commission's prohibition of acquisition of the competitor's physical assets through ownership of the illegally acquired stock, the Court stating that "the purpose which the lawmakers entertained might be wholly defeated if the stock could be further used for securing the competitor's property." In the other two cases, however, the Supreme Court, by a 5-to-4 vote, set aside the Commission's orders on the ground that the statute conferred upon the Commission no authority to order a dispossession of physical assets even though the assets had been obtained as a result of the illegal acquisition of stock.

After reciting these facts, the Commission went on to say:

> The net result is that a corporation may purchase the stock of a competitor in violation of section 7, and if it can vote the stock illegally acquired so as to complete the acquisition of the physical assets of the corporation before the Commission files proceedings, then the situation is beyond the corrective power of the Commission. There is usually a substantial lapse of time between the Commission's preliminary inquiry and its issuance of a formal complaint, within which offending corporations may take steps to acquire the physical assets of companies whose stock they have previously acquired in violation of law. So far as the Commission is concerned, it as a question whether the effectiveness of the act to fulfill the purpose of Congress has not been materially lessened by these decisions.

The Commission's annual report for 1928 again, page 18, states the difficulties encountered in administration of section 7 of the Clayton Act as a result of the aforesaid and other decisions by the Supreme Court; and it reiterates verbatim its previous statement about the effectiveness of the act to accomplish the purpose of Congress being materially lessened by these decisions. It then goes on to say:

> Since these decisions there have been noted a number of cases where the jurisdiction of the Commission has been defeated by

the corporation having acquired the capital stock of another company, and then converting the assets of the acquired company either before the preliminary inquiry was completed or before the question as to whether the facts warranted action under section 7 had been considered.

The annual report for 1929—pages 59 and 60—repeats the statements made in the 1928 report practically verbatim and then goes on to say that of the 196 acquisition and merger matters disposed of during the year, "50 percent involved acquisitions of assets, so did not fall within the provisions of the act."

The Commission's annual report for 1930—pages 50 and 51—again discusses the difficulty of effective enforcement of section 7 of the Clayton Act as a result of the decisions by the Supreme Court in the aforementioned cases and others which—decisions—states the report, "have limited and in a large measure nullified the application of the act."

The Clayton Act, as construed by the courts—

Says the report, page 50—

applies only to the acquisition of stock and not assets. Because of the court's interpretation, it is possible for a corporation to substantially lessen or wholly eliminate competition between itself and its competitor or between two or more competing corporations engaged in commerce through acquisition of assets. Acquisition of assets, therefore, is now the usual procedure in effecting acquisitions, consolidations and mergers.

Thus the Commission called the attention of Congress to the fact that the purpose of section 7 of the Clayton Act to prevent the growth of monopoly through consolidation of competing enterprises was being defeated not only through the effects of the Supreme Court's decisions in those cases in which the first step in consolidation was acquisition of stock control of competitors but also through direct purchase by one competitor of the assets of other competitors without first purchasing stock control.

With the intensification of the industrial depression during 1931 and 1932 and only partial easing thereof during 1933 and 1934, the number of matters involving acquisitions, consolidations, and mergers fell off to such an extent that possibly the problem did not seem so pressing. In general, during these years the Commission merely continued to repeat the same type of recommendations that it had advanced in previous years.

With the upturn in economic activity in 1935—and a subsequent increase in merger activity—and with the broadening of the loophole in the *Arrow-Heart Hegeman case* (291 U. S. 587, 599, 608) the Commission made a vigorous recommendation for congressional action to close the loophole in the law, stating:

Section 7 now prohibits acquisition by one corporation engaged in commerce of stock of a competing corporation so engaged where the effect may be to substantially lessen competition between such corporations. If the section is to accomplish the general purpose of preventing monopoly, it should be amended to prohibit acquisition of assets, not only indirectly through use of stock unlawfully acquired but also direct acquisition of assets independently of stock acquisition. The Commission therefore recommends that both the direct and indirect acquisition of assets be prohibited where the effects are the same as those already prohibited by the section. Such amendments would also call for an amendment of section 11 to make the procedural remedy as broad as the things prohibited (p. 16).

From 1935 on, the substance of the recommendation has been included in the Commission's annual reports.

The legislative history of bills designed to amend section 7 of the Clayton Act may be briefly summarized as follows:

From 1945 through 1948 companion bills designed to close the loophole in the law were regularly introduced in the Senate and the House of Representatives by Senator JOSEPH C. O'MAHONEY and Senator—then Representative—ESTES KEFAUVER; twice, that is, in both the Seventy-ninth—Democratic—and the Eightieth—Republican—Congresses, the House bill was approved by a subcommittee of the House Judiciary Committee; twice it was approved by the full House Judiciary Committee; and twice it failed to emerge from the House Rules Committee. On the Senate side the bill was approved in the Eightieth Congress on May 17, 1948, by a subcommittee of the Senate Judiciary Committee, headed by Senator WILLIAM LANGER. But, like the House bill, the Senate bill never reached the floor for debate.

In the Eighty-first Congress bills designed to amend the law were introduced on the Senate side by Senator O'MAHONEY, for himself and Senator KEFAUVER; and on the House side by Representatives CELLER and HOBBS. Hearings have been held on the bill before Subcommittee No. 3 on the House Judiciary Committee, and the subcommittee has reported out the bill. It was reported out by the full House Judiciary Committee and it is now the bill H. R. 2734 before us for consideration.

On the Senate side hearings have not as yet been held on the bill nor has a subcommittee of the Senate Judiciary Committee been appointed or designated to hold such hearings.

The body of evidence which has been presented to Congress in support of the bill is voluminous. Principal items in this body of evidence which have been presented to Congress since the end of World War II may be listed as follows:

First. A general report by the Federal Trade Commission issued in 1948, entitled "The Merger Movement: A Summary Report."

Second. A report by the Commission in 1947 entitled "The Present Trend of Corporate Mergers and Acquisitions."

Third. A printed volume of hearings before the subcommittee of the House Judiciary Committee of the Eightieth Congress—Eightieth Congress, first session, hearings on H. R. 515, to amend sections 7 and 11 of the Clayton Act.

Fourth. A printed volume of hearings before the subcommittee of the House Judiciary Committee of the Seventy-ninth Congress—Seventy-ninth Congress, first session, hearings on H. R. 2357, to amend sections 7 and 11 of the Clayton Act.

Fifth. Approximately 700 typewritten pages of transcript of hearings before the subcommittee of the Senate Judiciary Committee of the Eightieth Congress.

Sixth. A printed report of the House Judiciary Committee of the Eightieth Congress, approving the bill—Eightieth Congress, first session, Report No. 596, to accompany H. R. 3736, June 17, 1947.

Seventh. A similar printed report of the House Judiciary Committee of the Seventy-ninth Congress—Seventy-ninth Congress, second session, Report No. 1820, to accompany H. R. 5535, March 26, 1946.

Eighth. Other information consisting of material presented before the Temporary National Economic Committee in the form of printed hearings and monographs as well as other printed reports of the Federal Trade Commission, going back nearly one quarter of a century.

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

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. May I ask if this specific recommendation has not been made in the annual reports of the Department of Justice and the Federal Trade Commission since the year 1937, if the TNEC antimonopoly committee did not also make a similar report, and if the President in his last economic report did not make a similar recommendation that this legislation be adopted?

Mr. PATMAN. Also, the Small Business Committee during the Seventy-ninth Congress, the Eightieth Congress, and the Eighty-first Congress recommended it, because it is a bad loophole in the antitrust law and should be plugged. A noose is needed instead of a loophole.

Mr. EVINS. Mr. Speaker, I desire to commend the decision of the House Judiciary Committee and the majority members of the committee for their efforts in bringing this bill before the House for action.

This bill, H. R. 2734, embraces the recommendations of the Federal Trade Commission and the Department of Justice to strengthen our antitrust laws—particularly sections 7 and 11 of the Clayton Act. The annual report of the Federal Trade Commission has contained such a recommendation annually since 1937. In addition, at various times, the Antitrust Division of the Department of Justice has recommended the amendment of the Clayton Antitrust Act in the specific regard as is proposed for amendment in the pending bill. President Truman in his special economic report has also made a similar recommendation and, in addition, the Temporary National Economic Committee—the so-called TNEC Anti-Monopoly Committee—recommended in its report, following exhaustive study of antitrust laws, that the Federal Trade Commission be given the power and authority to prevent the acquisition of stock and physical assets of competing corporations through merger where the effect of such acquisition may be to substantially lessen competition and create a monopoly.

I am supporting this bill and hope the measure will pass. I do so for the reason that I feel our antitrust laws should be

strengthened and not weakened. Contrary to the opinion as expressed by statements made by several Members on the floor here today, this bill does not prohibit the merger of two small concerns or competing companies or enterprises. The measure only prohibits those mergers through the acquisition of capital stock and physical assets where the effect of such merger "may be to substantially lessen competition" or create a monopoly. The inhibitions contained in the act are limited to these specific types of cases.

Mr. Speaker, this matter as indicated has been recommended over a period of years. It has been given thorough and exhaustible consideration by the executive branch of the Government, special committees of Congress, and the Judiciary Committee of the House.

It seem to me that unless we block the loopholes in the Clayton Act that we cannot expect effective enforcement of the statute and that there will be a continuation of the many pressures that have been exerted on small business during the recent years of critical shortages. The welfare of small business will be protected by the passage of this legislation.

Reports of the Federal Trade Commission and the Temporary National Economic Committee and Senate Special Committee of the Eightieth Congress To Study Problems of American Small Business all show that big business, especially the large steel corporations, have been channeling sources of supply into their own integrated companies and that small business concerns have been denied available sources of steel supply. This same situation has been shown to exist in other industries. Such concerns have been buying up and acquiring capital stock and physical properties of competing companies and establishing vertical sources of distribution, and the effect of this bill is to prohibit such mergers and acquisitions where the effect of such results in a substantial lessening of competition. This bill would plug existing loopholes and prohibit acquisition of capital stock under the circumstances enumerated.

It seems to me that those of my colleagues who are genuinely interested in small business in our country will support this legislation.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD on the pending measure.

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

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, under permission requested by the gentleman from New York [Mr. CELLER], I wish to include at this point in the RECORD the following remarks:

Mr. Speaker, the bill before us today would amend section 7 of the Clayton Act in order to prevent monopolistic mergers.

What was the basic purpose of the act when it was passed in 1914? I wish to quote from the report accompanying the Clayton Act, issued by the Committee of the Judiciary of the United States Senate, dated July 22, 1914:

> Broadly stated, the bill, in its treatment of unlawful restraints and monopolies, seeks to prohibit and make unlawful certain trade practices which, as a rule, singly and in themselves, are not covered by the act of July 2, 1890 (the Sherman Act) or other existing antitrust acts and thus, by making these practices illegal, to arrest the creation of trusts, conspiracies, and monopolies in their incipiency and before consummation.

Has this purpose been achieved? It has not. That is why this bill is before us today. That is why the Federal Trade Commission has been recommending a bill of this type for almost a quarter of a century.

For my part, I feel that this bill should have been passed long ago. But, unfortunately, although many efforts have been made to make this basic law effective, none of them have been successful.

Mr. Speaker, on two previous occasions, that is in both the Seventy-ninth and Eightieth Congresses, the Judiciary Committee of the House voted this bill out favorably and on both occasions, the bill was killed in the Rules Committee. I believe that it is because of this record of the Rules Committee in consistently killing this legislation, that we are now confronted with the unusual step of taking the bill up under the suspension of the rules.

But to return to my basic question. Has the intent and purpose of the Clayton Act which, I repeat, was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency," been accomplished?

What are the facts?

Although comparable postwar data are not as yet available, the National Resources Committee found that while the 200 largest nonbanking corporations owned about one-third of all corporation assets in 1909, by 1928 they owned 48 percent of the total, and by the early thirties the proportion had increased to 54 percent. This long-term trend is confirmed by another series prepared by an analyst of Moody's Investment Service, which shows that 316 large manufacturing corporations increased their proportion of the total working capital of all manufacturing corporations from 35 percent in 1926 to 47 percent in 1938.

This long-term rise in concentration is due in considerable part to the external expansion of business through mergers, acquisitions, and consolidations. Thus, in the case of the steel industry, mergers and acquisitions of other companies accounted for one-third of the long-term growth 1915–45 of the Bethlehem Steel Corp.; and two-thirds of the growth of Republic Steel. And in the case of the industry's largest firm, the original formation of the United States Steel Corp., represented the greatest consolidation in history, with more than 170 formerly independent concerns having been brought together at one fell swoop.

Thus, largely due to these mergers, we are today confronted with a situation in the steel industry in which the top three companies—United States Steel, Bethlehem Steel, and Republic Steel—account for approximately 60 percent of the Nation's basic steel capacity. The United States Steel Corp., alone, as of January 1, 1945, owned 57 percent of the Nation's total steel capacity for making rails; 53 percent of the capacity for making sheared and universal plates; 43 percent of the capacity for structural shapes; 42 percent for wire nails and staples; 41 percent for steamless pipe and tubes; 40 percent for reinforcing bars; 40 percent for barbed wire, and similar high percentages for most of the other important steel products.

Much the same situation is true of the copper industry, in which no less than 70 percent of the long-term growth—1915–45—of the three largest companies, Anaconda, Kennecott and Phelps-Dodge has been due to external expansion through acquisitions and mergers.

Here also, largely due to these mergers, these three companies dominate the industry. They control the mining fields almost exclusively. American Smelting and Refining, originally organized to consolidate domestic lead smelters, is the leading copper refiner—with 37 percent of electrolytic capacity—followed by Anaconda—29 percent of capacity—and Phelps-Dodge—22 percent of capacity. Kennecott, the largest copper-mining company in the country, has no electrolytic refineries but is closely associated with American Smelting and Refining through the Guggenheim interests.

Then there are the closely related fields of lead and zinc. The country's largest producer of lead, St. Joseph Lead, accounted for about one-quarter of the domestically produced lead in the 1920's, but increased its proportion to about 40 percent of the total in 1944. New Jersey Zinc is by far the largest producer of zinc and occupies a position in the industry roughly similar to that of St. Joseph Lead in the mining of lead.

In a field of great interest to the housewife, electric appliances, in 1940–41, the latest period for which information is available, General Electric Co., with its subsidiaries and affiliates, was the largest producer of domestic vacuum cleaners, with 21 percent of the total production; the largest producer of electric flatirons, with 22 percent; the largest producer of domestic washing machines, with 13 percent; and the largest producer of electric ranges, with 39 percent.

Then there is the field of agricultural machinery, which is, of course, a matter of vital importance to the farmer. The largest three companies—International Harvester, Deere, and Allis-Chalmers—together accounted for 65 percent, and the Big Six for 80 percent, of the business in 1940, distributed as follows:

	Percent of total sales
International Harvester Co	37.3
Deere & Co	18.8
Allis-Chalmers Manufacturing Co	11.1
J. I. Case Co	5.4
Oliver Farm Equipment Co	4.3
Minneapolis-Moline Implement Co	3.5

The important field of chemicals is also highly concentrated, with the production of industrial chemicals being centralized

in the hands of three giant concerns: E. I. du Pont de Nemours, Allied Chemical & Dye, and Union Carbide and Carbon. When examined from the point of view of individual products, the degree of concentration in industrial chemicals is little short of extraordinary. Thus, in 1945, out of 238 general chemical products surveyed, in the case of 102 the entire output was accounted for by 4, or fewer, companies. Of the 136 products made by more than 4 firms, nearly three-fourths were produced under conditions where 4 companies accounted for 70 percent or more of their entire production.

Besides the industrial basic chemicals the chemical industry includes such consumer products as soaps and drugs. In soap production the leading firms include such old-line establishments as Procter & Gamble, Colgate-Palmolive-Peet Co., and Lever Bros., the American subsidiary of the British firm of Lever Bros. and Unilever, Ltd. The three largest producers of soap products before the war were reported to control about 80 percent of the business, divided approximately as follows:

	Percent
Procter & Gamble	40
Lever Bros	20
Colgate-Palmolive-Peet Co	20

Like most branches of the chemicals industry, the manufacture of drugs, medicines, and related products is highly concentrated, most of the leading corporations having gained their positions through mergers and acquisitions, frequently maintaining their status through cartels, patent and trade-mark agreements. Five of the Nation's 11 largest drug corporations—Rexall Drug, Inc., Bristol-Myers Co., American Home Products, Sterling Drug, Inc., and Vick Chemical Co.—stem from the so-called Sterling group. In 1943, these 5 companies together accounted for 29 percent of the total sales in the drug industry.

If you drive an automobile, you are, of course, interested in the rubber tire industry. In this field, Goodyear, Firestone, United States Rubber, and Goodrich together, have for several years accounted for over 90 percent of the total assets of rubber tire companies. By virtue of long-standing arrangements with the large automobile producers, the Big Four completely dominate the sale of tires and tubes for use as original equipment. It is a well-known fact, for example, that Goodyear sells mainly to Chrysler; Firestone is the chief supplier of Ford; and General Motors is United States Rubber's best customer. Significantly, the Du Ponts are the principal owners of both General Motors and United States Rubber. Replacement tire sales, while more widely distributed, still are dominated by the Big Four.

Even cigarettes are a product of monopoly. The tobacco industry has had a long and lurid history of monopoly and concentration. The old American Tobacco trust, a product of the great combination movement of the 1890's was dissolved in 1911, at which time it controlled 76 percent of the smoking tobacco, 80 percent of the fine-cut tobacco, 85 percent of the plug tobacco, and 96 percent of the snuff. Despite this dissolution, the constituent parts of the old American Tobacco trust still maintain a substantial degree of control.

In its recent decision against the American Tobacco companies, the Supreme Court found the big tobacco companies have, for example, continued to conspire "to fix and control prices and other material conditions relating to the purchase of raw material in the form of leaf tobacco for use in the manufacture of cigarettes." In 1939 the Big Three—American Tobacco, Liggett & Myers Tobacco Co., and R. J. Reynolds Tobacco Co.—produced 68 percent of all domestic cigarettes, 63 percent of all smoking tobacco and 44 percent of all chewing tobacco. By 1947, the predominance of these companies in cigarette manufacture had risen to a point where they accounted for no less than 82.5 percent of the output.

And so it goes. Industry after industry has in effect been taken over by the Big Three, the Big Four, the Big Six, or sometimes by simply the leader. The extent of corporate concentration in American industry is little short of staggering.

Mr. Speaker, today we must recognize that these monopolies are becoming stronger and stronger and the principal means by which they are increasing their power over the country is through the practice which this act is designed to prevent, namely, the buying up of smaller independent companies. Big business is steadily growing bigger through the simple process of swallowing up its competitors, its customers, its suppliers, as well as companies in entirely unrelated fields.

During the current period, 1940–47, more than 2,500 formerly independent manufacturing and mining companies have disappeared as a result of mergers and acquisitions. It should be emphasized that this is a minimum estimate since it is based upon a sample drawn principally from reports of acquisitions of the larger corporations, as published in the leading financial manuals. The asset value of these 2,450 firms amount to $5,200,000,000, or roughly 5.5 percent of the total of all manufacturing corporations in the country during the wartime year of 1943.

Most of the acquisitions in the current movement have taken place during the last 3 years. In this respect the present trend has closely followed the pattern established after World War I. Immediately at the end of both wars merger activity increased sharply. The post World War I movement extended through 1919, 1920, and the early part of 1921, until it was interrupted by the postwar depression. Again in the middle twenties when prosperous conditions had returned, the trend took on new force, reaching all-time heights in 1928 and 1929. In much the same manner, merger activity turned sharply upward with the end of World War II and has continued at a relatively high level.

In appraising the over-all effect of mergers on economic concentration, it must be constantly borne in mind that mergers tend to become cumulative over a period of time. In other words, each year's mergers are superimposed upon a structure of economic concentration which has been built up over many past years.

The prewar levels of concentration on which this current merger movement is being superimposed were carefully measured by the Temporary National Economic Committee which found that there was a better than three-to-one chance that if an individual product were picked at random, it would be discovered that only four producers turned out half of the Nation's production of that item. The chances were one-to-one that the Big Four turned out more than 75 percent of the product, and one-to-two that they turned out 85 percent or more.

Mr. Speaker, the current merger movement has been particularly dangerous in that it has consisted, by and large, of the purchase of small companies by large firms. Here I wish to stress the fact that the mergers which have taken place in recent years have not consisted of the combining together of small companies in order to more effectively compete against their major competitors. Rather, the statistics conclusively demonstrate that the movement has been of big firms swallowing little ones.

Thus, nearly one-third (30 percent) of the companies merged since 1940 have been absorbed by corporations with assets exceeding $50,000,000. Another 40 percent of the total have been taken over by corporations with assets ranging from $5,000,000 to $49,000,000. Hence, more than 70 percent of the total number of firms acquired during this period have been absorbed by larger corporations with assets of over $5,000,000.

The other half of this picture of large corporations taking over small firms, shows that fully 93 percent of all the firms bought out since 1940 held assets of less than $5,000,000, and 71 percent had less than $1,000,000 of assets.

The evidence thus points clearly to the conclusion that as the outstanding characteristic of the current merger movement has been the absorption of small, independent enterprises by larger concerns.

Mr. Speaker, we can hold back this rising tide of monopoly by passing this bill, the character of which is really quite simple. In order to carry out the intent which I have mentioned, Congress in 1914 gave to the Federal Trade Commission power to prevent one company from buying the stock of another if the result were to substantially lessen competition or tend to create monopoly. Unfortunately, Congress, in passing that act, said nothing about assets. Consequently, the law as it now stands provides that the Commission can take action only against acquisitions which take the form of the purchase of stocks. It did not take the smart corporation lawyers on Wall Street long to discover that the intent of the act could be easily circumvented by the purchase of assets rather than or in addition to stocks.

Mr. Speaker, why did Congress fail to include the term assets when it originally passed this bill in 1914?

The report to the Judiciary Committee accompanying this bill clearly sets

forth the answer to that question. Acquisitions of assets were practically unknown when this bill was originally enacted. Nearly all the mergers and consolidations of that day were accomplished through the purchase of stocks. As the report of the Judiciary Committee so clearly points out, acquisitions of stock were at that time indeed the customary and prevailing method of absorbing competitors.

Mr. Speaker, this is really a very simple thing which we are asked to do in this bill. We are merely asked to make effective the intent of Congress expressed 35 years ago. We are asked to eliminate a situation in which a basic statute has sunk into a state of outrageous disrepute. We are asked to redress a condition in which a basic statute enacted by the United States Congress has become nothing but a travesty and laughing stock.

I say that we should either pass this bill or, if we have any respect whatsoever for the laws of the United States and the dignity with which they should be regarded, we should repeal that part of the act dealing with stocks.

Mr. Speaker, I feel very strongly that unless this action and similar steps are taken, the danger of collectivism about which our friends on the other side of the aisle speak so feelingly will cease to be a danger. It will be upon us.

Mr. Speaker, I think that this is a bill which every real, every true and every sincere friend of what is commonly called free enterprise must strongly, enthusiastically support.

Mr. BIEMILLER. Mr. Speaker, I am heartily in favor of H. R. 2734 and strongly urge the House to suspend the rules and pass this bill. For 23 long years large aggregations of wealth have used the loophole in the Clayton Act, uncovered by a Supreme Court decision in 1926, to bring about an even greater concentration of monoply power in direct contradiction of the spirit of our antitrust laws. It is high time we took action to stop these industrial giants from their assault on competitive industry.

Let me present to you, briefly, a picture of the extent of concentration in industry as revealed by the Temporary National Economic Committee in its reports rendered the Congress during 1941 and 1942. The 200 largest nonfinancial corporations, which in 1929 held 48 percent of all the assets of all the nonfinancial corporations, had increased to 55 percent by 1940. Some 316 giant manufacturing corporations, which in 1929 held 40 percent of the working capital of all manufacturing corporations, had increased their share to 47 percent.

This concentration can be much more clearly shown by an examination of the concentration in individual industries and of specific products. Altogether, there were 131 important products in 1937, each of which was valued at more than $10,000,000, in which more than 75 percent of the output was manufactured by four firms. For manufacturing as a whole, about one-third of the total value of products was produced under conditions where the largest four producers of each individual product turned out from 75 to 100 percent of the United States production of those products.

A break-down of the concentration of production of some of the most important products is equally startling:

Percent of production by single companies	
Virgin aluminum	100
Tapered bearings	80
Cinema film	75
Canned soup	66
Incandescent lamps	59
Tinned biscuits and crackers	55
Passengers automobiles and gasoline	45
Farm tractors	43
Corn products, industrial alcohol, trucks, heavy alkali, soap, and asbestos	40
Electric ranges	39
Agricultural machinery	37
Electric water heaters	35
Cheese	33
Dyestuffs	30
Percent of production by two companies	
Synthetic nitrogen	89
Industrial gases	85
Locomotives	80
Sewing machines	78
Synthetic fibers	68
Tire cord fabric	64
Glass containers	56
Beef products	47
Chlorine, drugs, and medicines, and domestic vacuum cleaners	34
Domestic electric flatirons	31

Then came the war, and with it the concentration of economic power rose to even new and greater heights. It is no exaggeration to state that the war superimposed upon an already highly concentrated economy the greatest centralization of economic power which has ever existed in this country. Speed was the watchword of war production, and whether right or wrong, the war agencies felt that the quickest way of getting out war production was through centralizing it in a few large plants.

One hundred of the largest corporations obtained 67 percent of the prime war contracts, 45 percent of the carbon steel, 70 percent of the alloy steel, 81 percent of the aluminum, 79 percent of the copper, 66 percent of the copper-based alloy, operated 75 percent of the Government-owned plants, received 66 percent of the funds provided by the Government to private industry for scientific research and development, and secured the rights to peacetime patents resulting therefrom.

If the 250 largest corporations obtain the Government-owned plants which they operated during the war—as they appear to be doing on the basis of the War Assets Administration's records—they will hold two-thirds of the productive capacity of the country. The aggregate facilities of these 250 giant corporations will be nearly equal to the entire productive capacity of all manufacturing corporations before the war.

It is not necessary to belabor the point concerning the increase in concentration during the war. We all know that it took place. Future historians will undoubtedly debate the question of whether or not it was necessary. The important fact is that it happened.

But the wartime increase in concentration occurred under emergency conditions. Today, those emergency conditions have disappeared. Yet concentration continues its steady march. The Federal Trade Commission recently issued a report which showed that between 1940 and 1947 over 2,500 manufacturing and mining corporations have been absorbed through corporate mergers and acquisitions. Most of these have taken place since VJ-day. The asset value of the independent corporations taken over amounts to no less than 5 percent of the total asset value of all manufacturing corporations—a sizable proportion of the economy to be removed from the competitive scene in so short a period of time.

The Clayton Act, which in 1914 was originally intended by Congress to prevent these monopolistic mergers, has been a dead letter for many years. Only a few years after this law was passed, clever corporation lawyers discovered that although it prevented acquisitions of stock—which at that time was the current and prevailing method of effecting mergers—it said nothing about assets. As a result of Supreme Court decisions, the loophole was enlarged until the law became a nullity. Today, whenever the Federal Trade Commission tries to stop a stock acquisition, the intent of the law is easily circumvented by the purchase of assets.

Moreover, when acquisitions are made in the first instance through the purchase of assets, and no stock is involved in the transaction, the Commission has never had any authority to take action. In other words, the Commission is completely powerless whether or not stock is involved. Yet the intent of Congress in passing the Clayton Act—and I quote from the report of the Senate Committee on the Judiciary of January 22, 1914—was "to arrest the creation of trusts, conspiracies, and monopolies in their incipiency."

The Commission itself has been fully aware of this glaring loophole in the antitrust laws, and since 1927 has recommended that it be plugged. Year in and year out the annual reports come to Congress from the Federal Trade Commission; year in and year out they urge the Congress to take action which would make the present law effective; and year in and year out we do nothing. It is true that lengthy hearings have been held in both Houses of Congress; it is true that voluminous testimony has been taken; and it is true that practically no logical opposition to the bill has developed. Yet action has not been forthcoming.

During the second session of the Seventy-ninth Congress the Judiciary Committee of the House of Representatives held extensive hearings on a bill designed to make the intent of Congress effective.

The small-business organizations strongly supported the bill, as did numerous independent small-business men. The House Judiciary Committee voted to approve the bill, and it was sent to the Rules Committee of the House—where it died.

Again, in the Eightieth Congress, the House Judiciary Committee approved a bill, H. R. 3736, similar to the bill now before us. In a report, No. 596, dated

June 17, 1947, by Representative Gwynne, of Iowa, the majority of the Judiciary Committee stated:

> The history of legislation previously adopted to prevent monopoly, the great increase in recent years of competition-destroying mergers, the damage to small business, the blighting of opportunity for our young people—all cry out for the enactment of legislation to stop the rising tide of monopoly.

The report concludes with these words:

> In adopting the Sherman Act and later the Clayton Act, the Congress, without partisan division, gave expression to a virtually unanimous demand that our competitive economic system be protected against those forces of monopoly which would destroy it. The platforms of both major political parties have consistently carried planks approving the course thus charted. Both President Hoover and the late President Roosevelt recommended tightening up of the Sherman and Clayton Acts. President Truman has specifically recommended this amendment to the Clayton Act.

Again this bill died in the Rules Committee.

Mr. Speaker, I pray that we are not facing another catastrophe. In the Seventy-ninth Congress, we held extensive hearings, the Judiciary Committee approved the bill, but the Rules Committee killed it. In the Eightieth Congress, we again held hearings, the Judiciary Committee again approved the bill, but the Rules Committee would not even give us a hearing. Now, at last, in the Eighty-first Congress—and for the first time in history—the bill is on the floor of the House. I certainly hope that it will not be killed here. Perhaps some may ignore the present onward march of monopoly. Perhaps there may be a few who do not realize that monopoly in industry is growing stronger every minute.

Let me call to your attention the fact that the giant corporations have the financial resources to absorb practically all small- and medium-sized manufacturing corporations in the United States. At the end of 1945, the 62 largest listed corporations held $8,400,000,000 of net working capital which was largely in highly liquid form. With this enormous reservoir of liquid wealth, the 62 giants could purchase the assets of nearly 90 percent of the total number of manufacturing corporations in the United States.

Let me cite a few specific examples of mergers and acquisitions which have taken place in recent years.

Burlington Mills, one of the most active companies in the recent merger movement, has recently announced a proposed consolidation with the May-McEwen-Kaiser Co. The combination of these two firms will establish Burlington Mills as the largest hosiery producer in the country.

Pittsburgh Plate Glass, not only a leading producer of glass, but also a prominent manufacturer of paints, has taken over the Forbes Varnish Co., of Cleveland, a competitor in the paint and varnish field.

National Lead Co. has absorbed the Texas Mining & Smelting Co., the only independent processor of antimony in the country.

General Portland Cement Co. has consolidated with three prominent cement companies, Signal Mountain Portland Cement Co., Florida Portland Cement Co., and Trinity Portland Cement Co.

Swift & Co., the Nation's leading meat packer, which in 1942 made 18 percent of the total sales of all meat packers, announced less than a month ago that it had purchased two competitive meat-packing concerns, Clayton Packing Co. and Johnson Veal & Lamb Co.

Cudahy, fourth largest meat packer, moved into the Southwest to take over Tovrea Packing Co., of Phoenix, Ariz.

McCormick & Co., Inc., which every housewife recognizes as the dominant producers of spices, has taken over A. Schilling & Co., a competitor in spice manufacturing.

Carr-Consolidated Biscuit Co., one of the leading biscuit companies, has taken over a competitor, Laurel Biscuit Co., of Dayton, Ohio.

The American - LaFrance - Foamite Corp., which has just pleaded nolle contendere to an indictment instituted by the Department of Justice on the grounds that it conspired to monopolize the field of fire-fighting equipment, is adding to its sphere of influence by purchasing International Meters, Inc., a sponsor of a twin-meter idea for parking two cars instead of one.

Admiral Corp., like other large radio manufacturers, has reached out to take over a manufacturer of radio cabinets, the Chicago Cabinet Corp.

Shell Oil Co., Inc., has recently purchased the Adkins Oil Associates, of Tulsa, Okla.

United States Rubber Co., third largest rubber-tire manufacturer in the country, has acquired two producers of tire cord fabric—Stevens Manufacturing Co. and Seaboard Mills, Inc., both of Burlington, N. C.

B. F. Goodrich Co., fourth largest producer in the rubber tire industry, has acquired the Transportation Rubber Co., Inc.

Freeport Sulphur Co., world's second largest producer of sulfur, purchased the assets of International Pulverizing Corp.

McKesson & Robbins, Inc., has continued the parade of acquisitions, which has been going on for years in the drug field, by acquiring Gilmore Drug Co. of Pittsburgh, and the Pioneer Atlas Liquor, Inc.

Talon, Inc., which produces probably 90 percent of all the zippers used in the United States, has picked up Wilson Fastener Co. of Cleveland.

United Wallpaper, Inc., leading producer in that field, has just recently purchased two competitors, Superior Wallpaper Co. and Missouri Valley Wallpaper Mills, both located in the middle west.

Finally, as an example of the capture of the productive resources of the South and the West by Eastern interests, the purchase of 11 rice mills in Arkansas, Louisiana, and Texas, and their consolidation into a $15,000,000 corporation, by a group of unknown eastern financiers was announced on May 27. It is of interest to note that the names of the backers of the new concern were withheld.

Let me emphasize that all these mergers took place in the first 6 months of 1947. And these are but a few of the many mergers that took place during this time. I could go on listing them by the hour. In the past 3 years more mergers have taken place in manufacturing and mining industries than in the 7 years immediately prior to the outbreak of World War II in 1939. And the upward trend continues unabated.

Let me also point out that these mergers do not represent the combination of small companies in order to better their position against the larger companies in their industry. On the contrary, they consist predominantly of acquisitions of small companies by large corporations. As the Federal Trade Commission recently showed in its report to the Congress on "The Merger Movement: A Summary Report," 70 percent of the total number of firms acquired between 1940 and 1947 have been absorbed by large corporations with assets of over $5,000,000. The other half of this picture is shown by the fact that fully 71 percent of all the firms bought out since 1940 were small companies with assets of less than $1,000,000. Thus, the power and dominance of big business is growing at the expense of small business.

If we are to prevent collectivism and maintain our democracy and free enterprise we must act, and act quickly. We must strike at the root of this drive toward collectivism which stems basically from monopoly in industry. That means we must plug this wide-open loophole in the Clayton Act, as the House Judiciary Committee has thrice recommended.

Mr. DOYLE. Mr. Speaker, I am in favor of the passage of this bill, which, by its very test does not harm big business which desires to comply with law. It, on the other hand, helps to preserve the American way of life by strengthening the opportunities for small business to stay independent by choice.

While big business is no test by itself only, of whether or not an amalgamation or consolidation of business interests commonly described as a corporation is desirable or legitimate, nevertheless, as the report of the Judiciary Committee clearly shows, there is need of clarification of the circumstances under which legitimate big business can be expected to become bigger, and yet stay within the law. I am one who recognizes that there is merit in the consolidation of common interests and of objectives and of properties, for the benefit of production and for efficiency in operation; together with other manifest benefits, which can and do result from the economic administration and efficiency of American corporations. They have a proper place in our American economic structure.

But, Mr. Speaker, this bill only states that no corporation engaged in commerce should acquire, directly or indirectly, the whole or any part of the stock or other share capital, where in any line of commerce in any section of the country, the effect of such acquisition by the corporation engaged in commerce does substantially lessen competition, or does tend to create a monopoly.

Furthermore, the bill properly provides that no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share or capital, or the whole or any part of the assets, of one or more corporations engaged in commerce, where the effect of such acquisition of such stocks or assets on the shelves or in the warehouses or in the fields, or the use of such stock by the voting of or granting of proxies, may be such as to "substantially lessen competition or does tend toward creating a monopoly."

But section 7 of the bill expressly states that it does not apply to corporations purchasing such stock solely for investment. It furthermore expressly provides it shall not prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate business; or, the legitimate and natural extension or branches of such business; or, from the owning or the holding of any part or even of all the capital stock of these subsidiary corporations; when, however, the effect of the formation with subsidiary corporations is not, however, to substantially lessen competition. The struction of branches, nor preventing common carriers from aiding in the construction of branches, nor preventing common carriers from extending its lines, under lawful conditions stated.

Section 11 of the bill, before us, expressly defines the jurisdiction of the Interstate Commerce Commission and the Federal Communications Commission where applicable and in like manner applies to the Civil Aeronautics Authority where applicable and provides penalties and procedures and fair and just hearings can be had and penalties can be assessed.

It very properly provides that the United States Court of Appeals shall have jurisdiction to enforce, to set aside, or to change or to modify any orders of the Commission or the Authority, or the Board makes in terms of penalty, or claim of violation, of any expressed provisions of this bill. This right of review, is exclusively reserved as the jurisdiction of the United States Court of Appeals. I firmly believe this is in best interest of the public and the best interests of sound democracy.

The factual report given us by the distinguished Judiciary Committee of this House, makes it crystal clear that the National Resources Committee ascertained, that while it was true that the 200 largest nonbanking corporations in our Nation owned about one-third of all corporation assets in 1909, the same number of American corporations by 1928, owned as much as 48 percent of the total of all American corporation assets. And, by the early 1930's, the proportion of assets owned, had increased to the injurious figure of 54 percent. Then, the report shows that by an analysis of Moody's Investment Service, it showed that 316 large American manufacturing corporations, increased the proportion of all of the working capital of all the American manufacturing corporations owned between 1926 and 1938, from 35 percent in 1926 to 47 percent in 1938.

Granting that mergers and acquisitions may be one result of an economic situation, it appears to me that the present proportion of the ownership and control of so much of our total American properties, is indicative of a trend which is not for the best interest for the American way of life. In fact, the committee report shows that the total asset value of the American companies which have either voluntary, or otherwise, have been eliminated from the face of large competition through the process of merger or consolidation amounts to more than five billion dollars. This, Mr. Speaker, is between 5 and 6 percent of the total stock of assets of all the manufacturing American corporations.

The Clayton Act does not have application to bankruptcy or receivership cases. It does not prohibit small independent companies from merging. It does not duplicate the Sherman Act. Mr. Speaker, recent decisions of the United States Supreme Court have not made this amendment as set forth in this bill, unnecessary.

Finally, I wish to emphasize and make crystal clear, that this bill only applies to mergers and acquisitions wherein it is clear that such merger and acquisition substantially lessens competition, in the American way of business or trade or tends to create a monopoly. Free enterprise must be free. In other words, illegitimate monopolistic control is not less destructive to the American way of life in the economic than is communism or fascism in the political or social fields.

I believe, Mr. Speaker, that the very great majority of executives of our great American corporations have no desire to do anything that is contrary to our statutary law. I cannot but increasingly feel and believe that there is no enduring security for American big business unless American little business, is also secure from greed and avariciousness from those few persons in American industry and related fields, who would be seeking greater power than is either good for them or good for the country, unless this bill and necessary restraining laws are not only enacted, but are given daily practical enforcement.

Therefore, when we enact this bill, this Congress must give to our Department of Justice and enforcing agencies adequate money with which to protect and preserve free competition on all economic levels in our American way of life.

Mr. HOBBS. Mr. Speaker, when the Clayton Act was passed in 1914, supplementing the original Sherman Antitrust Act, it prohibited a corporation doing business in interstate commerce from acquiring capital stock of a competitor where the effect may be to substantially lessen competition between the corporation whose stock is acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

But the Supreme Court has held quite properly that this prohibition did not condemn the acquisition of the assets of one such corporation by another.

So under the law as it has stood since that decision, it was a violation of the law if, in restraint of trade, or substantially lessening competition, or tending toward the creation of monopoly, a corporation bought the pieces of paper known as capital-stock certificates, but that it was not against the law for one such corporation to swallow and put out of business another such corporation by buying the assets of such a competitor.

The purpose of this bill is to plug the loophole which has now become a highway to monopoly.

This bill simply says that it shall be just as much against the law for the big boy to kill the little boy by buying him out for an ulterior purpose, either by acquisition of the capital stock or of his physical assets.

Even a casual reading of Report No. 1191, accompanying H. R. 2734, should convince anyone who favors antitrust legislation that this bill should be passed.

A REPLY TO THE NAM CRITICISMS OF THE FEDERAL TRADE COMMISSION REPORT, THE MERGER MOVEMENT: A SUMMARY REPORT

Mr. BYRNE of New York. Mr. Speaker, the National Association of Manufacturers has issued a review and analyses of the Federal Trade Commission's report on the merger movement—The Merger Movement: A Summary Report, 1948. In this review, the NAM states that it did not intend to go into "the merits of the legal proposals with respect to mergers," but addressed itself to "that portion of the report which surveys company acquisitions during the period of 1940 through 1947 for the purpose of indicating a growth of the merger movement and its economic effect." The NAM makes a number of sharp criticisms of the Commission's report.

These criticisms fall into a number of categories: First, the character of the data presented, or not presented, by the report; second, interpretations of the character and magnitude of the current merger movement; third, factors responsible for the merger movement; fourth, the power of big business to buy up small firms; fifth, the effects of the merger movement on the steel-fabricating industries; and, sixth, the general effects of the merger movement on competition.

It is unfortunate that NAM avoided a discussion of the merits of the legal proposals with respect to mergers for the suggested amendment to sections 7 and 11 of the Clayton Act would merely give the Commission the same power in regard to asset acquisitions that it already possesses over acquisitions of stock. This would close the loophole and restore meaning to the statute. The Commission's merger report was directed toward this question. If the NAM would only bear this in mind, many of its criticisms, even if well taken, could be dismissed, for the Commission under the amended Clayton Act could only prevent such acquisitions as would "substantially lessen competition or tend to create a monopoly." In short, if it is the NAM's position that it is in favor of acquisitions which substantially lessen competition or tend to create a monopoly, when made by means of purchase of assets, but not when made by the purchase of stock, it has failed to state it.

The particular criticisms of the merger report will be taken up below. The criticism will be presented first, and the reply to each criticism will follow.

1. DATA PRESENTED BY MERGER REPORT

Criticism: The NAM complains that it is impossible to determine to what extent the properties acquired by various companies represent increasing concentration in the various industries, because data on the assets of acquired firms were not presented in the report by industry groups. "This omission is inexcusable," according to the NAM. The report does not give a break-down of horizontal, vertical, and conglomerate acquisitions except as to their over-all number. And the merger movement, as described by the FTC report, is never clearly related to the long-term trend of mergers throughout American business.

Reply: In order not to place a burden on the firms, the Commission did not send special questionnaires to secure financial data on the companies acquired. Rather, figures were compiled from the financial manuals. As is well known, the financial manuals do not carry asset data for some large companies, many medium-sized companies, and most small concerns. Thus while it was possible to secure enough asset data on the acquired firms to form the basis for an over-all estimate of the assets of the acquired companies, the sample was not large enough to warrant estimates by industry groups.

For the same reason, it was not feasible to estimate the asset break-down for horizontal, vertical, and conglomerate acquisitions. The NAM is in error, however, in stating that the report did not show any break-down except as to their over-all number. On page 31 of the merger report there is a chart showing the total number of acquisitions divided according to type—horizontal, vertical, and conglomerate—for 14 industry groups.

It is difficult to understand the NAM's charge that the merger movement is never clearly related to the long-term trend of mergers, for the very first page of the merger report gives a brief historical review of mergers in American industry; the chart opposite page 18 carries a historical series on mergers and acquisitions for the period 1919 through 1947; and this same chart is based, for the period 1919–39, on precisely the figures from the TNEC report, and so noted in a footnote on the chart, that the NAM uses to compare the recent trend in mergers with that exhibited in earlier years. Far from failing to take cognizance of the historical trend, the Commission emphasized the cumulative effects of mergers on economic concentration, an historical phenomenon which the NAM chooses to completely ignore. The merger report states, page 19:

> In other words, each year's mergers are superimposed upon a structure of economic concentration which has been built up over many past years * * * from 1919 through 1929 more than 7,000 independent firms disappeared as a result of mergers and acquisitions. And by the end of 1947, the total had reached nearly 11,500.
>
> The prewar levels of concentration on which this current merger movement is being superimposed was carefully measured by the Temporary National Economic Committee * * * [which found that] there was a better than 3 to 1 chance that if an individual product were picked at random, it would be found that only four producers turned out half of the Nation's production of that item. The chances were 3 to 1 that the Big Four turned out more than 75 percent of the product and 1 to 2 that they turned out 85 percent or more.

2. CHARACTER AND IMPORTANCE OF CURRENT MERGER MOVEMENT

Criticism: The NAM asserts that on the basis of the number of firms acquired, the acquisitions are exceedingly small in relation to the total number of firms in the manufacturing and mining industries; that the Commission's statements about the disappearance of small business firms are absurd in the light of the upward trend since 1939 in the total number of firms; and that the recent increase in acquisitions is a purely temporary phenomenon brought about by the war and its aftermath.

Reply: The NAM is apparently guilty of selecting figures from the merger report that seem to bolster its arguments and of overlooking figures that alter or disprove its contentions. Although the NAM complains about the lack of asset figures on an industry break-down, it somehow overlooks the over-all figures on the assets of the acquired firms.

The merger report—page 17—states:

> During the current period, 1940–47, more than 2,450 formerly independent manufacturing and mining companies have disappeared as a result of mergers and acquisitions. It should be emphasized that this is a minimum estimate since it is based upon a sample drawn principally from reports of acquisitions of the larger corporations, as published in the leading financial manuals. The asset value of these 2,450 firms amounted to $5,200,000,000, or roughly 5.5 percent of the total of all manufacturing corporations in the country during the wartime year of 1943.

It is true that the total number of business firms in manufacturing and mining has increased despite the merger movement. It is entirely misleading, however, to rely on numbers alone. The fact of the matter is that the overwhelming proportion of the new business firms are very small—probably too small to be fair game for acquisition by larger corporations.

The accompanying table, compiled from data gathered by the Department of Commerce, shows a percentage distribution of the new firms entering the manufacturing business, 1944 through 1948—the longest period available:

Distribution of manufacturing firms in 1944 and new firms started 1944 to 1948, inclusive, according to size of firm

Size (measured by number of employees)	Number of firms December 1944 [1]		Number of new entrants, 1944 to 1948, inclusive [2]	
	In thousands	Percent of total	In thousands	Percent of total
Less than 4	56.4	25.8	176.4	70.4
4 to 7	42.2	19.3	42.4	16.9
8 to 19	47.8	21.9	21.5	8.6
20 to 49	35.3	16.2	7.8	3.1
50 and over	36.7	16.8	2.5	1.0

[1] Source: Bureau of Old Age and Survivors Insurance (published in S. Doc. 206, Economic Concentration and World War II (79th Cong., 2d sess.), pp. 315–316).
[2] Source: Department of Commerce (based on BOASI data).

According to these data, 87 percent of the new entrants employed less than 8 persons; 96 percent of the new firms employed less than 20 persons; and 99 percent employed less than 50. Whereas 45 percent of the manufacturing firms operating in 1944 employed less than 8 workers, 87 percent of the new companies established from 1944 through 1948 had less than 8 workers.

While a substantial proportion of the recent acquisitions have represented relatively small firms being bought up by large corporations, few firms with less than 8 employees are attractive to large corporations.

3. POWER OF BIG BUSINESS TO BUY UP SMALL FIRMS

Criticism: Another example of the specious type of reasoning in the report, states the NAM, is that the financial condition of the 78 largest manufacturing companies put them in a position as of June 30, 1947, to acquire 90 percent of the total number of manufacturing companies in the United States. For example, it is stated that the 78 largest manufacturing corporations have enough net working capital to purchase the assets of 90 percent of all manufacturing companies in the United States. If the 78 corporations were to spend all of their working capital for acquisitions, as suggested by the FTC, then they would cease to operate for lack of current funds to meet pay rolls and other requirements.

Reply: These figures were included in the merger report merely as a yardstick of the potential buying power of the giant corporations. Actually, it is not necessary for a corporation to buy out another concern for cash. It may arrange for an exchange of stock, involving no cash payment, but merely a bookkeeping transaction bringing about the issuance of more shares of the acquiring company's stock. Moreover, if the purchase were to be made in cash, the price would be, presumably, something less than the total assets value, for the cash and other liquid securities of the acquired firm would be deducted before the contract was signed.

Aside from these considerations, the NAM chose to quote the merger report out of context. Immediately following the passage quoted by NAM, the merger report qualified its statement in the following words—page 21:

> Moreover, these large corporations are in a highly liquid position. As of June 1947 the ratio of total current assets to total current liabilities was 3 to 1. The cash and Government securities held by the 78 largest manufacturing corporations totaled more than their current liabilities. Thus, notwithstanding the increase in inventories which had occurred in recent years, these corporations would appear to have a substantial reserve available for the purchase of other companies.
>
> As a bare minimum, these giant corporations could conceivably use their free cash to purchase other companies. As of June 1947, they held a total of $3.1 billion in cash and an additional $2.1 billion in United States Government securities. And since many acquisitions are made without payments of cash, these figures substantially understate the potential power of these large corporations to buy other firms.

Of course, these comparisons are only presented for illustrative purposes, since it is

extremely unlikely that any corporation would ever use all or even most of its net working capital for the purpose of buying up other firms. Net working capital must be used to meet a variety of normal business expenses, including the purchase of raw materials, parts, and supplies of all kinds, meeting the pay roll, etc. Moreover, during recent years, corporations have been drawing heavily on their net working capital for the purpose of financing various forms of international expansion, that is, the building of new plant, equipment, machinery, etc. Nevertheless, there can be little doubt that large corporations already possess sufficient funds to support a high level of merger activity for some time to come.

4. EFFECTS OF MERGER MOVEMENT ON STEEL FABRICATING INDUSTRIES

Criticism: The NAM states:

In the FTC report, considerable emphasis is placed on the fact that a few large companies have a large proportion of the heavy steel drum capacity of the steel industry. Nowhere does the report point out that heavy steel drums and barrels represent only a minute fraction of the steel industry. The implication of the report is that a few large steel companies have acquired a large proportion of the steel output of the country—not measured by total production but by the production of one item.

According to the figures compiled by the American Iron & Steel Institute, in 1947 shipments of steel barrels, drums, and shipping pails, 18 gage and heavier, represented less than 1 percent of all steel shipments.

Reply: The NAM'S remarks on this point are a little awkward and may be confusing to the general reader. The merger report was not discussing the concentration of control within the basic steel industry itself, but rather the effect of the recent vertical acquisitions of the basic steel producers to absorb many of their former customers. The steel drum industry was only one industry cited as examples of the trend. The merger report stated—page 41:

Since World War II the Nation's largest steel producers have extended themselves into such fabricating fields as steel drums, bridge construction, oil-field equipment, wire products, prefabricated housing, as well as many others.

The merger report goes on to point out that whereas prior to the war the steel drum industry was characterized by, in the words of Iron Age, "a large number of highly individualistic entrepreneurs," because of recent acquisitions some 87 percent of the business is now in the hands of the big steel companies, including United States Steel, Bethlehem Steel, Jones & Laughlin, Inland, and Republic.

Taken alone, the steel drum industry does not consume a very sizable portion of the total steel. The big steel companies have not acquired such huge consumers for steel as the large automobile companies, railroads, and so forth. However, the effects on the small business sectors that they have invaded have attracted considerable attention.

The real significance of the forward vertical acquisitions undertaken by the basic steel companies has been pointed out by a report recently issued by Senator WHERRY, of Nebraska, for Mr. MARTIN, of Pennsylvania, then chairman of the Senate Small Business Committee. That report, entitled "Changes in Distribution of Steel, 1940–47," Eighty-first Congress, first session, contained the results of a questionnaire survey submitted to 14 large steel companies, representing 84.7 percent of the Nation's steel capacity, and important producers of those particular steel products which have been in tightest supply. The schedules of the individual companies were tabulated by Price, Waterhouse & Co.

The Senate Small Business Committee report—page 10—found that, for the products surveyed, shipments of the basic steel companies to their fabricating subsidiaries rose from 7.5 percent in 1940 to 8.3 percent in 1947.

The increase was much more pronounced in the case of those particular steel products which constitute the principal raw materials consumed by the fabricating companies that have been acquired—specifically, hot-rolled sheet, cold-rolled sheet, and hot-rolled strip * * * the proportions * * * (of their products) moving to fabricating subsidiaries roughly doubled between 1940 and 1947.

The Senate report concluded:

The substantial increase in the proportion of sheet steel flowing to fabricating subsidiaries does not necessarily mean that the old subsidiaries receive more than their historical quota permitted nor that the new subsidiaries obtained more than they would have secured as independent companies. But it does mean that, the proportion of the Nation's output which moves within what might be called the closed circle of steel-company ownership has been significantly increased, a conclusion which is only an inevitable byproduct of the steel companies' recent acquisitions of fabricating companies.

5. GENERAL EFFECTS OF MERGER MOVEMENT ON COMPETITION

Criticism: According to the NAM, there is a fundamental error in assuming that all acquisitions and mergers reduce competition. Obviously, if there were only two companies in a field, the acquisition of one by the other would eliminate competition. However, if there were three companies—one large and two small—a merging of the two smaller ones might provide formidable competition for the top company. The fanning out of this process of elaboration clearly indicates that more effective units of competition are frequently created by logical combinations of a number of small units which might otherwise fail to be effective as individual concerns.

Reply: The answer to this question was clearly stated in the merger report as follows—page 54:

The Commission takes no position as to whether any individual acquisition or group of acquisitions constitute "a substantially lessening of competition or tendency to create a monopoly." Such a determination can be made only after an examination of the facts on a case-by-case basis.

There are undoubtedly differences between the NAM and the Commission on what constitutes competition, or what contributes to its increase or dimunition. The NAM asserts that mergers and acquisitions frequently intensify competition, but offers no proof. In general, it is not difficult to disagree, and disagree sharply, with the implication of the NAM's statement, which is to the effect that a decline in the number of sellers increases competition. On the contrary, it would seem somewhat more reasonable to believe, as the Commission believes, in the words of the merger report—page 68—that "under competitive capitalism consumers are protected from high prices by the constant rivalry among numerous firms for a greater share of the market. A market which is free and open safeguards the smaller, independent producers in their efforts to offer new and better products."

Mr. BENNETT of Florida. Mr. Speaker, one of the greatest bulwarks against communism in this country is the strength of our antimonopoly laws. This body of legislation helps to preserve the chances of the average man to make a place for himself in business and protects the consuming public from unfair exploitation. But its greatest value lies in protecting our citizenry from domination by business interests so large and monopolistic that the voices of average people cannot be heard in their thunder.

Bigness and monopoly are not restricted to business, nor are their evil effects so restricted. Labor and even our Government, too, can take upon themselves such characteristics. We await some one thinking out and drafting a law to restrict the monopolistic practices of such labor leaders as John L. Lewis and Harry Bridges. We must weigh the evils of big government as against promised benefits in almost all of our major legislative proposals.

H. R. 2734 is designed to eliminate a loophole in the present antimonopoly law and to prevent evasion of the spirit of our present laws against business monopolies. In simple terms this bill provides that not only monopolistic stock purchases shall be outlawed but that monopolistic purchases of assets shall also be banned.

By the terms of H. R. 2734, corporations engaged in interstate commerce are prohibited from acquiring the assets of another corporation engaged in interstate commerce when the effect of such acquisition "may be substantially to lessen competition, or to tend to create a monopoly." This appears to me to be a principle approved by us all, and I hope that we will all give an affirmative vote to this bill.

Before closing, I would like to point out that I have introduced H. R. 5690 and H. R. 5691, both designed to correct other imperfections in our present antimonopoly laws. H. R. 5690 prohibits a manufacturer in interstate commerce or a wholesaler in interstate commerce from offering for sale or selling at retail to consumers where the effect may be substantially to tend to create a monopoly or to lessen competition between the seller and independent retailers to which it makes sales. H. R. 5691 is designed to accomplish the same objective except that in H. R. 5691 it is not necessary for the independent retailer to have been a dealer supplied by the particular manufacturer or wholesaler.

I hope that the Committee on Interstate and Foreign Commerce will soon report out H. R. 5691, or in lieu thereof H. R. 5690, both of which correct weakness in our present antimonopoly laws.

Returning to the bill now before us, H. R. 2734, I want to observe that the imperfection sought to be corrected by this law was discussed widely throughout the country in the campaigns last year. I heard much comment in favor of such a law as the one before us, and none in opposition. I certainly hope that it will be enacted so as to strengthen further our antimonopoly laws.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill as amended?

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JENNINGS. 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. Evidently 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 223, nays 92, not voting 117, as follows:

[Roll No. 181]

YEAS—223

Abernethy	Flood	McDonough
Addonizio	Forand	McGrath
Albert	Ford	McGuire
Allen, Calif.	Frazier	McMillan, S. C.
Allen, La.	Fugate	Mack, Ill.
Andersen, H. Carl	Fulton	Mack, Wash.
Andrews	Furcolo	Madden
Angell	Garmatz	Mahon
Aspinall	Gary	Mansfield
Barrett, Pa.	Gathings	Marcantonio
Bates, Ky.	Gorski, Ill.	Marsalis
Beckworth	Gorski, N. Y.	Marshall
Bennett, Fla.	Gossett	Miller, Calif.
Bentsen	Granahan	Mills
Biemiller	Granger	Mitchell
Blatnik	Grant	Monroney
Boggs, La	Green	Morgan
Bonner	Gross	Morris
Brehm	Hagen	Moulder
Brooks	Hare	Multer
Brown, Ga.	Harris	Murdock
Bryson	Harrison	Murphy
Buchanan	Harvey	Murray, Tenn.
Buckley, Ill.	Havenner	Murray, Wis.
Burdick	Hays, Ark.	Nelson
Burleson	Hays, Ohio	Nixon
Byrne, N. Y.	Hedrick	Noland
Camp	Heselton	Norblad
Canfield	Hobbs	Norrell
Cannon	Hoeven	O'Brien, Ill.
Carlyle	Holifield	O'Brien, Mich.
Carnahan	Holmes	O'Hara, Ill.
Carroll	Hope	O'Konski
Case, S. Dak.	Horan	O'Sullivan
Cavalcante	Howell	O'Toole
Celler	Huber	Patman
Chelf	Hull	Patten
Chesney	Jackson, Calif.	Perkins
Christopher	Jackson, Wash.	Pfeifer, Joseph L.
Chudoff	Javits	Philbin
Clemente	Jones, Ala.	Pickett
Combs	Jones, Mo.	Poage
Cooley	Jones, N. C.	Polk
Cooper	Judd	Potter
Crook	Karst	Poulson
Crosser	Karsten	Preston
Davenport	Kean	Price
Davis, Tenn.	Keating	Priest
Davis, Wis.	Kee	Quinn
Dawson	Kelley	Rabaut
Deane	Keogh	Rains
Delaney	Kilday	Ramsay
Dingell	King	Regan
Dollinger	Kirwan	Rhodes
Donohue	Klein	Ribicoff
Douglas	Lane	Richards
Doyle	Lanham	Rivers
Eberharter	Lemke	Rodino
Elliott	Lind	Rooney
Engle, Calif.	Linehan	Roosevelt
Evins	Lodge	Sabath
Fernandez	Lucas	Sadowski
Fisher	Lynch	Sasscer
	McCarthy	
Scudder	Teague	White, Calif.
Secrest	Thomas, Tex.	Whitten
Smathers	Thompson	Whittington
Spence	Thornberry	Wier
Steed	Trimble	Williams
Stefan	Underwood	Willis
Stigler	Wagner	Wilson, Tex.
Sullivan	Walsh	Withrow
Sutton	Walter	Yates
Tackett	Welch, Mo.	Young
Taurielio	Wheeler	Zablocki

NAYS—92

Anderson, Calif.	Gavin	Miller, Md.
Andresen, August H.	Gillette	Nicholson
	Golden	O'Hara, Minn.
Arends	Goodwin	Passman
Barrett, Wyo.	Graham	Patterson
Bates, Mass.	Hall, Leonard W.	Rankin
Battle		Rich
Beall	Hand	Rogers, Fla.
Bennett, Mich.	Harden	Rogers, Mass.
Bishop	Hill	Sadlak
Blackney	Hoffman, Ill.	St. George
Boggs, Del.	Hoffman, Mich.	Sanborn
Bramblett	James	Scrivner
Byrnes, Wis.	Jenkins	Short
Chiperfield	Jennings	Simpson, Ill.
Church	Jensen	Smith, Kans.
Cole, Kans.	Johnson	Smith, Va.
Colmer	Jonas	Smith, Wis.
Corbett	Kearns	Stockman
Cotton	Kunkel	Taber
Cox	Larcade	Talle
Crawford	Latham	Van Zandt
Cunningham	LeCompte	Velde
Curtis	LeFevre	Vorys
Dague	McConnell	Vursell
Davis, Ga.	McMillen, Ill.	Wadsworth
D'Ewart	Macy	Werdel
Dondero	Martin, Iowa	Wigglesworth
Ellsworth	Mason	Wolcott
Engel, Mich.	Merrow	Woodruff
Fallon	Meyer	
Fenton	Michener	

NOT VOTING—117

Abbitt	Gwinn	Peterson
Allen, Ill.	Hale	Pfeiffer, William L.
Auchincloss	Hall, Edwin Arthur	Phillips, Calif.
Bailey		Phillips, Tenn.
Barden	Halleck	Plumley
Baring	Hardy	Powell
Bland	Hart	Redden
Bolling	Hébert	Reed, Ill.
Bolton, Md.	Heffernan	Reed, N. Y.
Bolton, Ohio	Heller	Rees
Bosone	Herlong	Riehlman
Boykin	Herter	Scott, Hardie
Breen	Hinshaw	Scott, Hugh D., Jr.
Brown, Ohio	Irving	
Buckley, N. Y.	Jacobs	Shafer
Bulwinkle	Jenison	Sheppard
Burke	Kearney	Sikes
Burnside	Keefe	Simpson, Pa.
Burton	Kennedy	Sims
Case, N. J.	Kerr	Smith, Ohio
Chatham	Kilburn	Staggers
Clevenger	Kruse	Stanley
Cole, N. Y.	Lesinski	Taylor
Coudert	Lichtenwalter	Thomas, N. J.
Davies, N. Y.	Lovre	Tollefson
DeGraffenried	Lyle	Towe
Denton	McCormack	Vinson
Dolliver	McCulloch	Weichel
Doughton	McGregor	Welch, Calif.
Durham	McKinnon	Whitaker
Eaton	McSweeney	White, Idaho
Elston	Magee	Wickersham
Feighan	Martin, Mass.	Wilson, Ind.
Fellows	Miles	Wilson, Okla.
Fogarty	Miller, Nebr.	Winstead
Gamble	Morrison	Wolverton
Gilmer	Morton	Wood
Gordon	Norton	Woodhouse
Gore	O'Neill	Worley
Gregory	Pace	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack and Mr. McSweeney for, with Mr. Brown of Ohio against.

Mr. Gordon and Mr. Vinson for, with Mr. Reed of Illinois against.

Until further notice:

Mr. Winstead with Mr. Martin of Massachusetts.

Mr. Wickersham with Mr. Cole of New York.
Mr. Denton with Mr. Weichel.
Mr. Baring with Mr. Wolverton.
Mr. Heller with Mr. Towe.
Mr. Price with Mr. Case of New Jersey.
Mr. Fogarty with Mr. Herter.
Mr. Heffernan with Mr. Halleck.
Mr. Magee with Mr. Taylor
Mr. Hart with Mr. Smith of Ohio.
Mr. Breen with Mr. Shafer.
Mr. Wood with Mr. Riehlman.
Mr. Worley with Mr. Phillips of California
Mr. Hart with Mr. William L. Pfeiffer.
Mr. Gregory with Mrs. Bolton of Ohio.
Mr. Whitaker with Mr. Edwin Arthur Hall.
Mr. Bolling with Mr. Wilson of Indiana.
Mr. Sikes with Mr. Welch of California.
Mr. Sheppard with Mr. Eaton.
Mr. Kennedy with Mr. Hardie Scott.
Mr. Davies of New York with Mr. Hinshaw.
Mr. Feighan with Mr. Allen of Illinois.
Mr. Buckley of New York with Mr. Auchincloss.
Mr. Bailey with Mr. Lichtenwalter.
Mr. Abbitt with Mr. McGregor.
Mr. Barden with Mr. Coudert.
Mrs. Norton with Mr. Gamble.
Mr. O'Neill with Mr. Hugh D. Scott, Jr.
Mr. Chatham with Mr. Reed of New York.
Mr. Burnside with Mr. Dolliver.
Mr. Burton with Mr. Elston.
Mr. DeGraffenried with Mr. Jenison.
Mr. Herlong with Mr. Kearney.
Mr. Hardy with Mr Simpson of Pennsylvania.
Mr. Staggers with Mr. Morton.
Mr. Whitaker with Mr. Lovre.
Mr. Gilmer with Mr. McCulloch.
Mrs. Bosone with Mr. Gwinn.
Mr. Redden with Mr. Plumley.
Mr. Hébert with Mr. Kilburn.
Mr. Stanley with Mr. Fellows.
Mr. Lesinski with Mr. Hale.
Mr. Kruse with Mr. Tollefson.
Mr. Irving with Mr. Rees.
Mr. Jacobs with Mr. Phillips of Tennessee.
Mrs. Woodhouse with Mr. Miller of Nebraska.
Mr. Pace with Mr. Keefe.

Mr. FALLON changed his vote from "yea" to nay."

Mr. GREEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

EDUCATION OF IRANIAN STUDENTS IN THE UNITED STATES

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5731) to discharge a fiduciary obligation to Iran.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of $110,000, which sum shall be expended by the Secretary of State in his discretion for the education of Iranian students in the United States, in accordance with the obligation of the United States arising out of the agreement contained in an exchange of notes between this Government and the Iranian Government of July 25, July 29, November 9, and November 15, 1924, which agreement settled a claim asserted by the United States.

SEC. 2. The said sum of $110,000 shall be deemed a trust fund received by the Secretary of State under the provisions of the act of February 27, 1896 (29 Stat. 32, title 31,

U. S. C., sec. 547), and shall be expended as therein provided. The said sum shall be deemed to constitute the fund of $110,000 received by the United States from the Iranian Government in four installments between December 24, 1924, and March 29, 1925, pursuant to the afore-mentioned notes, and deposited in the Treasury of the United States on June 24, 1925, which fund shall be deemed, insofar as the same may be necessary, to have been heretofore appropriated as a trust fund under the said act of February 27, 1896, and the Permanent Appropriation Repeal Act, 1934, as amended, section 20 (48 Stat. 1233, 31 U. S. C., sec. 725 (s)). The Secretary of the Treasury shall make payments out of the said fund to or for the account of such persons, in such amounts, at such times, and on such terms, as the Secretary of State or his designee shall certify and the certificates of the Secretary of State or his designee issued hereunder shall be conclusive as to the propriety of payments so made. The expenditure of the said sum by the United States shall constitute full performance of the obligation of the United States to the Iranian Government or any other person arising out of the said notes and shall discharge the Secretary of State and the Secretary of the Treasury with respect to any accountability therefor.

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.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a privileged report.

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

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill H. R. 5895.

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

There was no objection.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was given permission to extend his remarks immediately following the passage of the bill S. 855, concerning public works for Alaska, and include a statement from the Governor of Alaska.

INDEPENDENT OFFICES APPROPRIATION BILL, 1950—CONFERENCE REPORT

Mr. THOMAS of Texas. Mr. Speaker, I call up the conference report on the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1262)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 9, 33, 43, 45, 53, and 87.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, 8, 14, 16, 17, 19, 21, 22, 24, 25, 27, 28, 31, 34, 35, 38, 39, 40, 48, 49, 50, 55, 57, 59, 62, 64, 65, 68, 69, 70, 71, 73, 75, 78, 79, 80, 81, 83, 84, 88, 90, 91, 92, 93, 94, 95, 96, and 97, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,300,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the number inserted by said amendment insert "two"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$50,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$301,290,728"; and the Senate agree to same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "purchase (not to exceed twenty), and"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$6,600,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,700,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$330,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$315,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$385,000,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$236,509,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$33,500,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,570,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"Salaries and expenses: For necessary expenses of the Office of the Administrator, including personal services and rent in the District of Columbia; printing and binding; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); expenses of attendance at meetings of organizations concerned with the work of the Agency; payment of tort claims pursuant to law (28 U. S. C. 2672); a health service program as authorized by law (5 U. S. C. 150); $1,200,000."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$9,600,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$43,000,000"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$8,500,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,237,500"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$63,014,174"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$425,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$480,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$855,000,000"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"SEC. 110. No part of any appropriation contained in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and fifteen, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting."

And the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$22,500,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"SEC. 203. No part of the funds of, or available for expenditure by, any corporation or agency included in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and fifteen, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 7½, 11, 13, 32, 46, 52, 54, 56, 63, 74, 76, 77 and 85.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
CLARENCE CANNON,
FRANCIS CASE,
JOHN PHILLIPS,
Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
RICHARD B. RUSSELL,
KENNETH MCKELLAR,
ELMER THOMAS,
HOMER FERGUSON,
GUY CORDON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 and 2, relating to the Bureau of the Budget: Strikes out the proposal of the House to fix the salary of the Director at $12,000 per annum, as proposed by the Senate; and appropriates $3,300,000 for salaries and expenses, instead of $3,314,500, as proposed by the Senate, and $2,983,050, as proposed by the House.

Amendment No. 3: Appropriates $300,000 for salaries and expenses, Council of Economic Advisers, as proposed by the House, instead of $340,000, as proposed by the Senate.

Amendments Nos. 4 and 5, relating to the American Battle Monuments Commission: Authorizes the purchase of two passenger motor vehicles, including one at not to exceed $2,500, instead of one, as proposed by the House, and three, including one at not to exceed $2,500, as proposed by the Senate.

Amendment No. 6: Continues available unexpended balances of the Atomic Energy Commission as of June 30, 1949, as proposed by the Senate, instead of continuing available unobligated balances, as proposed by the House. It is the recommendation of the conferees that in the expenditure or commitment of funds or contract authorization provided in the bill, the Commission shall adhere to the program break-down set forth in the budget estimates, after applying reductions made therein by the Congress on a proportionate basis, and that in no event shall the Commission, through transfer, exceed by more than 10 percent the amount allocated under said budget estimates, as revised, for any particular program. It was further agreed that in the event the Commission proposes an increase in the allocation for any program it shall immediately advise the Committees on Appropriations of the House and the Senate, giving details and the reasons for such transfer. The conference committee has noted with concern what appear to be excessive fees for management services being paid by the Commission to management corporations and directs that an immediate effort be made by the Commission to accomplish substantial reductions in such fees or their elimination.

Amendments Nos. 7 and 7½ are reported in disagreement.

Amendment No. 8: Strikes out the proposal of the House to provide salaries for the Commissioners of the Civil Service Commission at $12,000 each per annum, as proposed by the Senate.

Amendment No. 9: Strikes out the provision of the Senate requiring that experts and consultants employed by the Civil Service Commission shall be secured from the Federal service.

Amendment No. 10: Provides $50,000 to the Civil Service Commission for enforcement of the act of July 19, 1940 (54 Stat. 767), instead of $40,000 as proposed by the House, and $60,000 as proposed by the Senate.

Amendment No. 11 is reported in disagreement.

Amendment No. 12: Appropriates $16,000,000 for salaries and expenses, Civil Service Commission, instead of $14,000,000 as proposed by the House, and $16,250,000, as proposed by the Senate.

Amendment No. 13 is reported in disagreement.

Amendment No. 14: Appropriates $5,894,300, as proposed by the Senate, instead of $5,304,870 as proposed by the House, for payment of annuities in connection with the Panama Canal Construction Annuity Fund.

Amendment No. 15: Appropriates $301,290,728 for financing the liability of the United States in connection with the Civil Service Retirement and Disability Fund, instead of $295,553,700, as proposed by the House, and $328,393,000, as proposed by the Senate.

Amendment No. 16: Appropriates $999,000 for financing the liability of the United States in connection with the Canal Zone Retirement and Disability Fund as proposed by the Senate, instead of $899,100, as proposed by the House.

Amendment No. 17: Appropriates $215,000 for financing the liability of the United States in connection with the Alaska Railroad Retirement and Disability Fund, as proposed by the Senate, instead of $193,500, as proposed by the House.

Amendment No. 18: Provides for the purchase of not to exceed 20 passenger-carrying motor vehicles in connection with the activities of the Displaced Persons Commission, instead of 30, as proposed by the Senate.

Amendments Nos. 19 and 20, relating to the Federal Communications Commission: Strikes out the proposal of the House to increase the salaries of Commissioners to $12,000 each per annum, as proposed by the Senate; and appropriates $6,600,000 for salaries and expenses of the Commission, instead of $6,525,000 as proposed by the House, and $6,633,000, as proposed by the Senate.

Amendments Nos. 21, 22, 23, 24, 25, 26, and 27, relating to the Federal Power Commission: Strikes out the provision of the House providing for salaries of the Commissioners at $12,000 each per annum, as proposed by the Senate; authorizes the use of $230,000 for travel as proposed by the Senate, instead of $220,000, as proposed by the House; appropriates $3,700,000 for salaries and expenses of the Commission, instead of $3,650,000 as proposed by the House, and $3,763,000 as proposed by the Senate; strikes out the provision of the House placing a limit on funds available for personal services in the District of Columbia in connection with appropriations for salaries and expenses and flood-control surveys, as proposed by the Senate; and appropriates $330,000 for flood-control surveys instead of $325,000, as proposed by the House, and $337,000, as proposed by the Senate.

Amendments Nos. 28 and 29 relating to the Federal Trade Commission: Strikes out the provision of the House to increase the salaries of the Commissioners to $12,000 per annum each, as proposed by the Senate; and appropriates $3,650,000 for salaries and expenses, instead of $3,450,000, as proposed by

the House, and $3,739,000, as proposed by the Senate.

Amendment No. 30: Appropriates $315,000 for salaries and expenses, Office of the Administrator, Federal Works Agency, instead of $300,000, as proposed by the House, and $325,000, as proposed by the Senate.

Amendment No. 31 relating to Public Works Administration liquidation: Authorizes the use of $20,000 for administrative expenses in connection with Public Works Administration liquidation, as proposed by the Senate, instead of $15,500 as proposed by the House.

Amendment No. 32 is reported in disagreement.

Amendment No. 33: Strikes out the provision of the Senate providing $30,000 for the conservation of securities in connection with Public Works Administration liquidation, as proposed by the House.

Amendments Nos. 34 and 35: Strikes out provisions of the House increasing the salaries of the Commissioners of Public Buildings and Public Roads to $12,000 per annum each, as proposed by the Senate.

Amendments Nos. 36 and 37, relating to Federal-aid postwar highways: Appropriates $385,000,000, instead of $373,491,000 plus an unobligated balance as proposed by the House, and $390,000,000, as proposed by the Senate; and corrects the total of the amount chargeable to the appropriate fiscal year authorization accordingly.

Amendment No. 38, relating to veterans' educational facilities, Bureau of Community Facilities, Federal Works Agency: Strikes out the proposal of the House reducing the limitation on administrative expenses to $3,800,000, as proposed by the Senate.

Amendments Nos. 39 and 40, relating to water-pollution control, Bureau of Community Facilities, Federal Works Agency: Appropriates $200,000 for grants for plan preparation, as proposed by the Senate, instead of $400,000, as proposed by the House; and appropriates $50,000 for administrative expenses, as proposed by the Senate, instead of $100,000, as proposed by the House.

Amendments Nos. 41, 42, and 43, relating to the General Accounting Office: Appropriates $33,500,000 for salaries, instead of $31,743,000, as proposed by the House, and $34,169,000, as proposed by the Senate; appropriates $1,570,000 for miscellaneous expenses, instead of $1,423,800, as proposed by the House, and $1,582,000, as proposed by the Senate; and strike out the proposal of the Senate to provide $800,000 for agency expenditure analysis.

Amendment No. 44, relating to salaries and expenses, Office of the Administrator, Housing and Home Finance Agency. Appropriates $1,200,000 for this office and inserts the language of the Senate amended to eliminate the authorization of funds for purchase of one passenger motor vehicle and the dissemination of the results of research and studies.

Amendment No. 45: Restores the provision of the House, in connection with annual contributions, Public Housing Administration, prohibiting payments in lieu of taxes in excess of the amounts specified in the original contract between public housing agencies and the Public Housing Administration.

Amendment No. 46 is reported in disagreement.

Amendments Nos. 47, 48, and 49 relating to the Interstate Commerce Commission: Appropriates $9,600,000 for general expenses, instead of $9,321,000, as proposed by the House, and $9,621,000, as proposed by the Senate; provides $100,000 for valuations of pipe lines as proposed by the Senate, instead of $35,000, as proposed by the House; and makes available $3,656,039 for work of the Bureau of Motor Carriers, as proposed by the Senate, instead of $3,556,039, as proposed by the House.

Amendments Nos. 50 and 51: Corrects a typographical error by inserting the word "including", as proposed by the Senate; and appropriates $13,000,000 for salaries and expenses, National Advisory Committee for Aeronautics, instead of $38,710,000, as proposed by the House, and $43,610,000, as proposed by the Senate.

Amendment No. 52 is reported in disagreement.

Amendment No. 53: Appropriates $10,000,000 for construction and equipment, National Advisory Committee for Aeronautics, as proposed by the House, instead of $10,100,000, as proposed by the Senate.

Amendment No. 54 is reported in disagreement.

Amendment No. 55: Appropriates $34,900 for maintenance and operation of properties, National Capital Housing Authority, as proposed by the Senate, instead of $31,410, as proposed by the House.

Amendment No. 56 is reported in disagreement.

Amendment No. 57 strikes out the provision of the House increasing the salaries of the Commissioners, Securities and Exchange Commission, to $12,000 each per annum, as proposed by the Senate.

Amendment No. 58: Appropriates $8,500,000 for salaries and expenses, Selective Service System, instead of $4,500,000, as proposed by the House, and $9,000,000, as proposed by the Senate.

Amendment No. 59: Appropriates $1,087,700 for salaries and expenses, National Gallery of Art, as proposed by the Senate, instead of $1,057,700, as proposed by the House.

Amendment No. 60: Appropriates $1,237,500 for salaries and expenses, Tariff Commission, instead of $1,200,000, as proposed by the House, and $1,275,000, as proposed by the Senate.

Amendment No. 61: Provides a total of $63,014,174 for salaries and expenses, Maritime Commission, instead of $62,380,424, as proposed by the House, and $63,054,424, as proposed by the Senate.

Amendment No. 62: Provides a contract authorization of $50,000,000, as proposed by the Senate, instead of $70,125,000, as proposed by the House, for new ship construction including reconditioning and betterment by the Maritime Commission. It is the understanding of the conferees that this authorization and funds provided for new ship construction cover all of the ships requested by the Maritime Commission in the budget submission. Funds for these ships were justified before the Senate and House committees and the budget. It is understood that there will be no curtailment in the number of ships provided for in the bill.

Amendment No. 63 is reported in disagreement.

Amendment No. 64: Provides that funds and contract authority for new ship construction, including reconditioning and betterment, United States Maritime Commission, contained in the Supplemental Independent Offices Appropriation Act for 1949, shall continue available until December 31, 1949, as proposed by the Senate, instead of September 30, 1949, as proposed by the House.

Amendment No. 65: The conferees have examined at length into the situation involving the purchase of the vessels *Mariposa* and *Monterey* by the United States Maritime Commission and feel that is a matter to be left to the sound discretion of the Commission. The conferees are at this time unable to secure any estimate from the Maritime Commission as to what a proper and equitable contract would cost the Government. The conferees, therefore, have requested the Commission to go into the matter immediately and report not later than September 30, 1949, its recommendation with respect to the matter, for consideration by the appropriate legislative committees of the Congress.

Amendments Nos. 66, 67, and 68, relating to operations of the Maritime Commission: Provide $425,000 for maintenance of shipyard facilities, instead of $409,700, as proposed by the House, and $443,700, as proposed by the Senate; provides $480,000 for operation of warehouses instead of $461,550, as proposed by the House, and $501,550, as proposed by the Senate; and provides $7,134,800 for reserve-fleet expense, as proposed by the Senate, instead of $6,534,800, as proposed by the House.

Amendments Nos. 69, 70, and 71, relating to maritime training: Provides $3,065,000, as proposed by the Senate, instead of $1,682,500, as proposed by the House, for personal services; authorizes the transfer of $100,000 to the Public Health Service, as proposed by the Senate, instead of $60,000, as proposed by the House; and provides for the pay of cadet midshipmen and other trainees, as proposed by the Senate.

Amendment No. 72: Appropriates $855,000,000 for administration, medical, hospital, and domiciliary services, Veterans' Administration, instead of $820,673,940, as proposed by the House, and $861,073,940, as proposed by the Senate, the amount provided in the bill containing all additional funds requested for new hospital beds to be put into operation during the present fiscal year according to recent information presented in hearings before the Senate Appropriations Committee. This appropriation also contains additional funds for administrative purposes in connection with the payment of insurance dividends, guidance and counseling work, and other items submitted to the Senate after the bill had passed the House.

Amendment No. 73: Strikes out the proposal of the House that representatives assigned to States in connection with the processing of readjustment allowances, Veterans' Administration, may be assigned to cover more than one State, and inserts the proposal of the Senate requiring that at least one such representative be assigned to and reside in each State.

Amendment No. 74 is reported in disagreement.

Amendment No. 75: Appropriates $467,450,000, as proposed by the Senate, instead of $49,374,000, as proposed by the House, for the National Service Life Insurance Fund.

Amendment No. 76 is reported in disagreement.

Amendment No. 77 is reported in disagreement.

Amendment No. 78: Strikes out the provision of the House that section 107 of the bill shall not be applicable to corporations or agencies subject to the Government Corporation Control Act, as amended. (This subject is further explained in connection with amendment No. 83 of this statement.)

Amendment No. 79: Strikes out the provision of the House relating to the salary of any officer and employee proposed to be increased in the bill as passed by the House.

Amendments Nos. 80 and 81 correct section numbers.

Amendment No. 82: Restores the provisions of the House bill amended to provide that the ratio of employees engaged in personnel work shall not exceed 1 such employee to each 115 employees instead of 1 such employee to each 125 employees, as proposed in the bill as approved in the House.

Amendment No. 83: Inserts the proposal of the Senate relating to the applicability of the general provisions of title I in connection with the Housing and Home Finance Agency, the Inland Waterways Corporation, and the Tennessee Valley Authority.

Amendment No. 84 corrects a typographical error.

Amendment No. 85 is reported in disagreement.

Amendment No. 86: Provides $22,500,000 for administrative expenses, Federal Housing Administration, instead of $21,860,750, as proposed by the House, and $22,860,750, as proposed by the Senate.

Amendment No. 87: Restores the provision of the House authorizing the Administrator of the Housing and Home Finance Agency to relinquish and transfer certain temporary housing provided for veterans and their families under title V of the act of October 14, 1940, as amended.

Amendment No. 88 corrects a typographical error.

Amendment No. 89: Restores the provisions of the House bill amended to provide that the ratio of employees engaged in personnel work shall not exceed 1 such employee to each 115 employees instead of 1 such employee to each 125 employees, as proposed in the bill as approved by the House.

Amendment No. 90: Strikes out the provision of the House relating to the availability of appropriations to the executive departments and independent establishments of appropriations for travel expense for payment of per diem allowances, as proposed by the Senate.

Amendments Nos. 91, 92, 93, 94, 95, 96, and 97 correct section numbers.

AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have authorized the following motions with respect to amendments in disagreement:

Amendment No. 7, relating to the acquisition of land and facilities by the Atomic Energy Commission at Arco, Idaho. The managers on the part of the House will move to recede and concur.

Amendment No. 7½, placing certain limitations on construction projects of the Atomic Energy Commission. It is the understanding of the conferees that the provisions of the last proviso of this amendment do not apply to any construction project the total estimated cost of which does not exceed $500,000. The managers on the part of the House will move to recede and concur.

Amendment No. 11, authorizing the Civil Service Commission to transfer funds to the Federal Bureau of Investigation for certain investigations. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 13, relating to appointment of members of boards of examiners, Civil Service Commission. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 32, relating to the use of funds for administrative expenses in connection with the city of East Peoria sewage project, Public Works Administration liquidation. The managers on the part of the House will move to recede and concur.

Amendment No. 46, relating to the Office of the Housing Expediter. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 52, relating to the acquisition of land by the National Advisory Committee for Aeronautics. The managers on the part of the House will move to recede and concur.

Amendment No. 54, relating to salaries and expenses, war records, National Archives. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 56, relating to land acquisition, National Capital Park and Planning Commission. The managers on the part of the House will move to recede and concur.

Amendment No. 63, relating to new ship construction, United States Maritime Commission. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 74, relating to the education or training of certain veterans. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 76, relating to grants to the Republic of the Philippines for hospitals and medical care of certain veterans. The managers on the part of the House will move to recede and concur.

Amendment No. 77, relating to the use of funds appropriated to the Atomic Energy Commission to confer fellowships. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 85, relating to the liquidation of accounts by the Home Owners' Loan Corporation. The managers on the part of the House will move to recede and concur with an amendment.

ALBERT THOMAS,
ALBERT GORE,
GEORGE ANDREWS,
CLARENCE CANNON,
FRANCIS CASE,
JOHN PHILLIPS,
Managers on the Part of the House.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 7, 7½, 32, 52, 56, and 76 be considered en bloc. They are technical amendments, and have been agreed to by both bodies.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, these are largely changes in the numbers of sections, and things of that sort.

Mr. THOMAS of Texas. That is correct.

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

There was no objection.

The Clerk read as follows:

Senate amendment No. 7: Page 10, line 6, after the word "responsibility" insert ": *Provided further,* That not to exceed $2,700,000 of the amount herein appropriated may be transferred to the Department of the Navy for the acquisition, construction, and installation, at a location to be determined, of facilities (including necessary land and rights pertaining thereto) to replace existing Navy facilities at Arco, Idaho, which latter facilities are hereby authorized to be transferred by the Secretary of the Navy to the Commission for its purposes."

Senate amendment No. 7½: Page 10, line 14, insert ": *Provided further,* That no part of this appropriation or contract authorization shall be used—

"(A) to start any new construction project for which an estimate was not included in the budget for the current fiscal year;

"(B) to start any new construction project the currently estimated cost of which exceeds the estimated cost included therefor in such budget; or

"(C) to continue any community facility construction project whenever the currently estimated cost thereof exceed the estimated cost included therefor in such budget;

unless the Director of the Bureau of the Budget specifically approves the start of such construction project or its continuation and a detailed explanation thereof is submitted forthwith by the Director to the Appropriations Committees of the Senate and the House of Representatives and the Joint Committee on Atomic Energy; the limitations contained in this proviso shall not apply to any construction project the total estimated cost of which does not exceed $500,000; and, as used herein, the term "construction project" includes the purchase, alteration, or improvement of buildings, and the term "budget" includes the detailed justification supporting the budget estimates: *Provided further,* That whenever the current estimate to complete any construction project (except community facilities) exceeds by 15 percent the estimated cost included therefor in such budget or the estimated cost of a construction project covered by clause (A) of the foregoing proviso which has been approved by the Director, the Commission shall forthwith submit a detailed explanation thereof to the Director of the Bureau of the Budget and the Committees on Appropriations of the Senate and of the House of Representatives and the Joint Committee on Atomic Energy."

Senate amendment No. 32: Page 21, line 6, after the word "year," insert "including not to exceed $1,200 for administrative expenses in connection with the city of East Peoria sewage project."

Senate amendment No. 52: Page 44, line 21, insert "including the acquisition of that part of Wallops Island, Accomac County, Va., not presently owned by the Government, and not to exceed 1 acre in the vicinity of Wallops Island, Accomac County, Va., adjoining land heretofore acquired by the Government."

Senate amendment No. 56: Page 47, line 8, strike out "*Provided,* That not exceeding $25,000 of funds available during the current fiscal year may be used for personal services" and insert "*Provided,* That not exceeding $29,000 of the funds available under the above appropriation during the current fiscal year may be used for regular and part-time personal services of the Commission, excepting services by contract."

Senate amendment No. 76: Page 65, line 5, insert:

"Grants to the Republic of the Philippines: For payments to the Republic of the Philippines of grants in accordance with the act of July 1, 1948 (Public Law 865), for (a) construction and equipping of hospitals, $9,400,000, to be immediately available and to remain available until expended, and (b) expenses incident to medical care and treatment of veterans, $3,285,000."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendments.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede and concur in Senate amendments Nos. 7, 7½, 32, 52, 56, and 76.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 2, line 20, after the semicolon, insert "not to exceed $500,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions when requested by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "not to exceed $250,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions involving national security when required by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

The motion was agreed to.

The SPEAKER pro tempore (Mr. COOPER). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 14, line 12, after "1943" insert ", or for the compensation or expenses of any member of a board of examiners who has not filed an affidavit that he is not, and within the fiscal years 1948 or 1949, has not been, pecuniarily or otherwise interested in any proceeding before any agency (as defined in section 2 of the Administrative Procedure Act), or any other proceeding to which the United States is a party."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ", or for the compensation or expenses of any member of a board of examiners (1) who has not made affidavit that he has not appeared in any agency proceeding within the preceding 2 years, and will not thereafter while a board member appear in any agency proceeding, as a party, or in behalf of a party to the proceeding, before an agency in which an applicant is employed who has been rated or will be rated by such member; or (2) who, after making such affidavit, has rated an applicant who at the time of the rating is employed by an agency before which the board member has appeared as a party, or in behalf of a party, within the preceding 2 years: *Provided*, That the definitions of 'agency,' 'agency proceeding,' and 'party' in section 2 of the Administrative Procedure Act shall apply to these terms as used herein."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 46, page 40, line 25, insert the following:

"OFFICE OF THE HOUSING EXPEDITER

"Salaries and expenses, Office of the Housing Expediter: For expenses necessary to carry out the functions of the Office of the Housing Expediter, including personal services in the District of Columbia; attendance at meetings of organizations concerned with rent control; hire of passenger motor vehicles; printing and binding; purchase of newspapers (not to exceed $10,000); services as authorized by section 15 of the act of August 2, 1946 (5. U. S. C. 55a); not to exceed $5,000 for payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 2672); and health service program as authorized by law (5 U. S. C. 150); $21,667,500: *Provided*, That as to cases involving the functions transferred to the Office of the Housing Expediter by Executive Order 9841, section 204 (e) of the Emergency Price Control Act of 1942, as amended, shall be considered as remaining in full force and effect during fiscal year 1950."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In line 13 of said amendment, strike out the sum "$21,667,500", and insert "$17,500,000."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 54, page 45, line 22, insert the following:

"Salaries and expenses, war records: For expenses necessary for the preparation of guides and other finding aids to records of the Second World War, including personal services in the District of Columbia; arranging, titling, scoring, processing, editing, duplication, reproduction, and authentication of photographic and other records (including motion-picture and other films and sound recordings); printing and binding; a health service program as authorized by law (5 U. S. C. 150); and payment of tort claims pursuant to law (28 U. S. C. 2672); $150,000, of which not to exceed $15,000 shall be available immediately."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In line 10 of said amendment, following the semicolon, strike out the remainder of the line and all of line 11 down to the period and insert in lieu thereof the following: "$100,000: *Provided*, That this appropriation shall be consolidated with the appropriation 'Salaries and expenses, National Archives', and accounted for as one fund."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 63: Page 55, line 1, insert the following: "no part of this contract authority shall be used to start any new ship construction for which an estimate was not included in the budget for the current fiscal year, or to start any new ship construction the currently estimated cost of which exceeds by 10 percent the estimated cost included therefor in such budget, unless the Director of the Bureau of the Budget specifically approves the start of such ship construction and the Director shall submit forthwith a detailed explanation thereof to the Committees on Appropriations of the Senate and of the House of Representatives; and, as used herein, the term 'budget' includes the detailed justification supporting the budget estimates: *Provided further*."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In line 4 of said amendment, after the comma, strike out the word "or" and insert "nor" and in line 7, after the word "budget," strike out the comma.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 74: Page 63, line 7, after the word "occupation" strike out the balance of the line, and the word "recreational" on line 8, and insert "shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate, in the form of an affidavit supported by two corroborating affidavits, has been furnished by a physically qualified veteran stating that such education or training is desired by him for use in connection with his present or contemplated business or occupation."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further*, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

"(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of this act;

"(2) For any course of education or training for which the Administrator determines that the educational or training institution involved has no customary cost of tuition until the Administrator and the educational or training institution have agreed upon a fair and reasonable rate of payment for tuition, fees, or other charges for such course. The term 'customary cost of tuition' as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a 'customary cost of tuition' for the course or courses in question in the following circumstances:

"(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended, and.

"(b) One of the following conditions prevails:

"(1) The institution has been established subsequent to June 22, 1944.

"(2) The institution although established prior to June 22, 1944, has not been in continuous operation since that date.

"3. The institution although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"4. The course was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944.

"(3) For any veteran after the date of enactment of this act to reenter training, or change a course, except where such reentry or change of course is based upon the recommendation of the Administrator following advisement and guidance: *Provided further*, That nothing in the foregoing proviso shall

be construed to affect any litigation pending at the date of approval of this act."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 77: Page 67, line 1 insert:

"SEC. 102. (a) No part of any appropriation contained in this title for the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Federal Bureau of Investigation on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained in this title shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law."

Mr. CASE of South Dakota (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD; and in this connection I would merely like to point out that it is the amendment which deals with fellowships issued by the Atomic E..ergy Commission and is in addition to the provision with regard to the general loyalty test on salaries, wages, and so forth.

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

There was no objection.

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In line 1 of said amendment, strike out "SEC. 102. (a)", and insert:

"SEC. 102-A."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 85: Page 74, line 25, insert "expenses (including personal services) in connection with the termination or liquidation of accounts carried on the books of the corporation."

Mr. THOMAS of Texas. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. THOMAS of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows: Before the comma at the end of the matter inserted by said amendment, insert the following: "not to exceed $300,000."

Mr. THOMAS of Texas. Mr. Speaker, I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Mr. Speaker, this is the final action in the consideration of the conference report, and with the adoption of this motion House action on the independent offices appropriation bill will be completed.

I merely want to call the attention of the Members of the House to the fact that a very substantial reduction has been made under the budget estimates both in the bill as it passed the House and now in its final form.

The bill as it passed the House carried a reduction of $672,060,277 below the budget estimates. In the Senate the bill passed with a reduction of $387,914,507. In the final action which will be agreed to when this next motion prevails there will be a total reduction in cash and contract authority of $517,414,841 below the budget requests.

That, I believe, both in the dollar reductions and in percentage cuts, leads the list for appropriation bills thus far acted upon.

The result is due to the thorough hearings which our chairman conducted and to the earnest efforts of all concerned, including our very able clerk, William Duvall. We also had very pleasant relations in the conference with the other body and were able to reach agreement on all items in 3 days.

Under permission to extend my remarks I will include this summary of comparative totals:

Final status of appropriations and contract authorization in the independent offices appropriation bill, 1950

Total amount of budget estimates considered	$8,051,343,830
Total amount agreed to by conferees	7,617,739,361
Net reduction in budget estimates	—433,604,469
Amount of contract authority submitted in budget estimates	536,000,000
Amount of contract authority agreed to by conferees	452,189,628
Net reduction in contract authority	—83,810,372
Total cash and contract authority in budget estimates	8,587,343,830
Total cash and contract authority agreed to by conferees	8,069,928,989
Total reduction in cash and contract authority agreed to by conferees	—517,414,841
In House:	
Amount of budget estimates considered	7,775,566,830
Amount included in bill	7,103,506,553
Reduction made in budget estimates	—672,060,277
In Senate:	
Amount of budget estimates considered	$8,051,343,830
Amount included in bill	7,663,429,323
Reduction made in budget estimates	—387,914,507

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD to indicate my opposition to the Arco project in Idaho.

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

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I am very much disturbed to find, in this report and bill brought before the House, that language has been inserted by the Senate which approves the acquisition of Navy land at Arco, Idaho, by the Atomic Energy Commission and thereby gives approval to the AEC selection of Arco as the site for the nuclear reactor plant.

Mr. Speaker, as it is impossible for me, under the rules of the House, to offer an amendment to the conference report on the independent offices appropriation bill—which includes funds for the Atomic Energy Commission—I will vote against it. I feel that the AEC has entirely too much power and authority and the classic example of this is the way it substituted Arco, Idaho, for Fort Peck, Mont., as the site for the nuclear reactor plant. Therefore, I want to see the Atomic Energy Commission stripped of its unequaled powers by reducing it to a par with other Federal agencies which are subject to congressional checks.

At present, the AEC has blanket authority to do just about anything it wants to do. We should take away its power to put atomic plants where it pleases. I advocate this because the AEC made a mistake when it selected Arco, Idaho, as the site for a nuclear reactor plant over Fort Peck, Mont., which had every advantage to make this plant a feasible one. We, of Montana, feel that decisions of this kind should not be within the hands of one man, a commission, or any other such group but that Congress should pick the sites and approve the project.

The facts, in this particular case, indicate very clearly that the Fort Peck site was the superior one and should have been retained over Arco. The hearings before the Joint Atomic Energy Committee proved by all the rules of logic and common sense, that Fort Peck should have been selected as the location for the nuclear reactor plant. I am voting against this conference report today in protest against the slipshod methods used by the AEC in determining the site of this plant and in the hope that, in the future, Congress will pick the sites and retain the power of final approval.

EXTENSION OF REMARKS

Mr. PHILLIPS of California asked and was given permission to extend his remarks in two separate instances in the Appendix, in one to include an editorial and in the other a quotation.

THE WORK OF THE SUBCOMMITTEES OF THE HOUSE COMMITTEE ON APPROPRIATIONS

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

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

There was no objection.

Mr. PHILLIPS of California. Mr. Speaker, in concluding the independent offices appropriation bill I wish to call your attention to the fact that two subcommittees of the House Committee on Appropriations, a total of 10 men have the job of revising and studying approximately 60 percent of the Federal budget. It is a heavy responsibility. Mr. Speaker, the Subcommittee on the Armed Services is one and the Subcommittee on Independent Offices is the other The latter committee has the budgets for approximately 40 agencies, departments, and subsidiary parts of departments and agencies. I wish to take this opportunity to cite the fact that if it had not been for the ability of the chairman of the committee, the gentleman from Texas [Mr. THOMAS] and for the willingness of the other members of the subcommittee to work continuously and as hard as they did it would have been a very difficult matter.

I rise to express my appreciation of the chairman's work and my pleasure in working with the other four members of that subcommittee.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. As I understand it, the House agreed with the Senate in larger estimates for national life insurance?

Mr. PHILLIPS of California. That is correct.

Mrs. ROGERS of Massachusetts. I am very glad of that and also that there was more of an appropriation for hospital beds than appeared in the House bill.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. There was a supplemental estimate which went before the Senate. The Senate figures on national life insurance represented largely the increased deposits in the supplemental estimate.

Mrs. ROGERS of Massachusetts. They will be paid much more quickly, and should be.

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

MINORITY VIEWS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that certain members of the Committee on Foreign Affairs may have until midnight tonight to file minority or separate views on the bill, H. R. 5895.

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

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. THOMAS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have two legislative days in which to extend their remarks on the conference report on H. R. 4177.

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

There was no objection.

SPECIAL ORDER GRANTED

Mr. MULTER. Mr. Speaker, I have a special order for today. I ask unanimous consent that that be transferred to tomorrow for 20 minutes after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a memorial address delivered at the Arkansas Medical Society meeting and in the other to include an article that appeared in the Southern Medical Journal by Dr. Lowry H. McDaniel entitled "The Doctor's Heart."

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include excerpts.

Mr. HEDRICK asked and was given permission to extend his remarks in the RECORD and include a statement by Soterios Nicholson entitled "What Is the Future of the World?"

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

COMMITTEE ON RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file two reports.

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

There was no objection.

SPECIAL ORDER

The SPEAKER pro tempore. Under special order heretofore entered, the gentleman from Georgia [Mr. DAVIS] is recognized for 20 minutes.

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks and to include at the end of his remarks an article appearing in the July issue of the American Bar Association Journal.)

LEGISLATING JUDICIALLY

Mr. DAVIS of Georgia. Mr. Speaker, in the July 1949 issue of the American Bar Association Journal, beginning on page 555, there is an article by Richard C. Baker, associate professor of political science at Drake University, entitled "Legislating Judicially: Should the Power of Judicial Review Be Curbed?"

This is a very timely article regarding instances in which legislative functions have been usurped by the judicial department. The article deals specifically with three comparatively recent decisions rendered by the Supreme Court of the United States.

Usurpation of legislative functions by the judiciary is a practice which has been increasing in recent years. It is a practice which is in conflict with the basic principles upon which our system of government was established. It presents a serious threat to the methods devised by the founders of our Government to protect liberty and freedom through the proper functioning of three separate and independent departments of Government—legislative, executive, and judicial.

The three cases referred to by Professor Baker in his article are only a few of the recent cases in which action amounting to judicial legislation has been indulged in by the Supreme Court. In the 12-year period from 1937 to 1949 at least 30 decisions were rendered by the Supreme Court—and these do not include the three cases mentioned by Professor Baker—each of which overruled a previous decision of the Supreme Court. These 30 overruled decisions had stood for varying lengths of time, ranging from 1 year to 95 years.

In addition to the Court's action in directly overruling established precedents, substantial changes in the law were accomplished without overruling existing decisions, which action amounted to all intents and purposes to judicial legislation.

It is time for the bar of the Nation to take note of this practice. It is time for Congress to take note of it, and time for the people to take note of it.

It is important that adequate protection be afforded from those—whether they be zealots, fanatics, or merely well-meaning judges—determined to force radical doctrines upon an unwilling, but helpless, citizenry. The people of America realized the dangers of this procedure in the thirties when the Executive undertook to pack the Supreme Court with a personnel willing to upset established precedents and to change the meaning of our Constitution. A storm of protest was aroused by the proposal. It is a dangerous thing for judicial appointments to be based upon political considerations and for men to be appointed to the Supreme Court because they are willing to collaborate, through judicial decisions, in the establishment of new political philosophies.

One of the evils of such a system is that it destroys respect for both the courts and the law.

The decision of such a Court have no permanent value as precedents.

Under our system they must be followed until reversed, but there is no real respect for them. They are recognized for what they actually are, not as sound law, but as arbitrary statements of a branch of the Government, which, for the time being, has the power to enforce its will upon the citizens, whether rightly

or wrongly. This sort of judicial action has evoked criticism even from members of the Court. In commenting on the value of such decisions as legal precedents, Justice Roberts made a pertinent and, to my mind, very appropriate statement. This was in the case of *Smith* v. *Allwright et al.* (321 U. S. 649) going up from the Fifth Circuit Court of Appeals—a Texas case—wherein, on page 669, he said:

> The reason for my concern is that the instant decision overruling one announced about 9 years ago tends to bring adjudications of this tribunal into the same class as a restricted railroad ticket, "Good for this day and train only."

Professor Baker in this article points out the need for curbing the misused power of the Court. One possible solution suggested is to deprive the Court of the power to pass upon the constitutionality of legislation, and let the legislative department perform that function.

That is not in keeping with our system of checks and balances. But, neither is the usurpation of legislative functions by the judiciary in keeping with our system of checks and balances.

Certainly, if that plan should be adopted, it would be difficult, if not impossible, for the Congress to reach more erroneous conclusions in interpreting the Constitution than some of those which have recently been announced by the Supreme Court.

The wisdom of the ages is contained in the body of the law. It is, of course, subject to change and modification. It is also appropriate to reexamine, from time to time, decisions construing the Constitution. However, I do not hesitate to say that when the time comes to change existing statutes, these changes should be made by the legislative branch of the Government; namely, the Congress. When the time comes to change existing provisions of the Constitution, that instrument itself provides a definite and distinct method of change by amendment. Such method of change by amendment will reflect the will and desire of a majority of the people. In my opinion, it never was, and is not now, a proper function of the Supreme Court to render decisions the substantial effect of which is to amend the Constitution. The Supreme Court has authority to construe the Constitution—not to amend it.

One of the principal reasons that liberty has survived in America, while perishing in nearly every other section of the world, is that our Government has been a government of laws and not a government of men.

The function of the judiciary is to construe language which needs construction. It possesses no authority to palm off on the people, as the law of the land, the personal views and political philosophies of those who happen for the moment to constitute the personnel of the Court. Such action is directly destructive of our efforts to maintain our Government as a government of laws and not of men.

In an address on July 29, 1949, Donald R. Richberg said to the Virginia State Bar Association at their annual meeting:

> As an active practitioner, and a prospective teacher, of constitutional law I must make a clear distinction between what the law is and what the law ought to be. The Supreme Court is the final arbiter of what the law is. But the people are the final arbiter of what the law ought to be and eventually shall be. If they believe that the National Government should have and exercise greater powers to promote the general welfare, they will find the way to enlarge its authority. If they believe that more local self-government is essential to their liberties and their pursuit of happiness, they will find the way to enlarge the authority of the States and the municipalities.

Members of the bar are usually the first to take notice of any encroachment upon the rights of the citizen, and the first to resist improper use of authority or illegal exercise of powers. It is gratifying that through the State bar associations and the American Bar Association, the attention of the legal profession is being directed to the activities of the Supreme Court. An aroused bar can do much toward requiring the Supreme Court to stay within its proper sphere, even though it may chafe with impatience at the somewhat slower approach of the millenium through constitutional channels.

Professor Baker's article which appeared in the July American Bar Association's Journal is as follows:

LEGISLATING JUDICIALLY: SHOULD THE POWER OF JUDICIAL REVIEW BE CURBED?

(By Richard C. Baker, associate professor of political science at Drake University)

(A recent decision of the United States Supreme Court—*Shelley* v. *Kraemer* (334 U. S. 1 (1947))—declared that restrictive covenants operating against Negroes and other minorities violated the fourteenth amendment, thus outlawing a usage of such covenants which is older than the Constitution itself. Professor Baker uses this, along with the Everson and McCollum cases to demonstrate how the Supreme Court is using its power of judicial review to decide policy questions that are legislative in nature. He suggests that this is inherently undemocratic, and that the Court's power to legislate can be eliminated either by constitutional amendment or by a statute depriving the Supreme Court of its jurisdiction to hear constitutional law cases.)

"Judges ought to remember that their office is jus dicere, not jus dare: to interpret law and not to make law or give law." So wrote Sir Francis Bacon, eminent statesman and philosopher, several centuries ago. The charge is frequently made today that members of the Supreme Court have long since forsaken this injunction, and are now gradually invading the legislative domain. It is alleged that under the guise of construing the Constitution they are in reality creating law. The specific provision which the Justices generally invoke when they undertake to legislate judicially is the vague and nebulous due-process clause of the fourteenth amendment. What they do is to give this section an interpretation which coincides with their own social and economic views.

Among numerous cases recently decided by the Supreme Court, two in particular lend support to the above allegations. One [1] of these concerned the use of tax-supported school buildings for incidental religious purposes; the other [2] dealt with restrictive covenants directed primarily against Negroes. The usages involved in both cases existed long before the Constitution was adopted, were in force when the fourteenth amendment was proposed, and prevailed for seven decades after that amendment was ratified. Furthermore, very few, if any, of our legislatures had seen fit down through the years to change substantially these practices. Of equal significance is the fact that nearly all pertinent court decisions, Federal and State alike, had repeatedly sanctioned them.

But approximately a year ago, the Supreme Court suddenly announced that the further employment of public school property for religious functions was invalid,[3] and that the covenants in question were no longer enforceable by judicial process. In both instances it relied upon the due-process clause as justification for its rulings. The interdiction in the first case came as a distinct surprise to many, for shortly before it was rendered, the Court had upheld the expenditure of tax money to purchase books and furnish transportation for students attending certain sectarian schools.

In the two cases just mentioned, policies of long standing were in issue. What the Court did by its decisions was to reverse those policies. In so doing, it slipped "into the judgment seat of the legislatures"; it became in fact a legislative tertium quid capable of vetoing the work of our duly elected deliberative bodies. Action of this nature by whomsoever exercised smacks of making legislation and not of construing it.

EITHER STATUTE OR AMENDMENT COULD CHECK COURT'S POWER

This perversion of the Supreme Court's judicial power to legislative purposes could be checked either by an amendment to our organic instrument or by an ordinary statute. An amendment could deny the judiciary authority to refuse enforcement of a law on the ground that it is repugnant to the Federal Constitution. A statute could take from the Court its jurisdiction to hear constitutional questions.

The elimination of the Court's power of review would make the Legislature to a large extent the judge of the validity of its own enactments. Such a situation, some contend, should never be tolerated. Lawmakers are naturally biased in favor of their own measures. Moreover, few of them are skilled in the science of constitutional analysis. Then too, they voice the sentiments of only a temporary and perhaps scant majority of voters. The judiciary, on the other hand, is not embarrassed by any handiwork which might be at variance with the fundamental law; its members are well trained in the field of legal interpretation; and it speaks the will of the entire American people as manifested in the Constitution itself.

The foregoing argument would have carried great weight years ago when the Court adhered to the doctrine of stare decisis in reaching its decisions. It then leaned heavily on time-honored legal precedents, and gave little or no heed to the opinions of transient majorities. In recent times, however, the Court has proceeded on the notion that it should disregard the past when expounding the supreme law, and should reinterpret that document in the light of existing conditions and attitudes. Many words and phrases do not have the same connotations which they had a hundred or even 25 years ago, and ought now be given the meaning which the people of this generation attribute to them.

Granted that this later philosophy is correct, one phase of it in particular needs clarification. It is not clear just who are these people whose opinions the Court is supposed to express when it construes the Constitution. Do they constitute a simple, a two-thirds, or a three-fourths majority of the whole population? Or do they consist of the same kind of a majority which it takes to amend our national charter?

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[1] *Everson* v. *Board of Education* (330 U. S. 1 (1947)).

[2] *Shelley* v. *Kraemer* (334 U. S. 1 (1948)).

[3] *Illinois ex rel. McCollum* v. *Board of Education* (332 U. S. 203 (1948)).

Logic would seem to dictate that when the Court overturns well-established rules of constitutional law or passes on issues which have never been adjudicated, it is speaking for an "amending" majority. What the Court says in such a case is in effect this: We believe that if the people today were drawing a new constitution or were adding an explanatory amendment, they would write a provision containing the principles which we enunciate here. By the term "the people" we mean those who, if given the opportunity, would express themselves affirmatively through a two-thirds vote in each House of Congress and by majority votes in each chamber of three-fourths of our State legislatures.

APPLICATION OF THEORY IS IMPOSSIBLE

This theory is easy to state but almost impossible to apply as a practical matter. The main difficulty is that the Court, by the very nature of its office and duties, is poorly equipped for the roll of poll-taker, and hence must necessarily operate in the realm of conjecture whenever it undertakes to gage public opinion. From the isolation of its ivory tower it has scant opportunity for ascertaining whether its rulings represent the feelings of 10, 25, or 90 percent fo the population.

If the Court is to be deprived of its power to expound our highest law, this function must devolve upon someone else. A solution to the problem might be found in pursuing the practice used for generations in such countries as England and Canada. There, as in scores of other lands, the legislature in the first instance determines the scope of its authority, but if it exceeds that authority, it is reprimanded by the voters. Most nations employing this method do not seem to have suffered noticeably for having done so.

The practice of interpreting the Constitution according to the sentiments of a majority of the electorate as expressed through legislative bodies doubtless leaves much to be desired. But this type of opinion does have this much to be said for it: It is not the product of complete guesswork or surmise; nor does it represent a phantom majority which is totally incapable of being measured. On the contrary, it is fairly tangible, and can be calculated with some degree of accuracy.

Constitutional review of legislation is a more complicated matter here than it is abroad. In the first place, we have two sovereignties, National and State, which occasionally war over the distribution of power. When such a conflict occurs, a referee is indispensable, and the Supreme Court is perhaps in this one respect as good an arbiter as can be found. Yet, there is some question whether any Federal tribunal is suited for this task, for it would be, after all, the creature of one of the interested parties. A more equitable way to handle such a dispute might be to confide its determination to an agency controlled equally by both governments.

UMPIRE IS NEEDED FOR CIVIL LIBERTIES

In the second place, under our present system, our people possess certain civil liberties which are protected by the Federal Constitution from infringement by the States. Here again an umpire may be required, this time to keep the States in check. The Supreme Court, so its champions insist, is admirably qualified for this function. But in view of the fact that the Court now formulates its decisions either on the basis of an illusory public opinion or according to its own preconceived ideas of proper social and economic attitudes, it would appear that it has forfeited its claim as the appropriate organ for this purpose. Instead, it would be preferable either to return the safeguarding of civil rights to the States, to which it was originally committed by the fathers, or else entrust it to the care of the National Congress, which is ultimately responsible to the voting public.

Few will question that at times the majority will encroach upon the rights of minorities. But if we sincerely believe in the innate sense of fairness in our people, and feel that they are sufficiently intelligent to govern themselves according to the fundamental principles of justice, we must assume that they will not allow a serious grievance to go unrectified for long. We must take for granted that when they see their countrymen oppressed by unjust laws they will betake themselves to the polls and there in due time make everything right.

By way of recapitulation, it is submitted that if the doctrine of stare decisis is to be the guiding factor in construing the Constitution, the Court's power of judicial review might well be retained. But if our basic law is to be interpreted in the light of present day popular opinion, this same power should be eliminated. Should this second philosophy gain the ascendancy, the lawmakers initially, and the voters finally, ought to determine the validity of legislation.

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

NO UNITED STATES ARMS FOR BRITAIN TO KEEP IRELAND PARTITIONED

Mr. LANE. Mr. Speaker, there is considerable debate on MAP—military assistance program—the legislation designed to implement the Atlantic Pact and thereby contain Communist aggression.

The Congress is reluctant to make commitments over which it will have no further control. And rightly so. We want a break-down on how this money is going to be used. We do not want any boomerangs or kick-backs. We have no intention of writing a blank check only to find that arms aid employed for purposes which the American public will condemn.

As a specific instance, I have in mind the case of Great Britain. While we consider her to be an ally, and wish to make her defenses strong, we are opposed to the use of such arms as we provide her, to maintain existing wrongs, or to keep subject peoples under imperialistic control.

The six counties of Northern Ireland, called Ulster, by every political, geographical, and moral standard, should be joined to the Republic of Ireland. These counties were unnaturally severed from the entity called Ireland, many years ago. The policy of the British Government is to continue this division by force if necessary, and in defiance of world opinion.

It would be strange indeed, if money siphoned from the pockets of American taxpayers (so many millions of whom trace their ancestry to southern Ireland) was misused to perpetuate an ancient wrong.

It would constitute taxation without representation in a new, devious, and cruel form.

We are wide-awake to this possibility and are determined to avoid it. Any arms aid to Britain must be spelled out in detail to assure us that not one cent shall be used to garrison British troops in Ulster, or to provide them with one plane, one tank, or even one bullet.

Ireland is an island of one people with a common language and a common culture. It cannot be cut in half, and I suspect that the British, in the confidential discussions within their Government, grudgingly acknowledge this fact. With a perversity which bears no relation to modern realities, they cling to the theory of partition. That it is foredoomed to failure, is evident. But the mere prolongation of it is a wrong in which the people of the United States, even by indirection, will not participate.

If we are to rally the forces of free men we must be certain that they are free to begin with. If we do not, the Communists will mock our contradictions and undermine the strength of arms by weakening the morale of those who are supposed to use them in defense of their liberties.

Ireland is not free while partition deprives her of the six counties in the north. Ireland is the symbol of independence, but she has not achieved full independence. No other nation has a greater claim to be a member of the United Nations or the Western Alliance within its framework. We need her Christian faith and her indomitable love of freedom. We need all of it, not half of it. Complete sovereignty is being withheld from her by a nation which professes to be the champion of European democracy. While this condition exists, the over-all cause which we are trying to strengthen and inspire, is weakened by the cynicism and bad faith of Britain. We cannot gloss over this paradox. We cannot take the risk of sending arms to her which may be used to obstruct the unification of Ireland and thereby expose us to the ridicule of the world, because of our naivete.

I believe in the objectives of the Atlantic Pact and of the Military Assistance Program which is calculated to support it with material strength. But we must define its terms with more exactitude, lest these arms be used for ends which would betray that sense of justice and generosity which is instinctive in the American people. We believe in certain defensive measures as a step toward reconstruction and peace. But we insist that the aid we give shall not be used to promote oppression or as an excuse for maintaining an impossible status quo.

We are properly concerned with the dangers of Communist aggression, but what of the age-old aggression of Britain toward Ireland? Part of that wrong has been righted, but as long as Britain—by whatever subterfuge—keeps Ireland divided, part of that aggression continues. It is a situation which we do not condone—and can never encourage. But our attitude is not merely a negative one. The people of the present Irish Republic were aided in no small measure in their struggle for independence by the moral support and financial assistance of millions of their compatriots and sympathizers in the United States. We will not relax as long as Britain has a toehold on the Emerald Isle. The time and effort demanded of us by more critical world problems, will not divert our attention away from a wrong which was old when Russia was scarcely known—an injustice

which will never be rectified until Ireland is completely free.

This is a moral issue on which we will never compromise. In every dealing with the British Government we shall press for the one, decent and fair solution to the Irish question because it is inseparable from the truly democratic aspirations of the American people who learned from their own bitter experience that no nation can exist half slave and half free.

We have given billions to Britain in the hope of helping her to weather the economic problems which threaten her free institutions, and, if this policy succeeds, it will be beneficial to the United States, Britain, and other independent members of the family of nations in the search for the security and progress which depend on a system that will guarantee peace.

However, this cannot be taken to justify expenditures calculated to maintain Britain's grip on a remnant of Ireland.

To avoid any possible misunderstanding, and to make sure that military equipment provided under MAP shall only be used for the larger purposes of combating if need be, or, even better, of discouraging Russian aggression, it is imperative that we clearly designate those uses for which such arms shall not be used.

Not only the transfer of arms from our own stocks, but authorizations for new arms must meet these rigid limitations. There was much deserved criticism, for example, of the fact that the Dutch Government used Marshall plan aid to help its military program against the independence movement in Indonesia. This should put us on our guard when it comes to providing arms for the Atlantic Pact nations. Unless we are most specific, these arms can be used for strange ends, utterly at variance with our broad foreign policy. Such a result would be embarrassing, to say the least. It could place us in a most inconsistent light and so befoul us with contradictions that the world would lose faith in our integrity. Without moral strength, all the money and all the material we authorize for defense of the Atlantic Pact nations will be external only, without the all-important inner strength, or will-to-resist.

Any plan for defense of western Europe is weak that does not include Ireland both as a base covering important air and sea lanes, and as a people who have liberties to fight for.

That important link in the chain of defense is vulnerable while Britain persists in maintaining an artificial cleavage between the Republic of Ireland and Ulster, thereby denying to the people of all Ireland that unity and that complete independence upon which the spirit of a freedom-loving people depends.

It is important that a clause be written into that section of the arms-aid program which applies to Britain, barring any employment of such funds or materials for use in Ulster, for such use could only be construed as a roadblock against the realization of all Ireland's legitimate ambition to be one, as she was in the beginning.

Look at the map before passing MAP. Do not authorize a military assistance program for Britain that establishes a base of imperialism in the six counties of Ulster and thus further delay the inevitable unification of Ireland. Do not permit arms aid to obstruct the evolution of democracy and the liberation of the Irish people.

Draw the line against abuses.

Do not help to fortify Ulster until partition is ended.

The SPEAKER. Under the previous order of the House the gentlewoman from Massachusetts is recognized for 10 minutes.

PSYCHOLOGICAL WARFARE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am recommending a measure for enactment by the Congress providing for a Department of Psychological Warfare. I am introducing such a resolution.

Psychological warfare is no new thing. It is as old as history; certainly, as old as written history. Joshua at Jericho employed the sounding of horns and the rhythmic chanting of the multitude. It has been successfully used by Caesar, by Napoleon, by Grant, by Sherman; in World War I and in World War II.

In spite of its widely acknowledged effectiveness, psychological warfare techniques have been dropped upon the advent of peace by most nations, with, of course, the outstanding exception of the Soviet Union. Then, when later emergencies arose, it was necessary to rediscover and reactivate. They should have been available immediately upon the outset of these crises.

This pattern of forgetting and rediscovery brings about a wasteful repetition of trial and error. What Mr. Creel learned in World War I was not relearned by Mr. Davis in World War II until after the defeat of Rommel in North Africa.

Many of us believe that psychological warfare, as employed by the United States, is successful when it is operated by an independent civilian agency. Psychological warfare, as employed by the United States, must be a cooperative effort between that civilian agency, the National Military Establishment, and the Department of State. Psychological warfare, as employed by the United States, will be effective if its chief administrator enjoys the support and confidence of the President and the Congress. Psychological warfare, as employed by the United States, can succeed only if its personnel for operations is chosen for loyalty, ability, and experience. And the greatest of these qualifications is loyalty.

Psychological warfare, if employed by the United States, will be effective in proportion to the rising tide of our military victories. Our present concern with psychological warfare is, I believe, the existing state of cold war between the United States on the one hand and the Soviet Union on the other that brought about the universal comparison between the techniques employed. In some phases of peacetime psychological warfare the U. S. S. R. has certainly been found wanting. In other phases this Nation has also been found wanting.

Our State Department has received greater appropriations to carry on peacetime psycholgoical warfare than at any other comparable time in history. Our psychological-warfare agency within the State Department has been seriously hampered because it is not an independent civilian agency. Our psychological-warfare agency has no official spokesman to make clear the policies of this Nation to other nations. Our psychological-warfare agency has no official broadcasting station for foreign lands; no Radio Washington.

While Soviet Russia has Radio Moscow, U. S. S. R., France has Radio Paris, Italy has Radio Rome, and Radio Riga is one of the most powerful Baltic States radios, it is appalling to my mind, Mr. Speaker, that the United States has no Radio Washington, no official radio broadcasting station.

The State Department, through Mr. Block and Mr. Stone, are probing psychological-warfare problems.

The National Military Establishment is also engaged in looking into the psychological-warfare situation.

There, however, is no coordination of presently conducted psychological warfare researches in our country. Congress has not been asked to cooperate or to coordinate.

The remarkable success of psychological warfare secured by Admiral Ellis Zaharias in our war with Japan, World War II, proves what can be accomplished in wartime. It was even put by some that the use of the atomic bomb was unnecessary to secure surrender by the Japanese. I believe war can be averted by peacetime psychological warfare if backed up by an adequate military preparedness.

My resolution will create a special committee on psychological warfare to coordinate the efforts of individuals and agencies now independently investigating the problems of psychological warfare; to study the effectiveness of peacetime psychological warfare within the Department of State, and the possible effectiveness of its operation in an independent agency; to investigate and to study how a civilian psychological warfare agency may more efficiently work with the National Military Establishment toward victory should a national emergency arise; to make recommendations to the Congress of the United States, more particularly to the House of Representatives, regarding the peacetime effectiveness and the wartime activization of a civilian psychological warfare agency.

Mr. Speaker, I ask unanimous consent to proceed on another subject at this time.

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

There was no objection.

TRANSPORTATION FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, 98 Members of the Senate have voted unanimously to report out a bill to provide transportation for amputees.

The House committee during the last session reported such a bill, and I am hoping that on tomorrow the Committee on Veterans' Affairs will report out another similar bill.

Since the very beginning of our country one who had lost an arm or leg was given more compensation and more consideration than any other wounded soldier.

Mr. Speaker, anyone who has had a man or woman in his own family who has suffered an amputation knows there is great distress in the family for that reason. An adjustment has to be made. Anyone who has gone into the hospitals during this recent heat wave and has seen the amputees, anyone who has seen men having difficulty getting about, especially during the heat, with artificial arms and legs realize the great need there is to provide transportation for these most severely wounded war veterans.

Everyone acknowledges that while the veteran amputees are extremely gallant and they are extremely cheerful, there is the psychological handicap that also has to be overcome.

I believe the House in its wisdom will pass the Senate bill and grant this assistance.

Is the House less sympathetic than the Senate in the rehabilitation of these amputees and blind and paraplegics. I believe it will.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BREEN (at the request of Mr. YOUNG), indefinitely, on account of illness.

To Mr. MILES, for an indefinite period, on account of official business.

To Mr. WORLEY, for 1 week.

To Mrs. WOODHOUSE, indefinitely, on account of official business.

To Mr. MAGEE, for Monday to Thursday, August 15 to 18, inclusive, on account of official business.

EXTENSION OF REMARKS

Mr. FURCOLO (at the request of Mr. PRIEST) was given permission to extend his remarks in the RECORD.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center; to the Committee on Armed Services.

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. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicenclo;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren;

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.; and

H. R. 2634. Act act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

The SPEAKER announced his signature to a joint resolution of the Senate of the following title:

S. J. Res. 79. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On August 10, 1949:

H. R. 1751. An act to transfer a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc., North Dakota.

On August 11, 1949:

H. R. 1516. An act to amend the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, so as to provide annual automatic within-grade promotions for hourly employees of the custodial service;

H. R. 1619. An act for the relief of Saint Elizabeth Hospital, Yakima, Wash., and others;

H. R. 1679. An act for the relief of Mrs. Skio Takayama Hull;

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. 1857. An act for the relief of the estate of Josephine Pereira;

H. R. 1993. An act for the relief of Samuel Fadem;

H. R. 2095. An act for the relief of the estate of Kenneth N. Peel;

H. R. 2214. An act to provide for the development, administration, and maintenance of the Suitland Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and for other purposes;

H. R. 2239. An act for the relief of the estate of W. M. West;

H. R. 2253. An act for the relief of the legal guardian of Arthur Earl Troiel, Jr., a minor;

H. R. 2344. An act for the relief of Charles W. Miles;

H. R. 2456. An act for the relief of Charlie Hales;

H. R. 2572. An act to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946;

H. R. 2602. An act for the relief of John B. Boyle;

H. R. 2608. An act for the relief of C. H. Dutton Co., of Kalamazoo, Mich.;

H. R. 2662. An act to grant time to employees in the executive branch of the Government to participate, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned to the United States for burial;

H. R. 2704. An act for the relief of Freda Wahler;

H. R. 2806. An act for the relief of Paul C. Juneau;

H. R. 2807. An act for the relief of Loretta B. Powell;

H. R. 2869. An act to authorize an appropriation in aid of a system of drainage and sanitation for the city of Polson, Mont.;

H. R. 5287. An act to amend title 28, United States Code, section 90, to create a Swainsboro Division in the southern district of Georgia, with terms of court to be held at Swainsboro;

H. R. 5365. An act to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State;

H. R. 5831. An act to exempt certain volatile fruit-flavor concentrates from the tax on liquors;

H. J. Res. 188. Joint resolution to provide for the coinage of a medal in recognition of the distinguished services of Vice President Alben W. Barkley;

H. J. Res. 242. Joint resolution extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad.

On August 13, 1949:

H. R. 1892. An act authorizing the Secretary of the Interior to issue to Lake County, Mont., a patent in fee to certain Indian lands;

H. R. 1997. An act to authorize the survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of such a national parkway, and for other purposes;

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. 2740. An act to authorize the establishment of fish hatcheries in the States of Georgia and Michigan; to authorize the rehabilitation and expansion of rearing ponds and fish-cultural facilities in the States of New York and Colorado; to authorize the Secretary of the Interior to undertake a continuing study of shad of the Atlantic coast; and to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes;

H. R. 4510. An act to provide funds for cooperation with the school board of Klamath County, Oreg., for the construction, extension, and improvement of public-school facilities in Klamath County, Oreg., to be available to all Indian and non-Indian children without discrimination; and

H. J. Res. 208. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Tuesday, August 16, 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:

863. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of $4,000, for the legislative branch, Architect of the Capitol (H. Doc. No. 307); to the Committee on Appropriations and ordered to be printed.

864. A letter from the Secretary of Agriculture, transmitting a report in accordance with section 3, Public Law 890, Eightieth

Congress, relative to the justification of this Department continuing to hold the alcohol plant at Omaha, Nebr.; to the Committee on Agriculture.

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. CANNON. Committee on appropriations. House Joint Resolution 339. Joint resolution amending an act making temporary appropriations for the fiscal year 1950, as amended, and for other purposes; without amendment (Rept. No. 1263). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 5931. A bill to establish a standard schedule of rates of basic compensation for certain employees of the Federal Government; to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees; to repeal the Classification Act of 1923, as amended; and for other purposes; with an amendment (Rept. No. 1264). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. H. R. 5895. A bill to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations; with amendments (Rept. No. 1265). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 5983. A bill to provide for the construction of certain Veterans' Administration hospitals, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FARRINGTON:

H. R. 5984. A bill to approve Joint Resolution 12 enacted by the Legislature of the Territory of Hawaii in the regular session of 1949, relating to the granting of land patents in fee simple to certain lessees under homestead leases; to the Committee on Public Lands.

By Mr. MILLER of California:

H. R. 5985. A bill to provide for retirement of certain Government employees in case of reductions in force; to the Committee on Post Office and Civil Service.

By Mr. SASSCER:

H. R. 5986. A bill to authorize the construction at Suitland, Md., of a building or group of buildings for the servicing and storage of film records; to the Committee on Public Works.

By Mr. SPENCE:

H. R. 5987. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BENNETT of Florida:

H. R. 5988 A bill authorizing the transfer of certain lands in Putnam County, Fla., to the State Board of Education of Florida for the use of the University of Florida for educational purposes; to the Committee on Public Lands.

By Mr. KEATING:

H. R. 5989. A bill to require persons who obtain commissions for rendering assistance in the obtaining of Government contracts to register with the Congress, and to establish in the General Services Administration an Office of Contract Information; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 5990. A bill to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; to the Committee on Public Works.

By Mr. WALTER:

H. R. 5991. A bill to promote the exploration, development, and conservation of certain resources in the submerged coastal lands and to provide for the use, control, and disposition of said lands and resources and of lands beneath inland waters; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5992. A bill to promote the exploration, development, and conservation of certain resources in the submerged coastal lands and to provide for the use, control, and disposition of said lands and resources and of lands beneath inland waters; to the Committee on the Judiciary.

By Mr. DOUGHTON:

H. R. 5993. A bill to amend the Internal Revenue Code and the Code of the District of Columbia with respect to the taxation of the salaries of employees of international organizations; to the Committee on Ways and Means.

By Mr. CASE of South Dakota:

H. R. 5994. A bill to repeal the excise tax on telegraph, telephone, radio, and cable service; to the Committee on Ways and Means.

By Mr. McDONOUGH (by request):

H. R. 5995. A bill to facilitate standardization and uniformity of procedure relating to determination and priority of combat connection of disabilities, injuries, or diseases alleged to have been incurred in, or aggravated by combat service in a war, campaign, or expedition; to the Committee on Veterans' Affairs.

By Mr. RAMSAY:

H. R. 5996. A bill to protect the national economy from excessive importations of vitrified and semivitrified dinnerware, kitchenware, art pottery, and blown and pressed glassware, and to aid domestic producers of such articles and the employees of such producers; to the Committee on Ways and Means.

By Mr. TALLE:

H. R. 5997. A bill to exempt certain nonprofit religious and charitable organizations from the tax imposed on billiard and pool tables; to the Committee on Ways and Means.

By Mr. DOUGHTON:

H. R. 6000. A bill to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; to the Committee on Ways and Means.

By Mr. DAWSON:

H. J. Res. 340. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

By Mr. DONDERO:

H. Res. 325. Resolution to authorize the Committee on Armed Services to investigate and study all facts relating to a certain contract for the manufacture of machinery for the Army and the reasons why such contract was not awarded to the lowest responsible bidder; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BRYSON:

H. R. 5998. A bill for the relief of John Sam Smith; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5999. A bill for the relief of Mr. and Mrs. A. C. Lupcho; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H. R. 6001. A bill to extend the time within which suit may be filed under the Federal Tort Claims Act on the claim of Luis Birriel; to the Committee on the Judiciary.

H. R. 6002. A bill for the relief of Francisco Colchero Arrubarrena; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 6003. A bill for the relief of John E. White; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 6004. A bill for the relief of Pietro Del Pozzo; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 6005. A bill for the relief of Moszko Wendrovnik; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 6006. A bill for the relief of Anthony Charles Bartley; to the Committee on the Judiciary.

H. R. 6007. A bill for the relief of Herminia Ricart; 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:

1410. By Mr. BENNETT of Florida: Memorial of the Florida State Legislature, directing the Secretary of State of Florida to memorialize the Congress to complete a four-lane highway from Jacksonville, Fla., to Los Angeles, Calif.; to the Committee on Public Works.

1411. By Mr. SMITH of Wisconsin: Resolution of the General Conference of the German Congregational Churches of the United States of America at its biennial meeting at Billings, Mont., June 15–19, 1949, urging their Senators and Representatives to do everything in their power to change the status of relatives and friends of German extraction who are suffering under the present law because they are being classified as "Volksdeutche" and therefore cannot be helped by the IRO, to that of "displaced persons"; to the Committee on the Judiciary.

SENATE

TUESDAY, AUGUST 16, 1949

(Legislative day of Thursday, June 2, 1949)

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

Rev. Robert N. DuBose, D. D., of the Association of American Colleges, Washington, D. C., offered the following prayer:

Most gracious God and Father, in whom dwelleth all fullness of light and wisdom, enlighten our minds, we beseech Thee, by Thy holy spirit, in the true understanding of Thy word. May we put our whole trust in Thee only, and so serve and honor Thee that all our lives may glorify Thy holy name and be profitable unto Thee.

We beseech Thee to bless all who give themselves to the service of their country and their fellow men. Endue them with wisdom, patience, and courage to